



CITY COUNCIL

WORKSHOP AND REGULAR MEETING AGENDA

May 7, 2025

7:00 PM

202 Railroad Avenue, Rifle, CO 81650

6:00 PM - Workshop Meeting

Discussion and Review

- a. Regional Transportation Discussion
- b. Birch Park Design and Construction Document Update

7:00 PM - Regular Meeting

- 1. **Call to Order**
- 2. **Roll Call**
- 3. **Pledge of Allegiance**
- 4. **Public Comment** *(Maximum time permitted for Public Comment is 3 minutes per person)
*(Reserved for general comments or items on the agenda that are not a public hearing)
- 5. **Consent Agenda**
 - 5.a. Consider Minutes of the April 16, 2025 Regular Meeting
 - 5.b. Consider Conveyance of Cemetery Space
 - 5.c. Consider Proclamation Recognizing National Police Week
 - 5.d. Consider Appointments to the Senior Center Advisory Board
 - 5.e. Consider the 2025 Intergovernmental Agreement for Mosquito Control with Garfield County
- 6. **Action, if any, on Workshop Items**
- 7. **Presentation**
 - 7.a. Proclamation Recognizing National Police Week
 - 7.b. Badge Pinning of Officer Dawson Hamilton

8. Regular Agenda

- 8.a.** Consider Purchase Order for Rifle Community Foundation
- 8.b.** Consider Habitat for Humanity Bond Issuance - Emergency Ordinance No. 7, Series of 2025
- 8.c.** Consider Approval of Xcel Energy Easement Request on Lift Station and Wastewater Treatment Plant Parcels
- 8.d.** Consider Approving the Street Light Installation Contract by Xcel Energy for the Park Avenue Extension
- 8.e.** Consider Purchase of Robotic Field Painter for Parks Department

9. Administrative Reports

- 9.a.** Report to City Manager

10. Comments from Mayor and Council

11. Adjournment

ACCESSIBILITY STATEMENT

The City of Rifle values full inclusion and access for all of our facilities, programs, activities and services. We are pleased to provide meaningful accommodations to comply with the Americans with Disabilities Act (ADA) and reasonably provide translation, interpretation, modifications, accommodations, alternative formats, auxiliary aids, and services. To request special assistance, call City Clerk Alexis Ramirez at 970-665-6405 or email our ADA Team at ADATeam@rifleco.org. Please allow 48 hours for your requests to be met.

La Ciudad de Rifle valora la plena inclusión y acceso para todas nuestras instalaciones, programas, actividades y servicios. Nos complace proporcionar alojamientos significativos para cumplir con la Ley de Estados Unidos con Discapacidades (ADA) y proporcionar razonablemente traducciones, interpretaciones, modificaciones, adaptaciones, formatos alternativos, ayudas auxiliares y servicios. Para solicitar asistencia especial, llame a la City Clerk Alexis Ramírez al 970-665-6405 o envíe un correo electrónico a el equipo ADA a ADATeam@rifleco.org. Por favor, permita 48 horas para que se atiendan sus solicitudes.



Agenda Item #a.

Agenda Item Name:

Regional Transportation Discussion

Presenter:

Patrick Waller, City Manager

Item Description:

Workshop Discussion

Recommended Action:

No action on Workshop items

Fiscal Impact:

N/A

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

Discussion regarding recent regional transportation meetings. This includes an update on a regional transportation meeting organized by Colorado River Valley Economic Development Partnership as well as a discussion with RFTA staff.

Notification Requirements:

No additional notice required.

Prepared By:

Patrick Waller, City Manager

Attachments:

None



Agenda Item #b.

Agenda Item Name:

Birch Park Design and Construction Document Update

Presenter:

Austin Rickstrew, Parks & Recreation Director

Item Description:

Birch Park Update

Recommended Action:

Discussion Only.

Fiscal Impact:

The current estimated cost for the two phases is approximately \$4,070,000.00

Operational Impact:

Staff has been working with Design Concepts to develop the design and construction documents for the Birch Park build out.

Prior Board Motions:

N/A

Background Information:

Staff will provide an update on the progress of creating design and construction documents for Birch Park.

Executive Summary:

The park is organized into two main phases:

Phase 1 features include the central plaza, playgrounds with poured-in-place surfacing, shade shelters, a pollinator garden, a mini-pitch field, pickleball courts, a multi-use field, and parking infrastructure. It also introduces accessible walking paths, seating areas, and a variety of site furnishings and landscaping.

Phase 2 focuses on expanding recreational amenities, a dedicated bike plaza with repair stations, shade shelters, an additional pollinator garden, and trail connections. This phase strengthens the park's role as a multi-generational, multi-season destination. Landscape elements include a mix of native seeding, sod, ornamental grasses, trees, shrubs, and boulder features. Safety, visibility, and user experience are further supported through lighting, fencing, and detailed site furnishings.

Notification Requirements:

N/A

Prepared By:

Austin Rickstrew, Parks & Recreation Director

Attachments:

1. 2025-04-11 Birch Park-100 DD Drawings Council Packet



DESIGN
CONCEPTS

Community + Landscape Architects

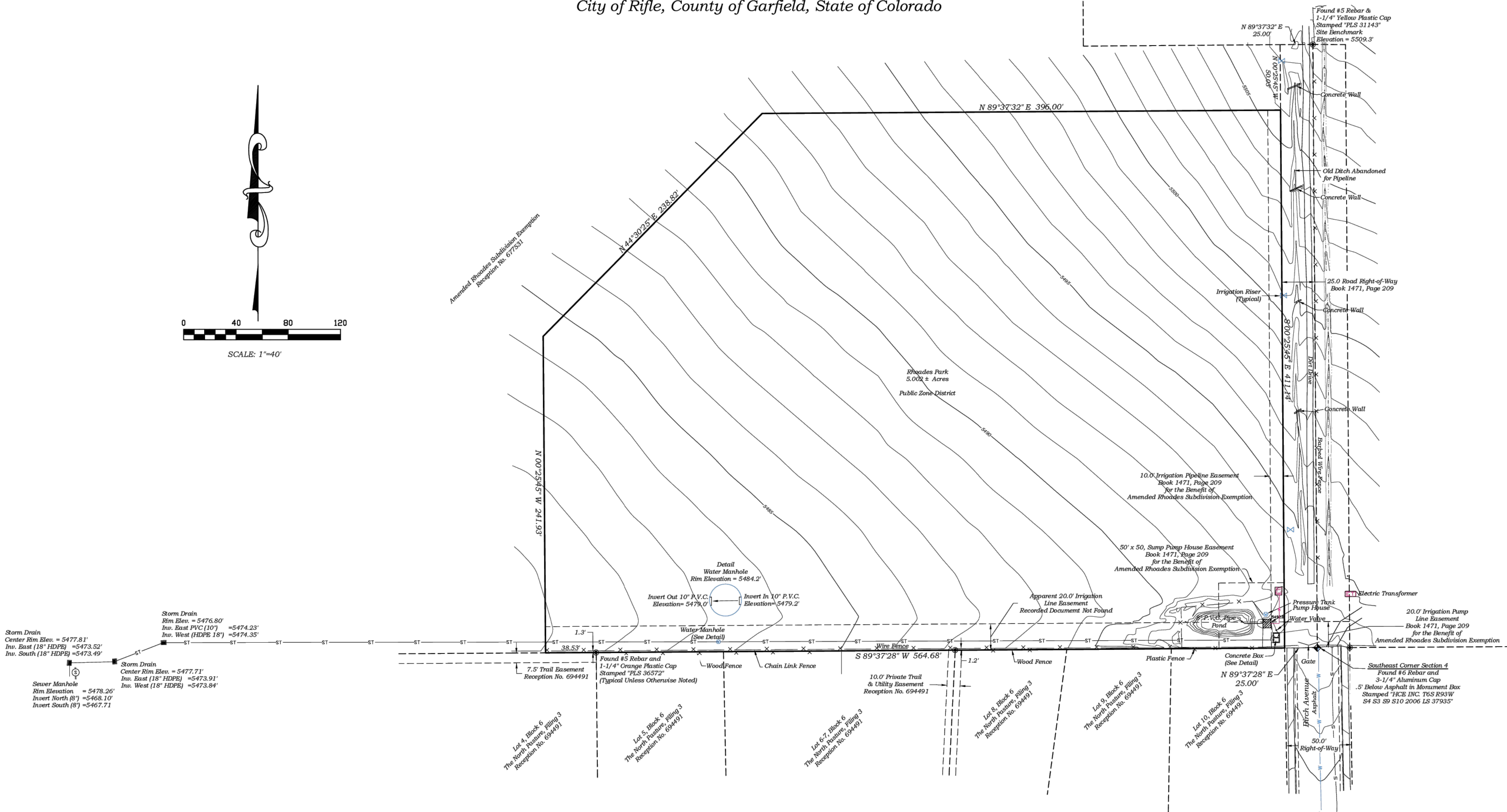
271 North Public Road, Suite 200
Lafayette CO 80026
303 664 5301 www.dcla.net

EXISTING CONDITIONS SURVEY

Rhoades Park

A Parcel of Land Situate in the SE1/4SE1/4 of Section 4, Township 6 South, Range 93 West of the 6th PM

City of Rifle, County of Garfield, State of Colorado



PROPERTY DESCRIPTION

A PARCEL OF LAND SITUATE IN THE SE1/4SE1/4 OF SECTION 4, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 4, AN ALUMINUM CAP FOUND IN PLACE AND PROPERLY MARKED; THENCE S89°37'28"W ALONG THE SOUTHERLY LINE OF SAID SECTION 4, 25.00 FEET; THENCE DEPARTING SAID SOUTHERLY LINE N00°25'45"W 241.93 FEET; THENCE N44°30'25"E 238.82 FEET; THENCE N89°37'32"E 596.00 FEET; THENCE S00°25'45"E 411.16 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL CONTAINING 5.000 ACRES, MORE OR LESS.

TOGETHER WITH:

A PARCEL OF LAND 25 FEET IN WIDTH FOR THE PURPOSE OF A ROAD RIGHT-OF-WAY SITUATE IN THE SE1/4SE1/4 OF SECTION 4, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SECTION 4, AN ALUMINUM CAP FOUND IN PLACE AND PROPERLY MARKED; THENCE S89°37'28"W ALONG THE SOUTHERLY LINE OF SAID SECTION 4, 25.00 FEET; THENCE DEPARTING SAID SOUTHERLY LINE N00°25'45"W 461.14 FEET; THENCE N89°37'32"E 25.00 FEET TO A POINT ON THE EASTERLY LINE OF SAID SECTION 4; THENCE S00°25'45"E ALONG SAID EASTERLY LINE 461.17 FEET TO THE POINT OF BEGINNING, SAID PARCEL OF LAND CONTAINING 0.265 ACRES, MORE OR LESS.

NOTES

1.) DATE OF SURVEY WAS MARCH 11, 2025.

2.) CONTOUR INTERVAL FOR THIS SURVEY IS 1 FOOT.

3.) ELEVATION OF THE SITE, BASED ON GPS (VRN) OBSERVATION, EQUALS 5509.3 FEET NAVD 88 ON THE SITE BENCHMARK, A #5 REBAR & 1-1/4" YELLOW PLASTIC CAP STAMPED "LS 31143" AS SHOWN HEREBY.

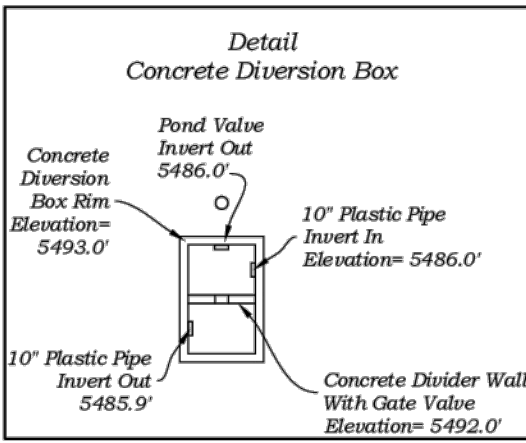
4.) THE SUBJECT PARCEL IS LOCATED IN ZONE C (AREA OF MINIMAL FLOODING) PER FEMA FIRM FLOOD INSURANCE COMMUNITY PANEL NUMBER 080205 1352 D DATED JANUARY 3, 1986.

5.) THIS EXISTING CONDITIONS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE COMMITMENT AND DOES NOT REPRESENT A TITLE SEARCH BY THIS SURVEYOR OR BOOKCLIFF SURVEY SERVICES, INC. OF THE PROPERTY SHOWN TO DETERMINE OWNERSHIP, COMPATIBILITY WITH ADJOINING PARCELS, OR EASEMENT OR ENCUMBRANCES OF RECORDS AFFECTING THIS PARCEL.

SURVEYOR'S STATEMENT

I, MICHAEL J. LANGHORNE, DO HEREBY CERTIFY THAT THE SURVEY SHOWN HEREBY WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION, IS BASED ON MY KNOWLEDGE, INFORMATION, BELIEF AND THAT THIS SURVEY IS A TRUE REPRESENTATION THEREOF. THIS CERTIFICATE IS NOT INTENDED TO BE AN EXPRESS OR IMPLIED WARRANTY OR GUARANTEE OF ANY MATTERS EXCEPT THOSE STATED IN THE PRECEDING SENTENCE.

MICHAEL J. LANGHORNE, COLORADO REGISTRATION NO. 36572
FOR AND ON BEHALF OF
BOOKCLIFF SURVEY SERVICES, INC.



REVISION	DESCRIPTION



EXISTING CONDITIONS SURVEY

RHODES PARK
CITY OF RIFLE
93 RHODES PARK
RIFLE, CO. 81650

FILE:	
DFT:	SC
CK:	MJL
DATE:	3/5/25
PROJECT NO.	22134
SHEET	1
OF	1

BIRCH PARK



Project No.: 22504.00

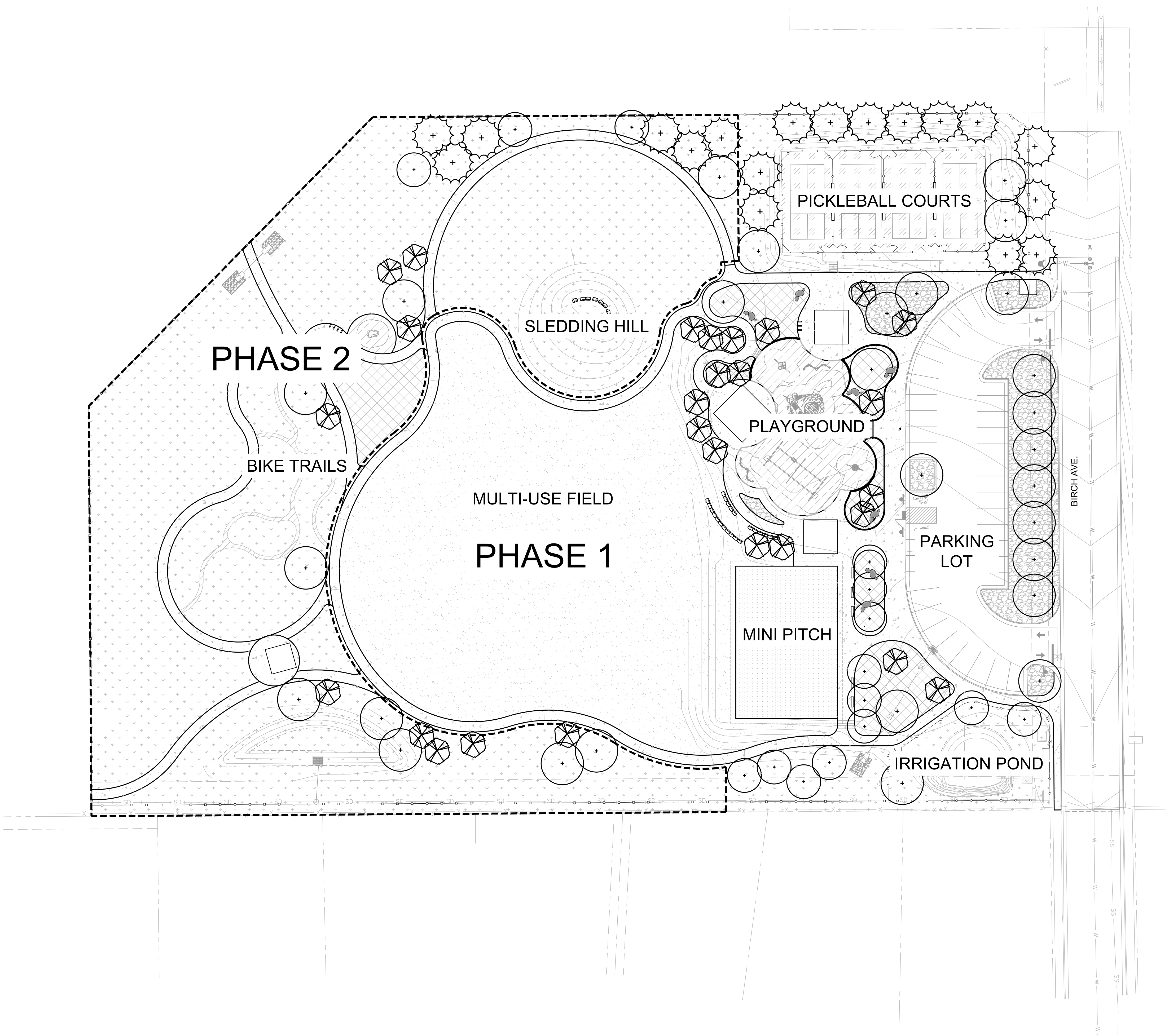
Issued For:	Date:
100% SDs	03.07.25
70% DDs	03.28.25
100% DDs	04.11.25

Drafted By:
Checked By:

All drawings and written material appearing herein constitute original and unpublished work of Design Concepts and may not be duplicated, used or disclosed.

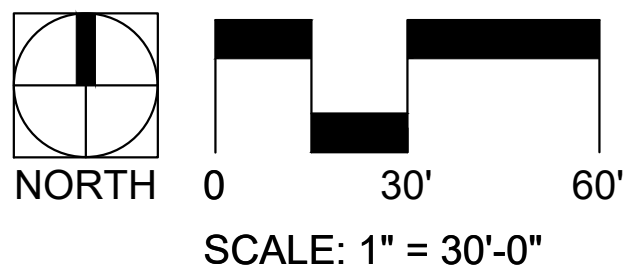
EXISTING
CONDITIONS

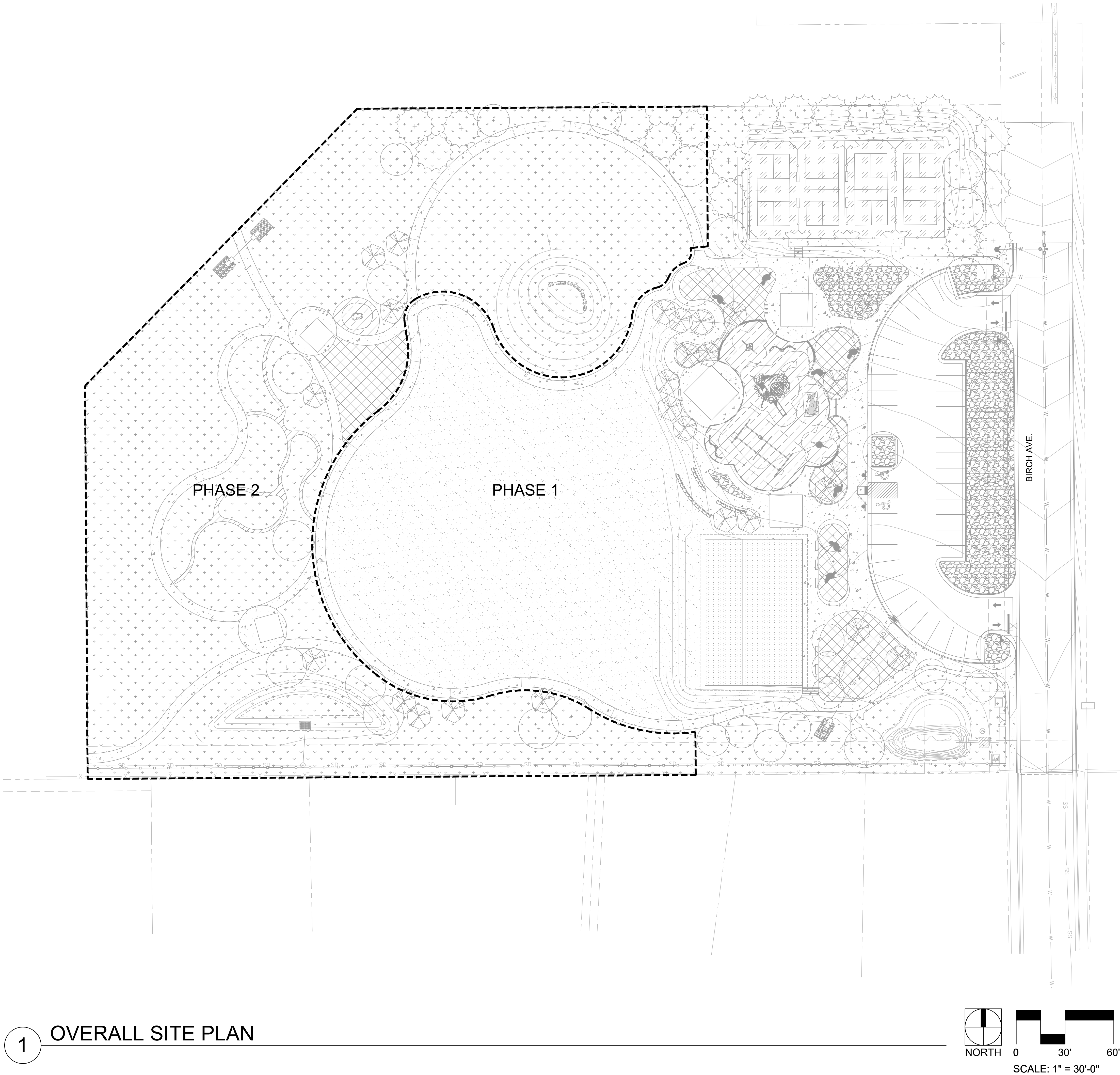
G1.0



LEGEND			
	SOD		TABLES
	NATIVE SEED		BENCH
	WOOD MULCH		LANDSCAPE BOULDERS
	POURED-IN-PLACE SURFACE		SEAT BOULDERS
	CONCRETE, RE: CIVIL		TRASH RECEPTACLE
	POST-TENSIONED CONCRETE		3 RAIL WOOD ESTATE FENCE
	SYNTHETIC TURF		BLACK VINYL CHAIN LINK FENCE
	COBBLE MULCH		DECIDUOUS TREE
	CRUSHER FINES		EVERGREEN TREE
			ORNAMENTAL TREE

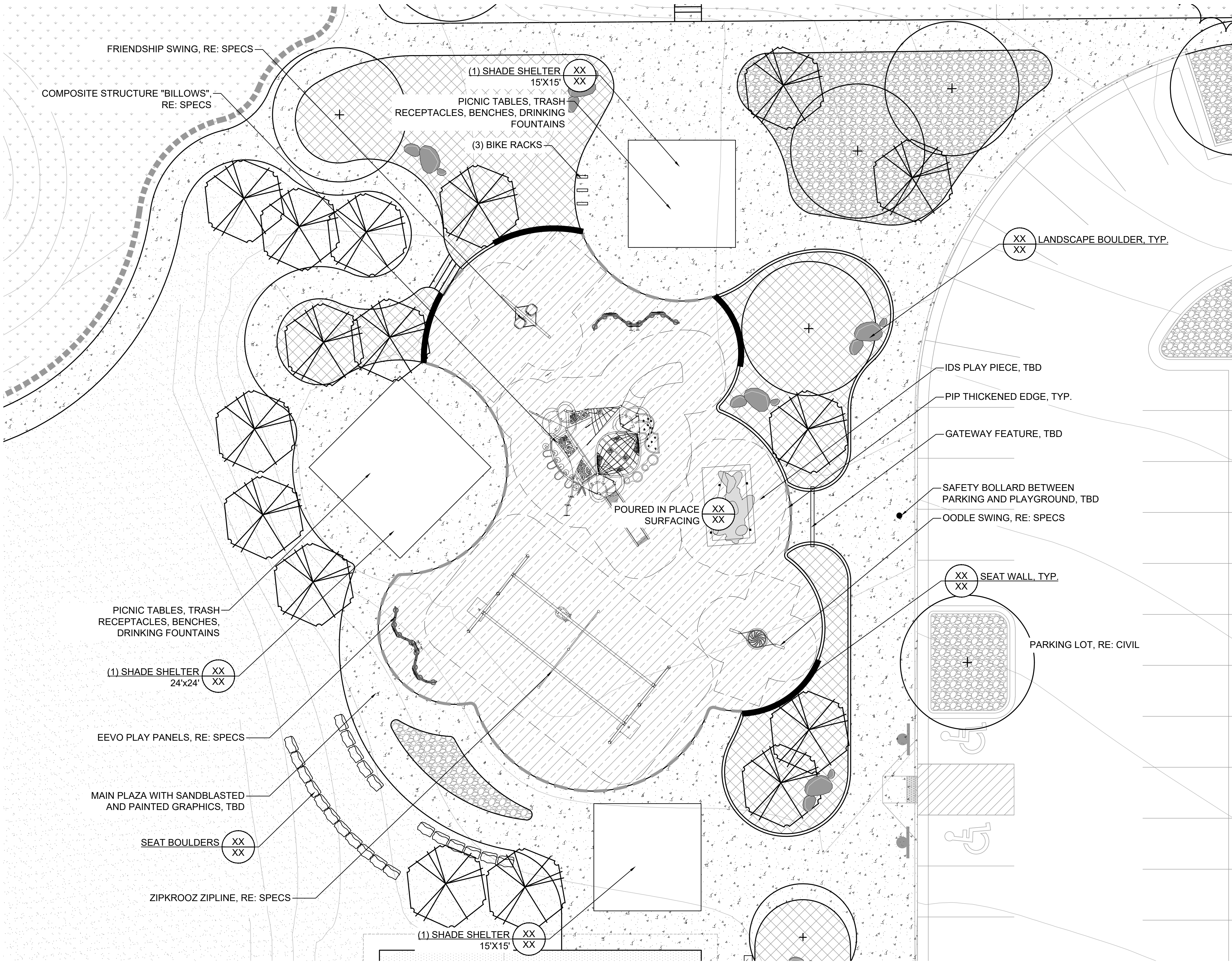
1 SITE REFERENCE PLAN





1 OVERALL SITE PLAN

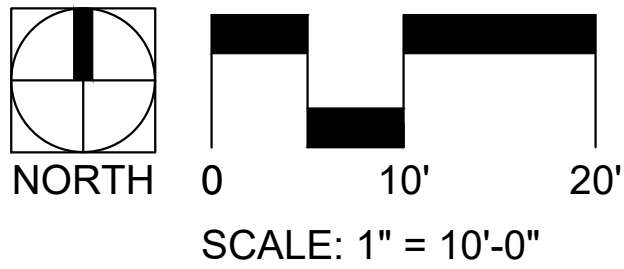
- SITE NOTES:**
- The overall site plan is to be used in conjunction with irrigation, civil, and electrical construction documents and specifications to complete the site information. See Civil plans for additional control points, monuments and benchmarks.
 - The preparer of these plans will not be responsible for, or liable for, unauthorized changed to or uses of these plans. All changes of these plans must be in writing and must be approved by the preparer prior to construction.
 - Contractor shall maintain a complete set of current drawings used at the project site. The on-site drawing set must include all revisions and issuances made during construction.
 - The contractor shall be solely responsible for safety in, on or about the project site. Any damage to adjacent property or utilities, not designated for removal, relocation or replacement, shall be repaired to original condition and/or replaced by the contractor at the contractor's expense.
 - The contractor shall be responsible for obtaining any permits or licenses required for the performance of the work as applicable to the project.
 - The contractor shall obtain, at his own expense, all applicable codes, licenses, standard specifications, permits, binds, etc., which are necessary to perform the proposed work, include, but not limited to a local and state groundwater discharge and Colorado Department of Health and Environment (CDHPE) stormwater discharge permit associated with construction activity.
 - Contractor shall be responsible for notifying the Owner if any significant inconsistencies between the existing conditions and these plans are discovered.
 - The Contractor shall be responsible for all construction surveying. Layout and staking of all improvements shall be approved by the owner prior to installation of improvements. Discrepancies to the base information shall be brought to the owner attention for a decision prior to commencing with the work. Notification of request for field review shall be made a minimum of 24 hours in advance.
 - Contractor shall examine the site conditions and notify the Owner in writing of unsatisfactory conditions. Do not proceed until conditions have been corrected.
 - Contractor shall field verify and examine all existing conditions prior to bidding or performing any construction operation.
 - Contractor staging area and construction access to be determined with Owner at pre-construction meeting.
 - Contractor shall be responsible for his/her own construction quantity estimates.
 - The contractor shall provide all lights, signs, barricades, flagmen and other devices necessary to provide for the public safety on and about the site. The contractor shall furnish appropriate traffic control and safety measures in accordance with the requirements of applicable highways and transportation authority.
 - Contractor shall take appropriate measures to protect both on site and adjacent property, trees and vegetation. Areas outside the limits of work as shown on the plans and/or cross sections shall remain undisturbed. Any items not intended for demolition must be protected. Any damage will be repaired at contractor's expense.
 - Contractor shall clear and grub the area disturbed by grading. Debris, vegetation, roots and other materials not suitable for backfill shall be removed from the site and disposed of by the contractor.
 - Contractor shall remove all debris from demolition operations on a daily basis.
 - Additional layout information may be provided to the contractor prior to construction, upon request. Owner will provide digital files of the site plan in AutoCAD format. Allow 72 hours after request for delivery of files.
 - Written dimensions will take precedence over scaled dimensions. All dimensions shall be field verified by contractor prior to construction. Any deviation from these plans must be approved by the Owner's Rep prior to construction.
 - Curved walks and curb edges are intended to be constructed with smooth flowing curves using flexible form materials. Anything other than smooth flowing curves will be rejected. All forms to be inspected & approved by owner. Contractor to give owner 48 hours notification of form inspection.
 - Owner's Rep shall approve final staking by contractor of all concrete walls prior to construction and/or all form work prior to pouring. Contractor to give owner 48 hours notification of form inspection.
 - All site improvements (seat boulders, picnic tables, benches, trash receptacles, etc.) must be field surveyed and staked by contractor. Landscape Architect and/or Owner's Rep shall approve staked location of improvements prior to installation.
 - It is the responsibility of the Contractor to provide all submittals and cut sheets to the Landscape Architect for approval prior to the commencement of work. See specifications for detailed submittal information.
 - Sight triangles and sight lines shall remain unobstructed by equipment, construction materials, plant material or any other visual obstacle during the contract period and at maturity of plants per local jurisdictional requirements. No plant material other than ground cover is allowed to be planted adjacent to fire hydrants as stipulated by jurisdictional requirements.
 - Contractor shall provide temporary 6' height chain link fencing around the work area to secure the site. Fencing shall be maintained until project completion.

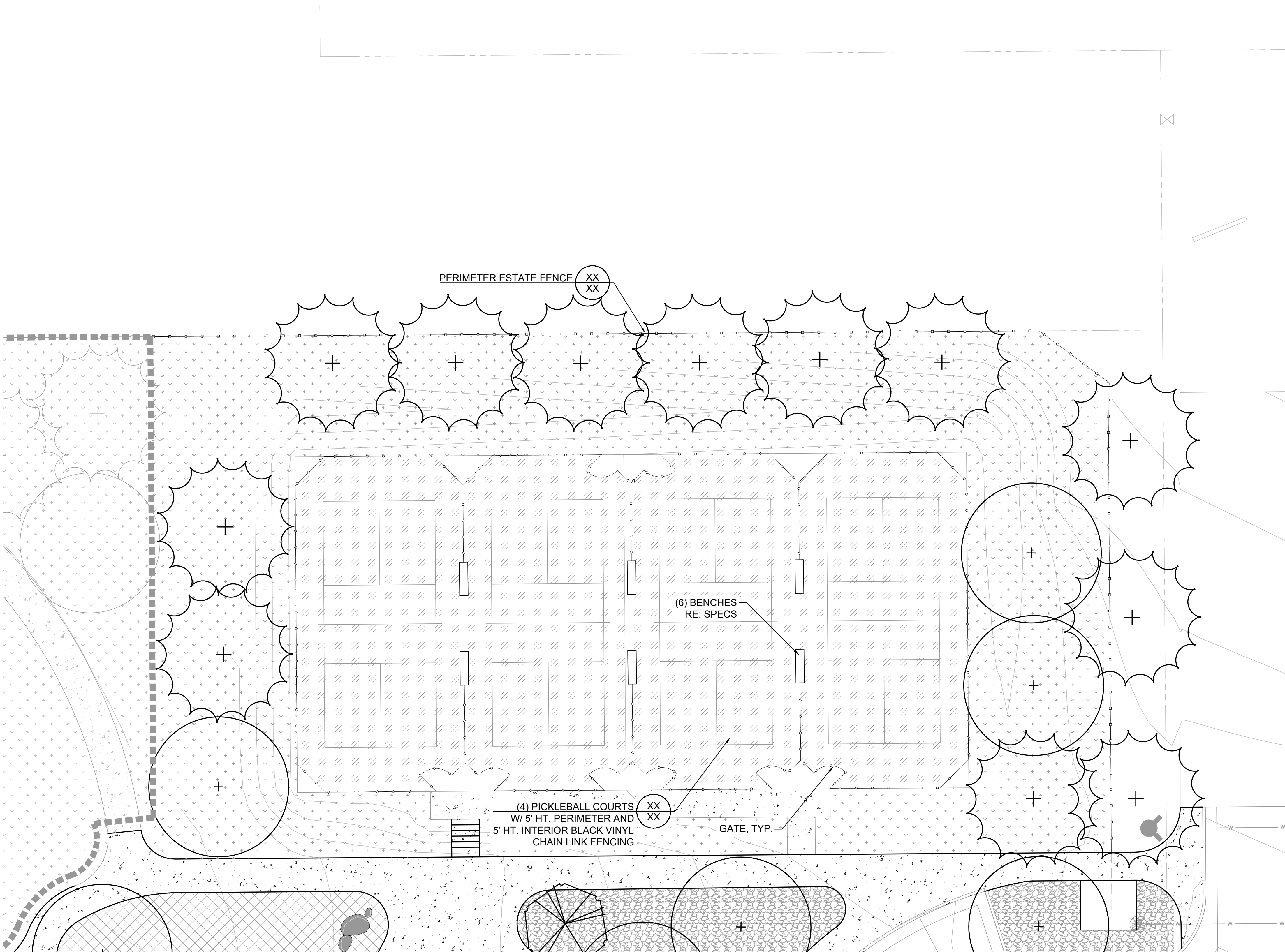


LEGEND			
	SOD		TABLES
	NATIVE SEED		BENCH
	WOOD MULCH		LANDSCAPE BOULDERS
	POURED-IN-PLACE SURFACE		SEAT BOULDERS
	CONCRETE, RE: CIVIL		TRASH RECEPTACLE
	POST-TENSIONED CONCRETE		3 RAIL WOOD ESTATE FENCE
	SYNTHETIC TURF		BLACK VINYL CHAIN LINK FENCE
	COBBLE MULCH		DECIDUOUS TREE
	CRUSHER FINES		EVERGREEN TREE
			ORNAMENTAL TREE

1

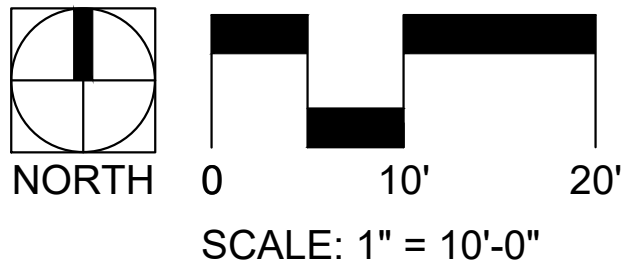
PLAZA ENLARGEMENT PLAN

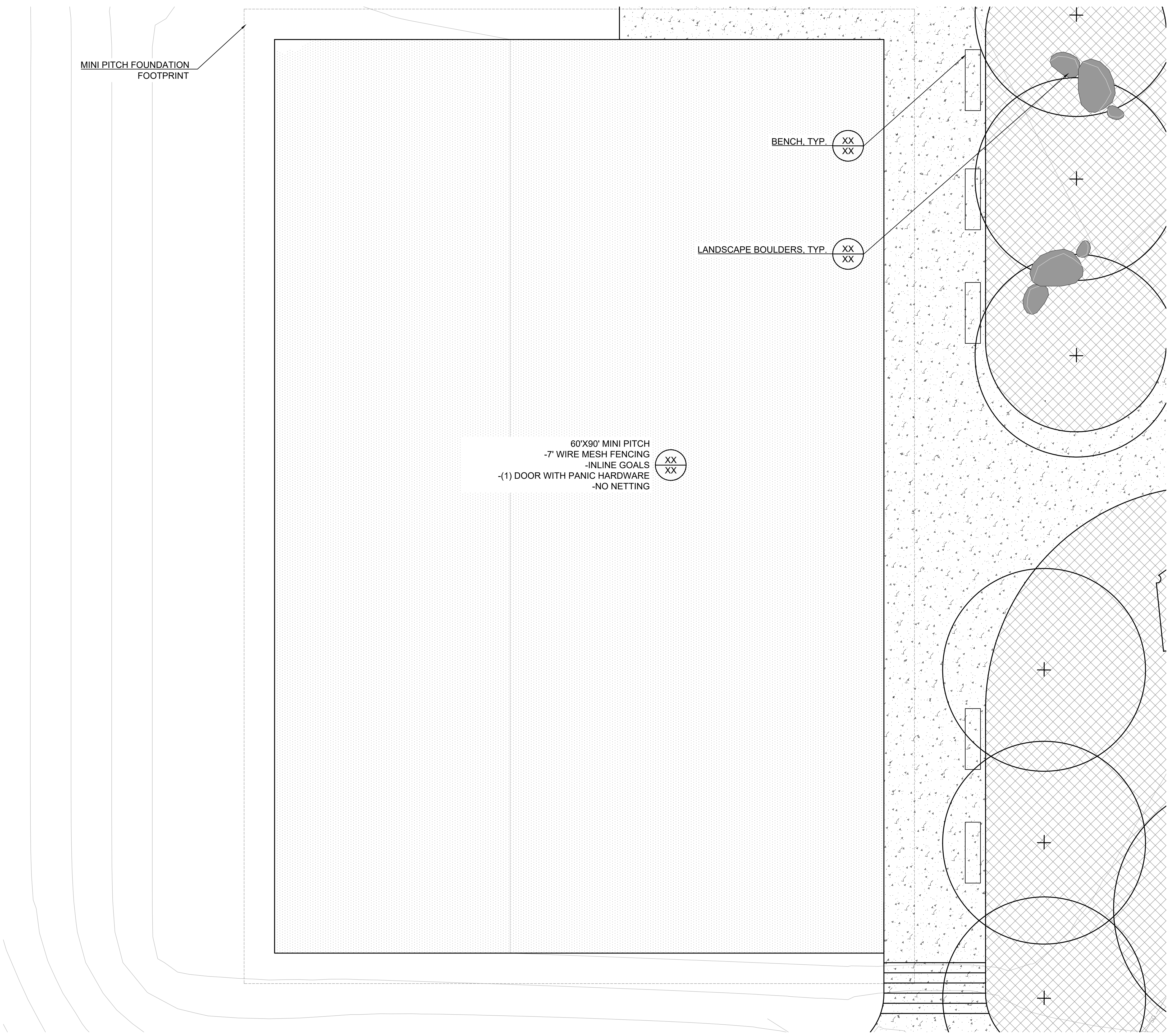




LEGEND		
	SOD	TABLES
	NATIVE SEED	BENCH
	WOOD MULCH	LANDSCAPE BOULDERS
	POURED-IN-PLACE SURFACE	SEAT BOULDERS
	CONCRETE, RE: CIVIL	TRASH RECEPTACLE
	POST-TENSIONED CONCRETE	3 RAIL WOOD ESTATE FENCE
	SYNTHETIC TURF	BLACK VINYL CHAIN LINK FENCE
	COBBLE MULCH	DECIDUOUS TREE
	CRUSHER FINES	EVERGREEN TREE
		ORNAMENTAL TREE

1 PICKLEBALL ENLARGEMENT PLAN





LEGEND

SOD

NATIVE SEED

WOOD MULCH

POURED-IN-PLACE SURFACE

CONCRETE, RE: CIVIL

POST-TENSIONED CONCRETE

SYNTHETIC TURF

COBBLE MULCH

CRUSHER FINES

TABLES

BENCH

LANDSCAPE BOULDERS

SEAT BOULDERS

TRASH RECEPTACLE

3 RAIL WOOD ESTATE FENCE

BLACK VINYL CHAIN LINK FENCE

DECIDUOUS TREE

EVERGREEN TREE

ORNAMENTAL TREE

DESIGN
CONCEPTS

Community + Landscape Architects

211 North Public Road, Suite 200
Lafayette CO 80026
303 664 5301 www.dcla.net

BIRCH PARK

2025 Birch Avenue, Rifle, CO 81650

NOT FOR
CONSTRUCTION

Project No.: 22504.00

Issued For:

Date:

100% SDs

03.07.25

70% DDs

03.28.25

100% DDs

04.11.25

Drafted By:

Checked By:

All drawings and written material
appearing herein constitute original and
unpublished work of Design Concepts and
may not be duplicated, used or disclosed.

1

MINI PITCH ENLARGEMENT PLAN

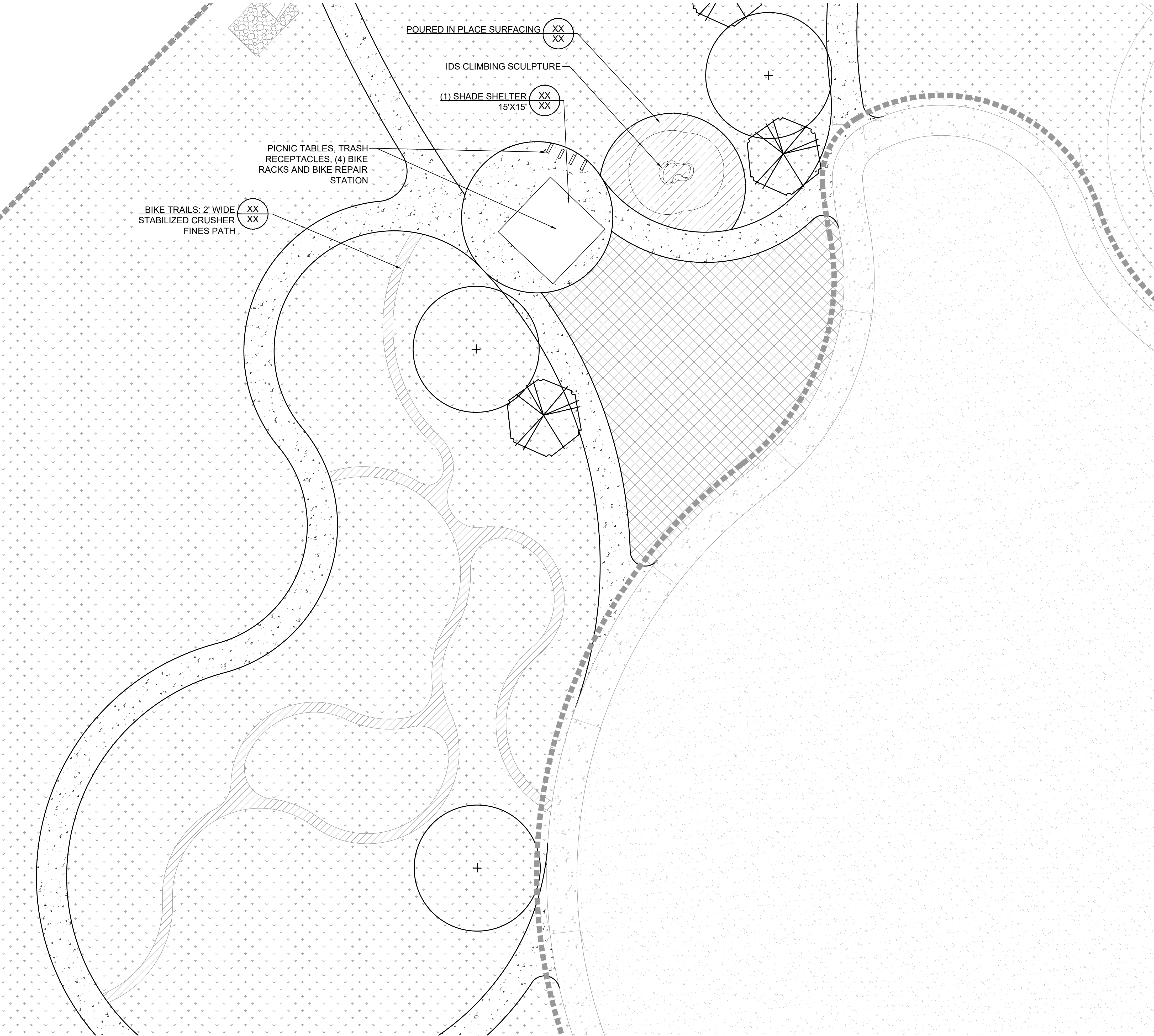
NORTH

0 5' 10'

SCALE: 1" = 5'-0"

MINI PITCH
ENLARGEMENT
PLAN

L2.2



LEGEND

- | | | | |
|--|-------------------------|--|------------------------------|
| | SOD | | TABLES |
| | NATIVE SEED | | BENCH |
| | WOOD MULCH | | LANDSCAPE BOULDERS |
| | POURED-IN-PLACE SURFACE | | SEAT BOULDERS |
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| | POST-TENSIONED CONCRETE | | 3 RAIL WOOD ESTATE FENCE |
| | SYNTHETIC TURF | | BLACK VINYL CHAIN LINK FENCE |
| | COBBLE MULCH | | DECIDUOUS TREE |
| | CRUSHER FINES | | EVERGREEN TREE |
| | | | ORNAMENTAL TREE |

BIRCH PARK

2025 Birch Avenue, Rifle, CO 81650



Project No.: 22504.00	
Issued For:	Date:
100% SDs	03.07.25
70% DDs	03.28.25
100% DDs	04.11.25

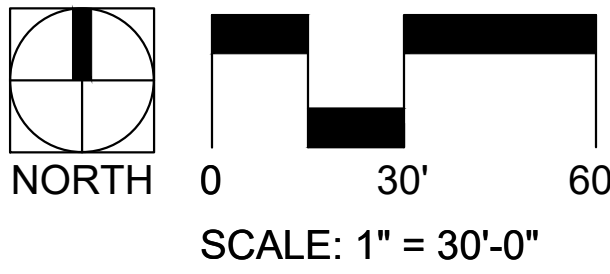
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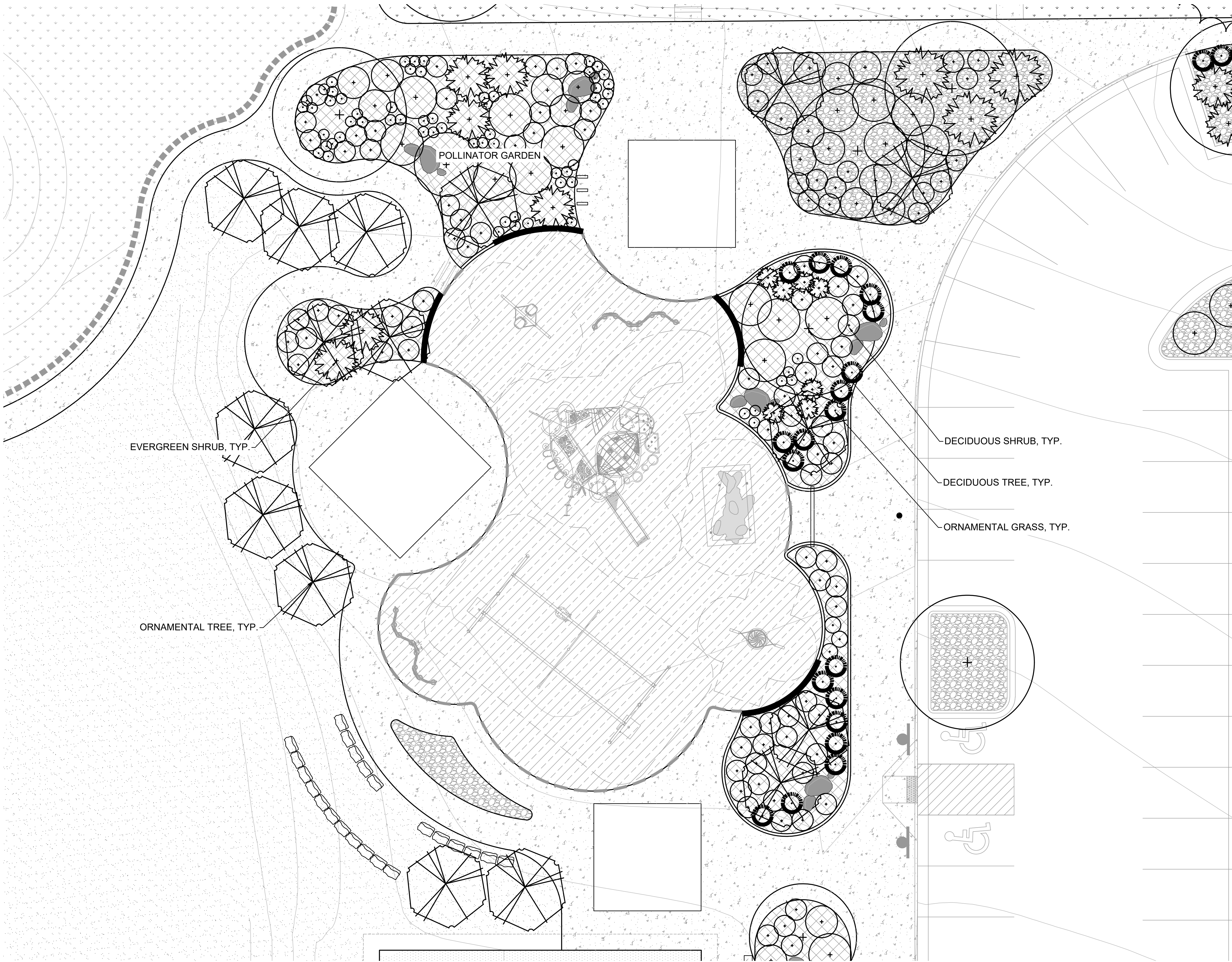
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BIKE PLAZA
ENLARGEMENT
PLAN

L2.3

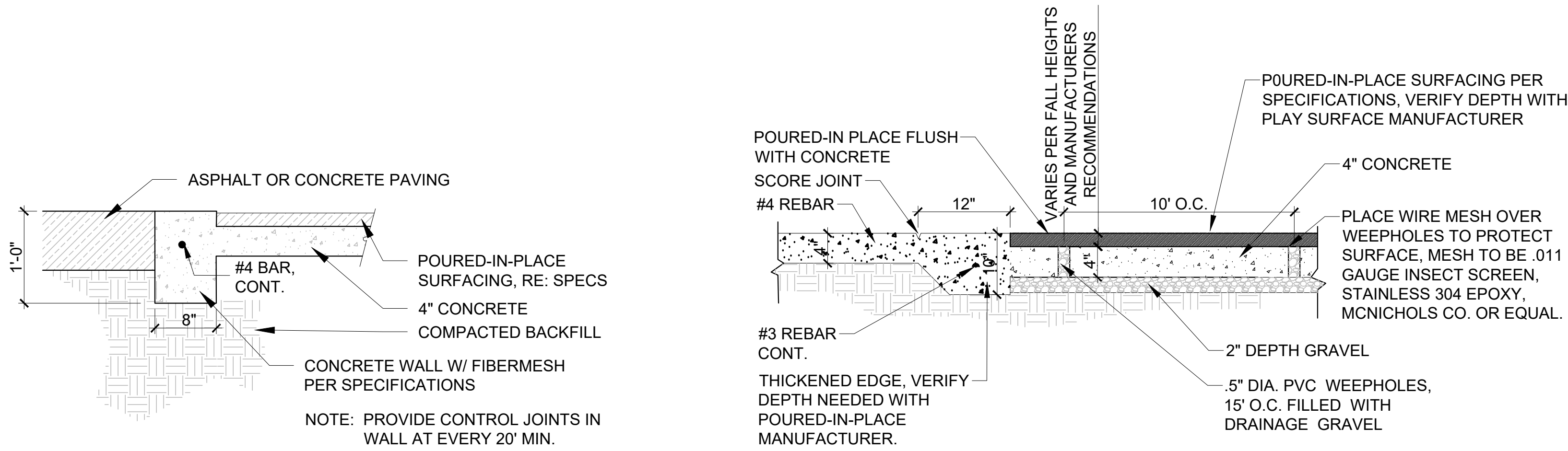
1 BIKE PLAZA ENLARGEMENT PLAN





LEGEND

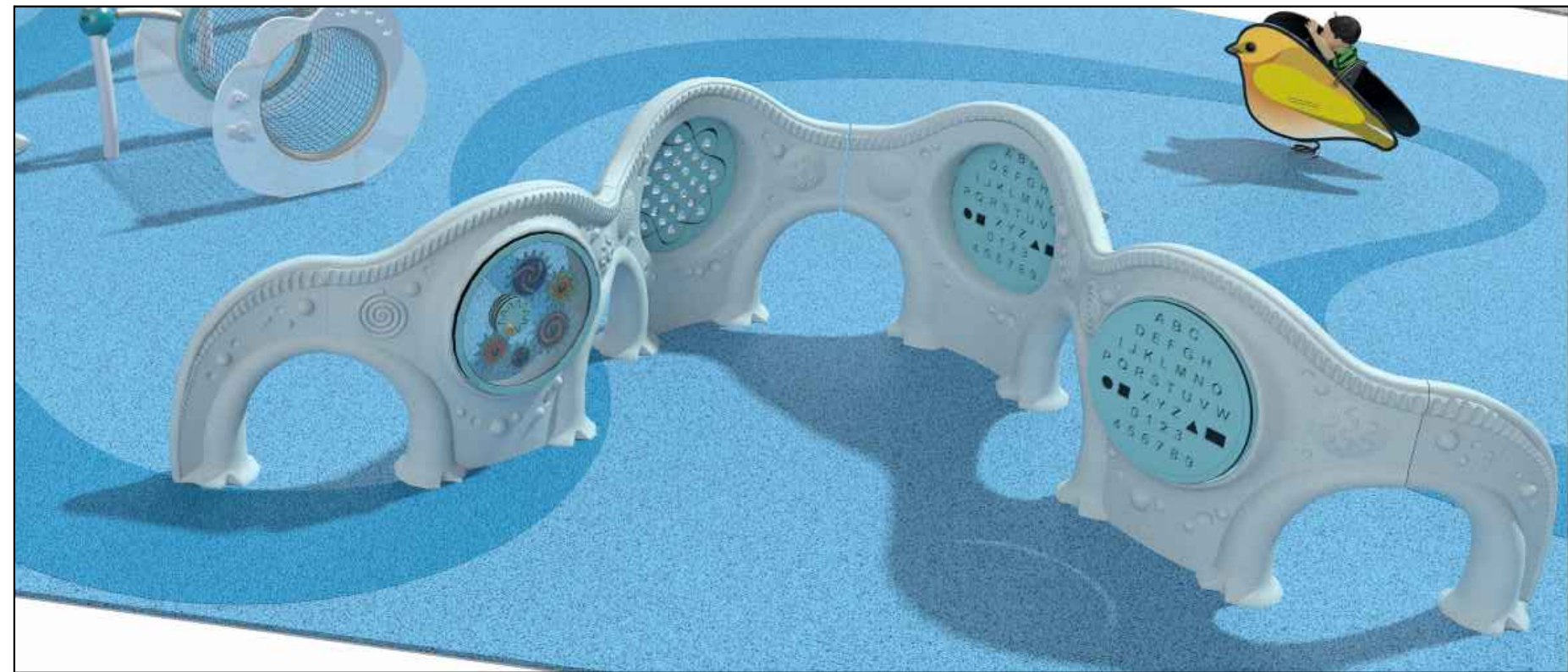
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|--|-------------------------|--|------------------------------|
| | SOD | | TABLES |
| | NATIVE SEED | | BENCH |
| | WOOD MULCH | | LANDSCAPE BOULDERS |
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| | COBBLE MULCH | | DECIDUOUS TREE |
| | CRUSHER FINES | | EVERGREEN TREE |
| | | | ORNAMENTAL TREE |
| | | | DECIDUOUS SHRUB |
| | | | EVERGREEN SHRUB |
| | | | ORNAMENTAL GRASS |



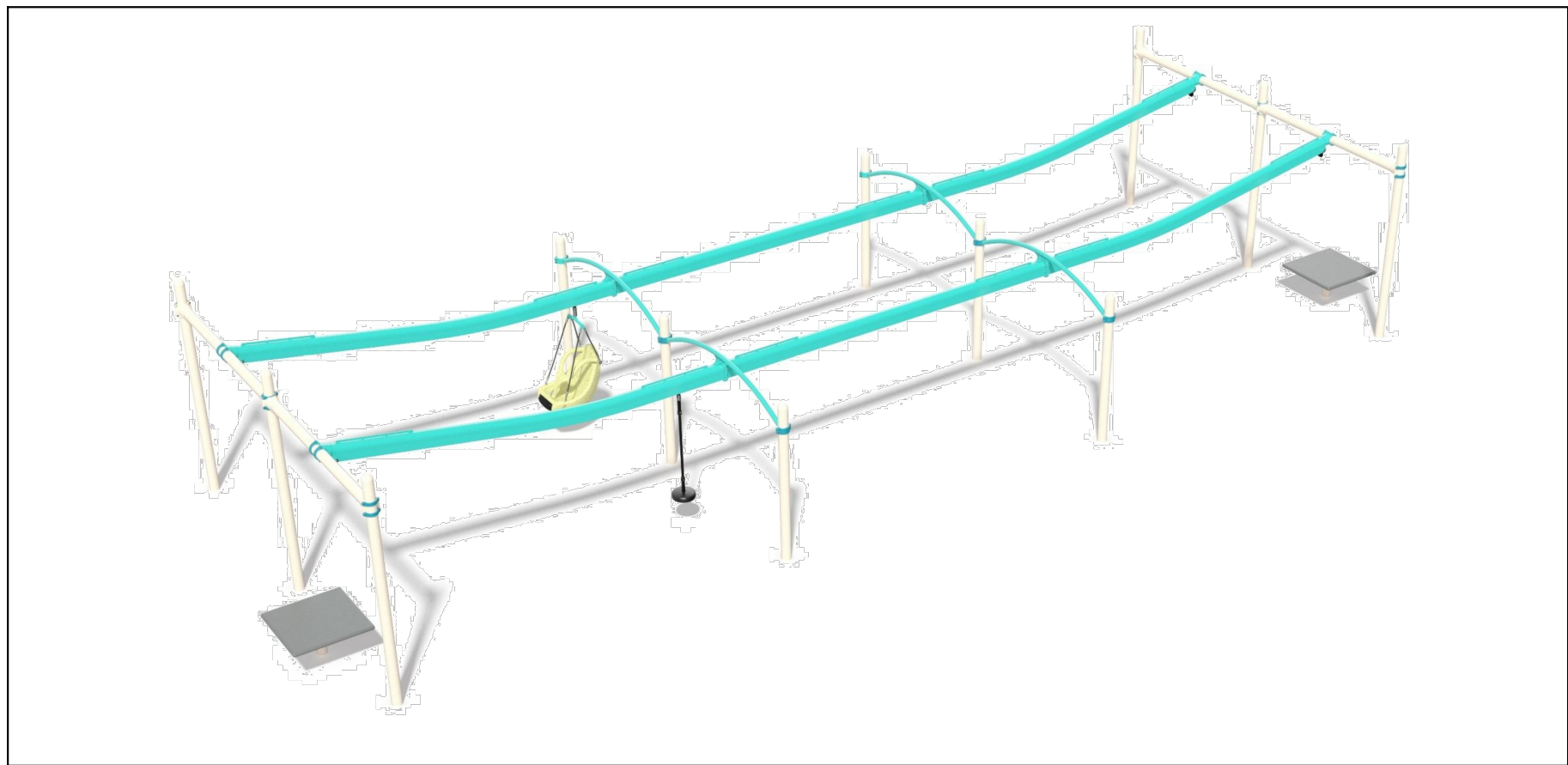
1 PIP THICKENED EDGE
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2 POURED IN PLACE SURFACING
Scale: 1" = 1'-0"

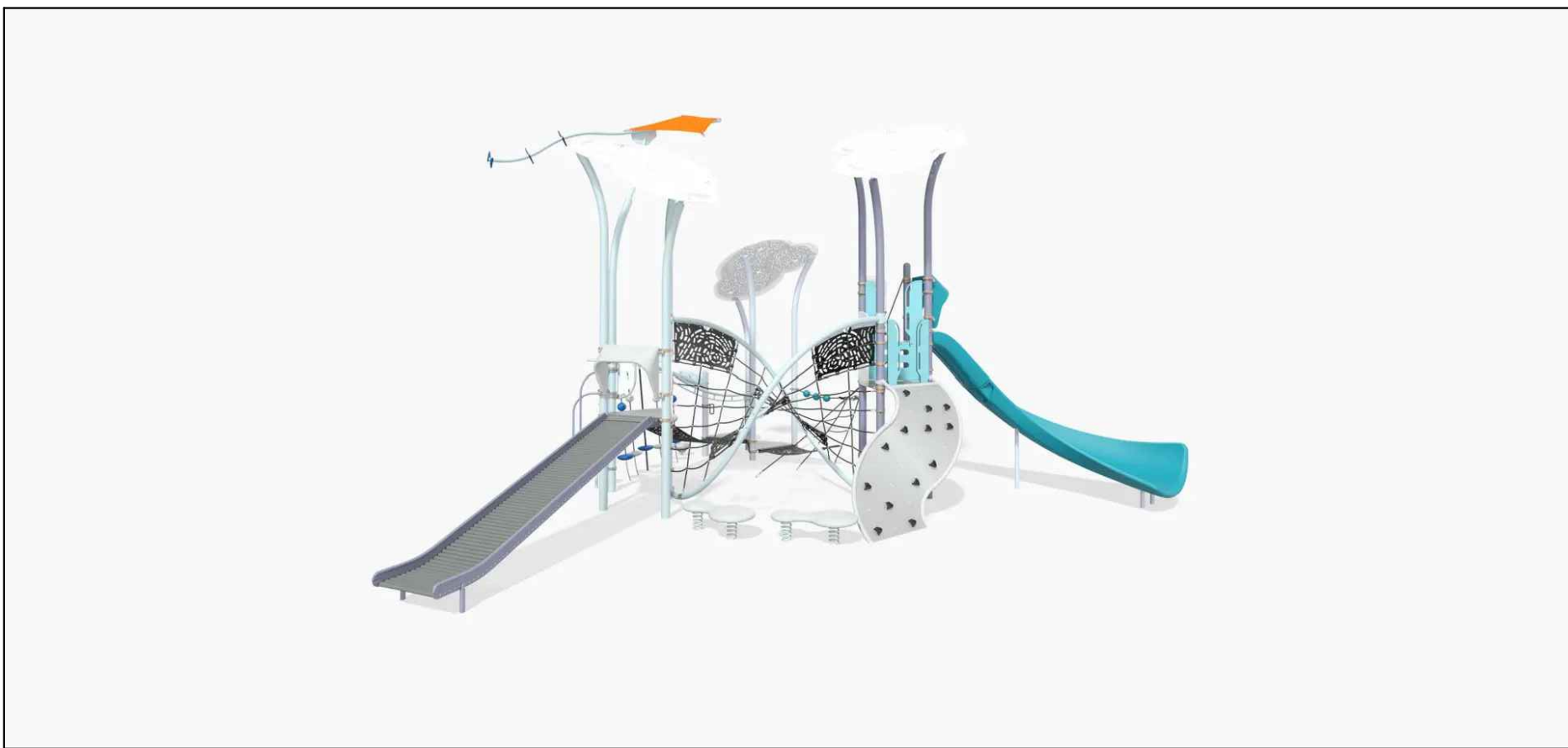
- IDS "TOY PLANE" SCULPTURE
NTS - RE" SPECS



- EEVO PLAY PANELS
NTS - RE" SPECS



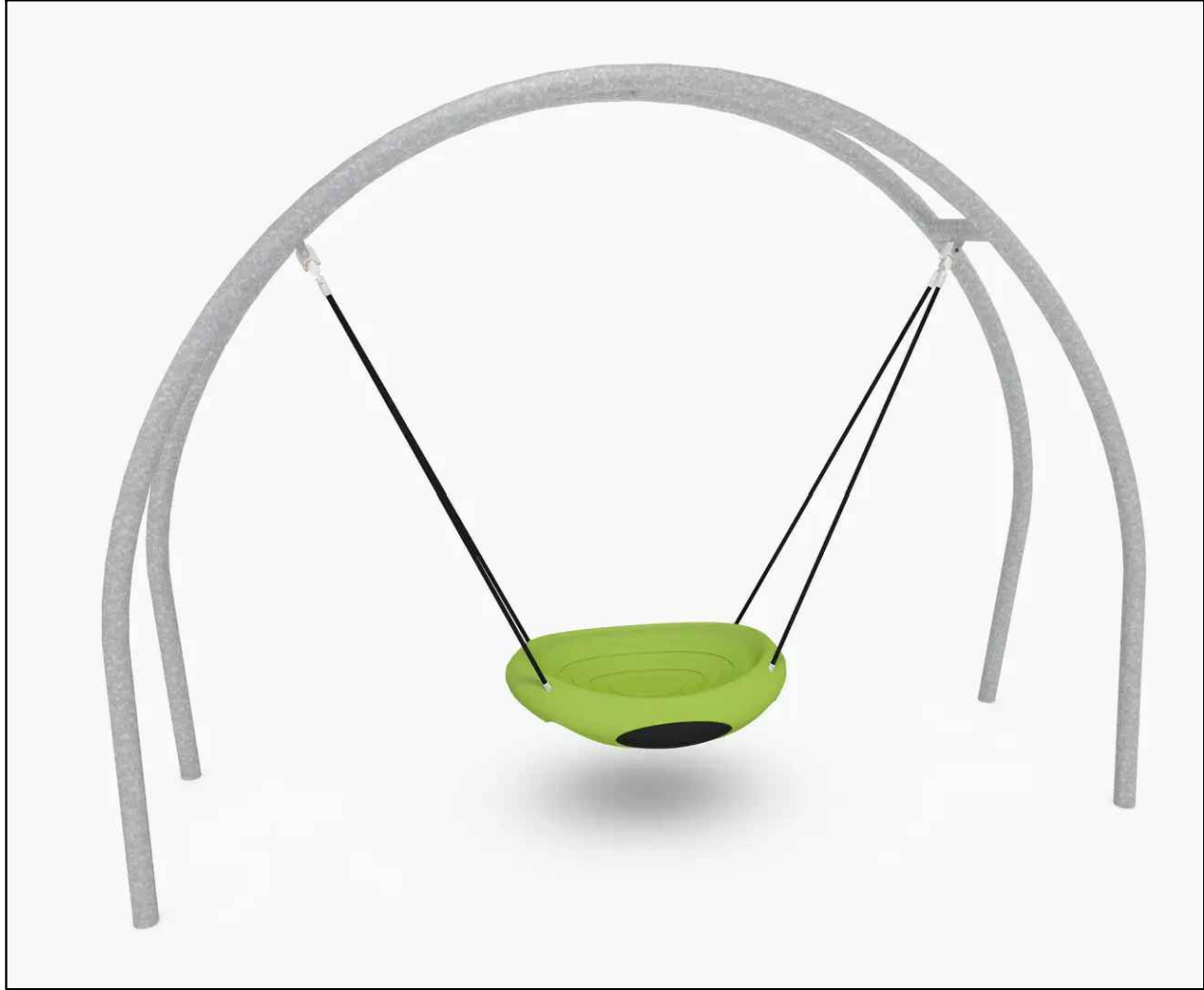
- 35' ZIPKROOZ ZIPLINE
NTS - RE" SPECS



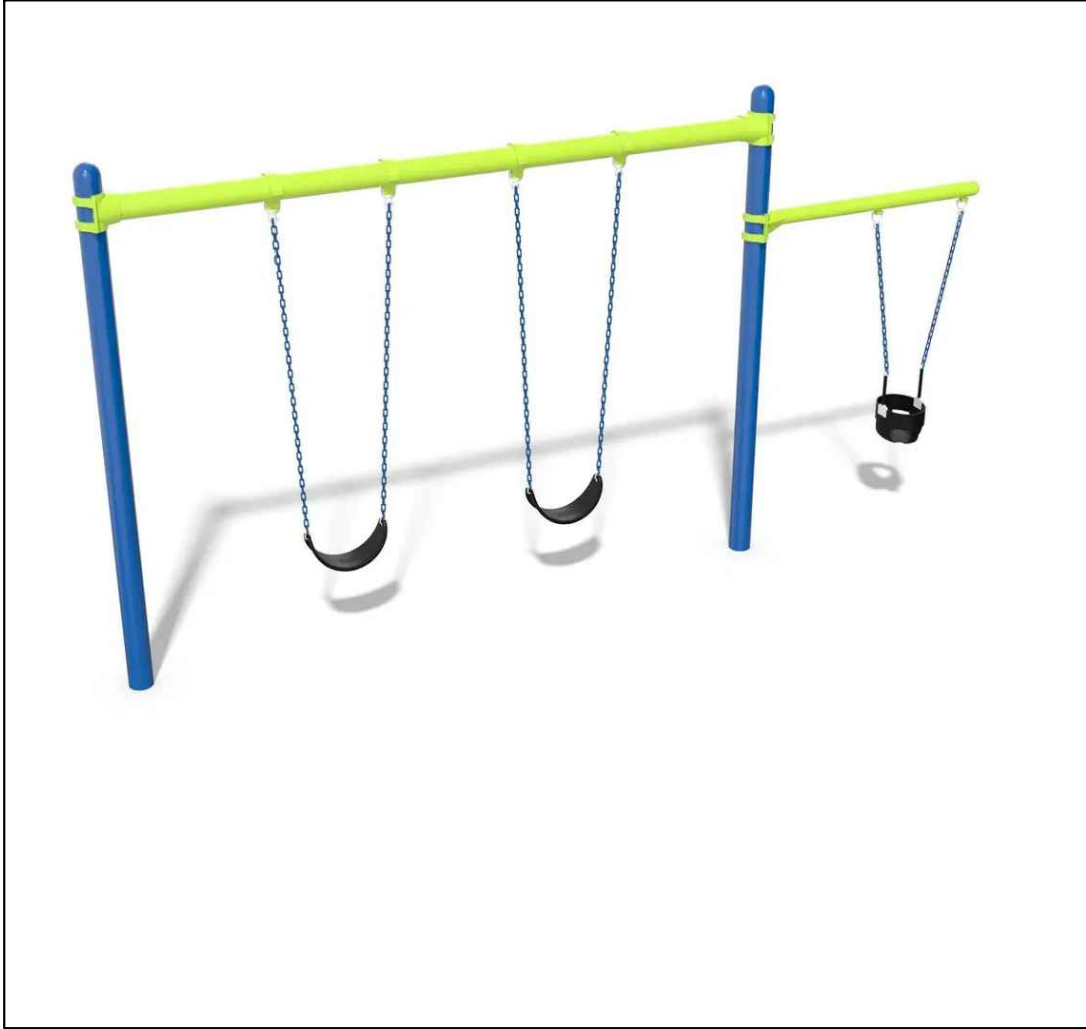
- COMPOSITE STRUCTURE - BILLOWS
NTS - RE" SPECS



- FRIENDSHIP SWING
NTS - RE" SPECS



- OODLE SWING
NTS - RE" SPECS



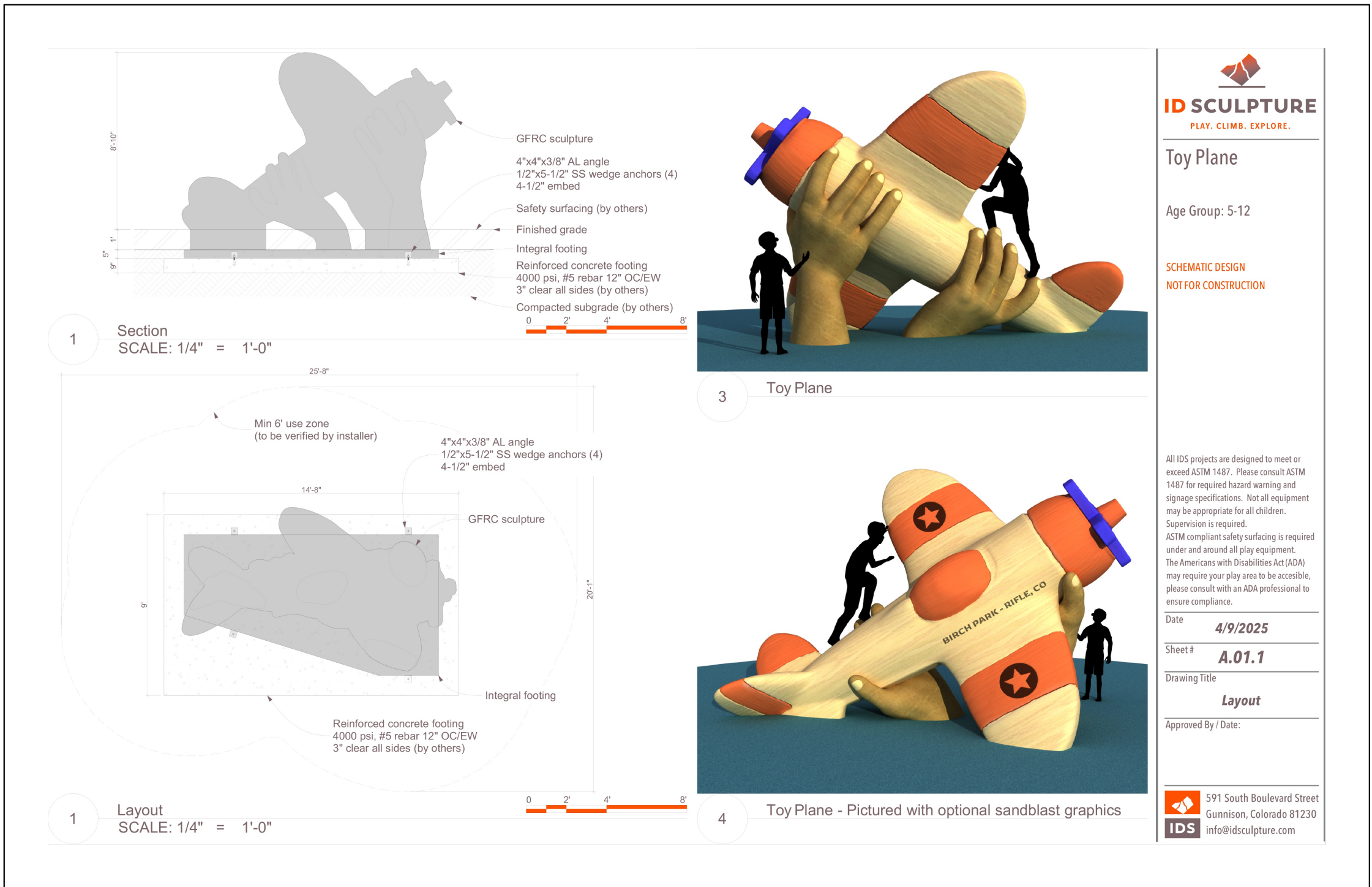
- STANDARD SWING WITH TODDLER ADD-ON
NTS - RE" SPECS



- REVIROCK BOUNCER
NTS - RE" SPECS



- TOPSY TURNY SPINNER
NTS - RE" SPECS





Agenda Item #5.a.

Agenda Item Name:

Consider Minutes of the April 16, 2025 Regular Meeting

Presenter:

Alexis Ramirez, City Clerk

Item Description:

Consider Minutes of the April 16, 2025 Regular Meeting

Recommended Action:

Move to approve the minutes of the April 16, 2025, City Council Regular Meeting

Fiscal Impact:

N/A

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

N/A

Executive Summary:

Minutes of the April 16, 2025, Regular Meeting

Notification Requirements:

N/A

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

1. 04.16.2025 DRAFT Minutes



RIFLE CITY COUNCIL

REGULAR MEETING

April 16, 2025
7:00 p.m.
202 Railroad Avenue, Rifle, CO

CALL TO ORDER & ROLL CALL

A regular meeting of the Rifle City Council was called to order at 7:00 p.m. by Mayor Sean Strode.

Present at Roll Call:

Councilor Joe Carpenter, Councilor Alicia Gresley, Councilor Karen Roberts, Councilor Clint Hostettler, and Mayor Sean Strode.

Councilor Clint Hostettler moved to excuse Councilor Michael Clancy and Councilor Chris Bornholdt from tonight's meeting; seconded by Councilor Alicia Gresley.

Roll Call: Yes - Karen Roberts, Joe Carpenter, Alicia Gresley, Clint Hostettler, and Sean Strode.
No – None.

Others Present:

City Manager Patrick Waller, City Clerk Alexis Ramirez, City Attorney Jim Neu, Parks & Recreation Director Austin Rickstrew, Procurement & Grant Reporting Manager Iris Trevisano, Community TV/Multimedia Manager Michael Churchill, Planning Director Zach Higgins, Civil Engineer Craig Spaulding, and Police Chief Debra Funston.

PUBLIC COMMENT

No public comment was heard.

CONSENT AGENDA – CONSIDER THE FOLLOWING ITEMS:

- A. Consider Minutes of the April 2, 2025 Regular Meeting
- B. Consider Liquor License Renewal for Imperio Mexican Restaurant, LLC dba Imperio Mexican Restaurant

Councilor Clint Hostettler moved to approve Consent Agenda Item A and B; seconded by Councilor Joe Carpenter.

Roll Call: Yes - Alicia Gresley, Karen Roberts, Clint Hostettler, Joe Carpenter, and Sean Strode.
No – None.

REGULAR AGENDA

Consider Contract with J&M Displays for July 3rd & Hometown Holiday Firework Shows

Parks & Recreation Director Austin Rickstrew and Procurement & Grant Reporting Manager Iris Trevisano presented a request to consider a contract with J&M Displays Inc. for the July 3rd and Hometown Holiday firework shows. Every year the Parks & Recreation Department contracts and oversees the planning and logistics of the firework displays that take place during the City's July 3rd celebration and the Hometown Holidays event. The Parks & Recreation Department coordinates with the Greater Rifle Improvement Team, (GRIT), Colorado River Fire Rescue,

Garfield County Fairgrounds staff, Re-2 staff, and the Rifle Police Department. Over the past eight years, City of Rifle has partnered with J&M Displays, Inc. to provide firework displays for the July 3rd celebration and Hometown Holidays. To secure services for the next three years, the City issued a Request for Bid and hosted a mandatory pre-bid meeting, which was attended solely by J&M Displays, Inc., who have proven to be a reliable and professional partner. J&M Displays, Inc. is familiar with the City's staff and launch location, and they work closely with the Colorado River Fire Protection District. Additionally, the City benefits from their loyalty program, which provides a 15% bonus in fireworks at each show. Based on their past performance, added value, and continued partnership, staff recommends awarding the multi-year contract to J&M Displays, Inc. Annually, \$30,000 is included in the budget for firework displays: \$15,000 for the July 3rd celebration and \$15,000 for Hometown Holidays, which is in-line with the bid received from J&M Displays, Inc.

Parks & Recreation Director Austin Rickstrew and Procurement & Grant Reporting Manager Iris Trevisano answered questions for Council.

Councilor Clint Hostettler moved to approve a 3-year contract with J&M Displays, Inc. for the July 3rd and Hometown Holiday firework displays; seconded by Councilor Alicia Gresley.

Roll Call: Yes - Joe Carpenter, Karen Roberts, Clint Hostettler, Alicia Gresley, and Sean Strode.
No – None.

Safe Streets for All Safety Action Plan - Resolution No. 10, Series of 2025

Civil Engineer Craig Spaulding and Ben Manibog with KLJ Engineering presented a request to consider the Safe Streets for All Safety Action Plan – Resolution No. 10, Series of 2025. The City was awarded \$120,000 in Safe Streets for All - Round 1 funding from the United States Department of Transportation in Fiscal Year 2023. Completion of a Safe Streets for All Safety Action Plan allows the City to be eligible for federal implementation project funding. The City of Rifle conducted a comprehensive safety action plan intended to make the City's transportation system safer by targeting fatal and serious injury crashes. A steering committee for the project was formed, made up of agency partners, City staff, and community members. A safety analysis was conducted looking at the past five years of existing crash data provided by the Colorado Department of Transportation. The City held an in-person open house, two online surveys, an online mapping exercise, an online video, and social media advertisements informing community members about the project. The plan collected remaining infrastructure projects from City policy documents and evaluated them based on their ability to eliminate fatal and serious crashes as well as their ability to support non-vehicular trips. Projects were grouped by corridor and scored, resulting in 56 total projects. Each project is assigned a general timeframe of completion based on factors such as cost, agency coordination, needed funding streams, and community interest. After adoption, the City is annually required to update their progress on the safety plan annually. Staff recommends the approval of Resolution No. 10, Series of 2025.

Civil Engineer Craig Spaulding answered questions for Council.

Councilor Alicia Gresley moved to approve Resolution No. 10, Series of 2025 in support of Rifle's Safe Streets for All Safety Action Plan, pledging to eliminate fatal and serious injury crashes on City streets by 2045; seconded by Councilor Clint Hostettler.

Roll Call: Yes - Alicia Gresley, Joe Carpenter, Clint Hostettler, Karen Roberts, and Sean Strode.
No – None.

Report to City Manager

Reports were heard from City Manager Patrick Waller, Civil Engineer Craig Spaulding, Parks & Recreation Director Austin Rickstrew, and Planning Director Zach Higgins.

Comments from Mayor and Council

Comments were heard from Councilor Karen Roberts, Councilor Clint Hostettler, Councilor Joe Carpenter, and Mayor Sean Strode.

Adjournment

Meeting adjourned at 7:51 p.m.

Alexis Ramirez
City Clerk

Sean Strode
Mayor



Agenda Item #5.b.

Agenda Item Name:

Consider Conveyance of Cemetery Space

Presenter:

Austin Rickstrew, Parks & Recreation Director

Item Description:

Mr. Cruz Holguin would like to return a plot to the City of Rifle for the originally paid amount. The cemetery always needs more plots. We recommend repurchasing this space from the owner at the original purchase price of \$1,150.00.

Recommended Action:

Move to approve the purchase of a cemetery plot, for a total amount of \$1,150.

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

Rifle Municipal Code allows purchase back of grave spaces at original purchase price.

Executive Summary:

Recommend buy back of this space to increase the availability of grave spaces in Rose Hill Cemetery.

Notification Requirements:

None

Prepared By:

Austin Rickstrew, Parks & Recreation Director

Attachments:

1. Holguin Deed of Conveyance



ROSE HILL CEMETERY
DEED OF CONVEYANCE

I, Cruz Holguin, whose address is 11749 County Road 320, Rifle, CO 81650, for the consideration of \$1,150 hereby transfers, sells and conveys to:

CITY OF RIFLE

Whose address is 202 Railroad Av, Rifle, CO 81650, Space(s) E-00A-0S14, in the Rose Hill Cemetery, in the City of Rifle, County of Garfield and State of Colorado, as shown on the official maps and plats thereof, and warrant the title to the same; and also warrants that the space(s) have not been used for the burial of any person.

Signature: _____

STATE OF COLORADO

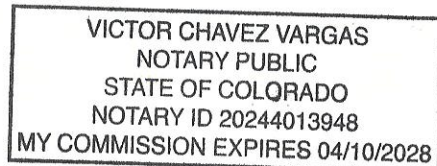
County of Garfield

The foregoing deed was subscribed and sworn to before me on April 10 /, 2025
by Cruz Ricardo Holguin Villalobos (name(s) of individual(s) making statement).

Victor Chavez
Notary Public

Notary / Public
Title

04/10/2028
My Commission Expires



Notary Seal

CERTIFICATE OF CONSENT

The consent of the City Council to this transfer was granted and resolution adopted at a regular meeting held on _____, as required by Section 11-7-60 (11) of the Rifle Municipal Code.

CITY OF RIFLE, COLORADO

City Manager

City Seal

CERTIFICATE OF RECORDING

This transfer was duly recorded on the records of the Rose Hill Cemetery on _____, 20____

CITY OF RIFLE, COLORADO

City Clerk

City Seal



Agenda Item #5.c.

Agenda Item Name:

Consider Proclamation Recognizing National Police Week

Presenter:

Debra Funston, Chief of Police

Item Description:

Consider Proclamation Recognizing National Police Week

Recommended Action:

Motion to approve the proclamation recognizing National Police Week

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

Annual Recognition

Background Information:

The 63rd Anniversary of National Police Week is recognized May 11-17, 2025.

In 1962, President Kennedy proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls, as National Police Week. Established by a joint resolution of Congress in 1962, National Police Week pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety and protection of others.

National Police Week is a collaborative effort of many organizations dedicated to honoring America's law enforcement community.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

1. Proclamation 2025

PROCLAMATION

NATIONAL POLICE WEEK MAY 11TH - 17TH , 2025

WHEREAS, there are more than 800,000 law enforcement officers serving in communities across the United States, including the dedicated members of the Rifle Police Department:

WHEREAS, since the first recorded death in 1786, there are currently 24,067 law enforcement officers in the United States who have made the ultimate sacrifice and been killed in the line of duty, and

WHEREAS, in 1962, President Kennedy proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls, as National Police Week; and

WHEREAS, the dedicated men and women of the Rifle Police Department dedicate themselves to protecting the lives, property, and rights of our residents, upholding the law with courage, integrity, and professionalism; and

WHEREAS, these officers serve as guardians of our community, responding to emergencies, fostering public safety, and building trust through their commitment to justice and compassion; and

WHEREAS, it is important that all citizens know and understand the duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, defending them against violence or disorder, and guarding the innocent against deception and the weak against oppression, and

WHEREAS, our police department has grown to be a modern and well-respected law enforcement agency which unceasingly provides a vital public service; and

WHEREAS, U.S. flags should be flown at half-staff on May 15th for Peace Officers Memorial Day, in honor of all fallen officers and their families.

NOW, THEREFORE, be it proclaimed that the City Council of Rifle, Colorado, hereby proclaims May 11-17, 2025, as National Police Week in the City of Rifle, and publicly salutes the service of law enforcement officers in our community and in communities across the nation.

DONE AND PROCLAIMED BY THE CITY COUNCIL OF RIFLE, COLORADO, IN REGULAR SESSION THIS 7TH DAY OF MAY, 2025.

Sean Strode, Mayor

Alexis Ramirez, City Clerk



Agenda Item #5.d.

Agenda Item Name:

Consider Appointments to the Senior Center Advisory Board

Presenter:

Tami Sours, Senior Center Director

Item Description:

The Senior Center Advisory Board held their elections at the April 15, 2025 meeting. The board had five openings to be filled. Four of the five candidates applied for re-election and were approved by a vote of board members. Kathy Boyd, Lois Scriptor, and Sharon Hayes were all elected to fill the three-year term and Sabina Bodrogi was elected to fill the vacancy for a two-year term as an alternate member. All four candidates are residents of Rifle and very active with the senior center. All four volunteer their time and attend many events and functions of the center. The fifth position remains vacant until the May meeting. We have two candidates interested. This position will be for a one-year term to fill a vacancy.

Recommended Action:

Appoint Kathy Boyd, Lois Scriptor and Sharon Hayes for three-year terms and Sabina Bodrogi for a two-year term on the Senior Center Advisory Board.

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

N/A

Background Information:

The Senior Advisory Board is a board of seven members and two alternates. Each member serves a three-year term and can serve for two consecutive terms. All board members shall be at least 60 years of age and five of the nine members must be residents of the City of Rifle. Currently, all members are City of Rifle citizens. Current Board members are:

- Alan Hayes, Board Chair
- Shirley Parks, Vice Chair
- Gloria Strouse
- Mildred Meeker
- Kathy Boyd, up for election
- Lois Scriptor, up for election

- Sabina Bodrogi, appointed midterm up for election
- Sharon Hayes, appointed midterm up for election
- Betty Clifford, resigning

The board shall recommend needed maintenance, repairs, and capital improvements to the Senior Center to the Director, who shall pass the recommendations to the City Manager. The board also recommends programs, recreation and education needs to the Director for consideration and helps promote programs to seniors.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

None



Agenda Item #5.e.

Agenda Item Name:

Consider the 2025 Intergovernmental Agreement for Mosquito Control with Garfield County

Presenter:

Patrick Waller, City Manager

Item Description:

Intergovernmental Agreement

Recommended Action:

Move to approve the 2025 Intergovernmental Agreement for Mosquito Control and authorize payment to Garfield County for joint mosquito control services in the amount of \$24,600.00

Fiscal Impact:

\$24,600 is budgeted for this service for 2025.

Operational Impact:

This arrangement saves staff time and employs specialized expertise to monitor and mitigate possible disease vectors.

Prior Board Motions:

This program has received support with an annual expenditure since West Nile Virus in 2001.

Background Information:

This is a cooperative effort with Garfield County and County municipalities. The program began in 2001 with the spread of the West Nile Virus.

Executive Summary:

The vendor for the program is selected through the Garfield County purchasing process every three years, with the participation of municipality representatives. This program focuses on monitoring and reducing disease vectors (mosquitoes). The number of mosquitoes is monitored for nuisance levels, and in particular, the number of Culex Tarsalis mosquitoes is watched closely, as they are the primary carriers of WNV. Depending on disease prevalence, some mosquitoes may be tested to determine if they are infected.

Occasional ultra-low-volume spraying is required along West 2nd and the Rifle Rest Area--Lions Park Circle and is supported, if not requested, by residents in these areas. Special event-related barrier treatments have been conducted around the fairgrounds and Centennial Park before large summer gatherings such as Independence Day and the Garfield County Fair. These operations are included in the program cost. Also, the vendor has the resources to do widespread aerial spraying at an additional cost if necessary.

Rifle's share of the cost is greater than other towns because Rifle has greater square miles in the city limits. (5.61 approx).

Notification Requirements:

No additional notice required.

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

1. 2025 Mosquito IGA

INTERGOVERNMENTAL AGREEMENT FOR MOSQUITO CONTROL – 2025

THE PARTIES to this Intergovernmental Agreement for Mosquito Control (“IGA”) are the **BOARD OF COUNTY COMMISSIONERS OF GARFIELD COUNTY, STATE OF COLORADO**, (hereinafter referred to as “**County**”); the **CITY OF GLENWOOD SPRINGS, STATE OF COLORADO**, (hereinafter referred to as “**Glenwood**”); the **TOWN OF CARBONDALE, STATE OF COLORADO**, (hereinafter referred to as “**Carbondale**”); the **CITY OF RIFLE, STATE OF COLORADO**, (hereinafter referred to as “**Rifle**”); the **TOWN OF SILT, STATE OF COLORADO**, (hereinafter referred to as “**Silt**”); the **TOWN OF NEW CASTLE, STATE OF COLORADO**, (hereinafter referred to as “**New Castle**”); and the **TOWN OF PARACHUTE, STATE OF COLORADO**, (hereinafter referred to as “**Parachute**”).

WHEREAS, the parties to this IGA are authorized by Section 29-1-201, *et seq.*, C.R.S., as amended, to provide for joint funding and cooperation to provide services and functions which each is otherwise lawfully authorized to provide; and

WHEREAS, the parties to this IGA desire to cooperate in funding and making available a County-wide mosquito control and education program; and

WHEREAS, a coordinated effort by the County and the municipalities within the County will permit a more effective mosquito control and education program and specifically will aid control of the mosquito species responsible for the spread of West Nile Virus.

NOW, THEREFORE, in mutual consideration of the premises and the covenants and promises set forth below, the parties to this IGA agree as follows:

1. **PROJECT.** The Project that is the subject of this IGA is a comprehensive integrated larval and adult mosquito control program, on public and private property throughout Garfield County that will be designed specifically for Garfield County and the municipalities by an independent contractor. The Project will provide surveillance, identifying mosquito breeding habitats and areas with high numbers of mosquito larvae and adults, with an emphasis on Culex mosquitoes. Surveillance will include the use of GIS mapping technology. The Project will include the use of chemical pesticides for adult and larval mosquito control in a manner safe to citizens, the environment and pets. Chemical applications will only be done when the elected officials of each pertinent jurisdiction, or their designated staff member, determine that mosquito levels have reached a threshold that poses a public health risk. Each jurisdiction is responsible for working with the Contractor to ensure that their jurisdiction is in compliance with the Federal Clean Water Act and the Colorado Discharge Permit System as administered by the Colorado Department of Public Health and Environment. The independent contractor will also provide community outreach and public education.

2. **PROJECT COSTS.** The cost for the entire Project that is the subject of this IGA shall not exceed Two Hundred Fifteen Thousand Dollars and No Cents (\$215,000.00), with each town and city contributing the amounts set forth below for a total contribution of Sixty-Five Thousand Seven Hundred Fifty Dollars and No Cents (\$65,750.00) of the Project Cost. The

remainder will be contributed by the County for the twenty-nine (29) square miles of service area outside of the municipalities.

3. COUNTY RESPONSIBILITIES. The County shall be the coordinating entity and the contracting and fiscal authority for the Project. The County's responsibilities shall include the creation of the Request For Proposals ("RFP"), management of the RFP process, selection of the contractor and management of the contract. The County shall pay an amount not to exceed One Hundred Forty-Nine Thousand Two Hundred Fifty Dollars and No Cents (\$149,250.00) of the total Project Cost of Two Hundred Fifteen Thousand Dollars and No Cents (\$215,000.00), unless emergency services are required.

4. GLENWOOD SPRINGS RESPONSIBILITIES: Glenwood Springs shall be responsible for payment to the County of \$6,800.00.

5. CARBONDALE RESPONSIBILITIES: Carbondale shall be responsible for payment to the County of \$9,000.00.

6. RIFLE RESPONSIBILITIES: Rifle shall be responsible for payment to the County of \$24,600.00.

7. SILT RESPONSIBILITIES: Silt shall be responsible for payment to the County of \$6,600.00.

8. NEW CASTLE RESPONSIBILITIES: New Castle shall be responsible for payment to the County of \$7,450.00.

9. PARACHUTE RESPONSIBILITIES: Parachute shall be responsible for payment to the County of \$11,300.00.

10. PARTY RESPONSIBILITIES: All parties to this IGA shall cooperate with and assist the independent contractor chosen by the County to perform the work of the Project.

11. REMEDIES. If any of the cities or towns, identified in Paragraphs 4 through 9 above, fails to perform their payment obligation(s), the County may assume responsibility for the defaulting payment(s), and all other obligations of this IGA shall remain in full force and effect.

12. CONTRACT AWARD. The contract anticipated to define the Scope of Work needed for the Project shall be awarded by Garfield County pursuant to the terms of its Procurement Manual. The Notice to Proceed may be awarded prior to the payment obligations of the municipalities and towns being met.

13. INDEMNIFICATION. The parties acknowledge each is subject to the constitutional prohibitions against indemnification in Colo. Const. art XI, § 1. Neither can indemnify the other.

Nothing herein shall be interpreted as a waiver of governmental immunity to which each party would otherwise be entitled under Section 24-10-101, *et seq.*, C.R.S., as amended.

14. APPROPRIATION. This IGA is contingent upon appropriation and budgeting for the costs required for the Project. Should any party fail to appropriate or have available sufficient funds to pay for the costs of its obligations set forth herein, this IGA shall be considered of no force or effect, except to the extent that the County has assumed the obligations of another party, as set forth herein. This IGA is not intended to, nor does it create a multi-year fiscal obligation as defined by Section 20, Article X of the Constitution of the State of Colorado.

15. EFFECTIVE DATE. This IGA shall be effective January 1, 2025 through December 31, 2025, no matter the date of execution.

16. AMENDMENT. This IGA may be amended by the parties solely through a written agreement signed by each.

17. FACSIMILES AND COUNTERPARTS. This IGA may be signed in counterparts, and facsimile signatures may be substituted for original signatures.

18. GOVERNING LAW. The laws of the State of Colorado shall govern the validity, performance and enforcement of this IGA. Venue for any action instituted pursuant to this IGA shall lie in Garfield County, Colorado.

19. AUTHORITY. Each person signing this IGA represents and warrants that said person is fully authorized to enter into and execute this IGA and to bind the party represented to the terms and conditions hereof.

20. NOTICE. All notices required under this IGA shall be in writing and shall be hand delivered or sent by registered or certified mail, return receipt requested, postage prepaid to the addresses of the parties set forth below. Notice addresses may be changed without amendment to this IGA.

Notice to County:

Board of County Commissioners
Attn: County Manager
108 8th Street, Suite 101
Glenwood Springs, CO 81601
Phone: (970) 945-5004
Fax: (970) 945-7785

Notice to Glenwood:

City of Glenwood Springs
Attn: City Manager
101 W. 8th St.
Glenwood Springs, CO 81601
Phone: 384-6400

Notice to Carbondale:	Town of Carbondale Attn: Town Manager 511 Colorado Avenue Carbondale, CO 81623 Phone: (970) 963-2733 Fax: (970) 963-9140
Notice to Rifle:	City of Rifle Attn: City Manager 202 Railroad Avenue P.O. Box 1908 Rifle, CO 81650 Phone: (970) 625-2121
Notice to Silt:	Town of Silt Attn: Town Administrator 231 N. 7 th St., Box 70 Silt, CO 81652 Phone: (970) 876-2353
Notice to New Castle:	Town of New Castle Attn: Town Administrator 450 W. Main P.O. Box 90 New Castle, CO 81647 Phone: (970) 984-2311
Notice to Parachute:	Town of Parachute Attn: Town Administrator 222 Grand Valley Way Box 100 Parachute, CO 81635 Phone: (970) 285-7630

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
OF GARFIELD COUNTY, COLORADO**

Clerk to the Board

By: _____
Chairman

Dated: _____

ATTEST:

**CITY OF GLENWOOD SPRINGS,
STATE OF COLORADO**

City Clerk

By: _____
Mayor

Dated: _____

ATTEST:

**TOWN OF CARBONDALE
STATE OF COLORADO**

Town Clerk

By: _____
Mayor

Dated: _____

ATTEST:

**CITY OF RIFLE
STATE OF COLORADO**

City Clerk

By: _____
Mayor

Dated: _____

ATTEST:

**TOWN OF SILT
STATE OF COLORADO**

Town Clerk

By: _____
Mayor

Dated: _____

ATTEST:

**TOWN OF NEW CASTLE
STATE OF COLORADO**

Town Clerk

By: _____
Mayor

Dated: _____

ATTEST:

**TOWN OF PARACHUTE
STATE OF COLORADO**

Town Clerk

By: _____
Mayor

Dated: _____

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Agenda Item #7.a.

Agenda Item Name:

Proclamation Recognizing National Police Week

Presenter:

Debra Funston, Chief of Police

Item Description:

National Police Week is recognized May 11-17, 2025

Recommended Action:

No action necessary

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

The 63rd Anniversary of National Police Week is recognized May 11-17, 2025.

In 1962, President Kennedy proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls, as National Police Week. Established by a joint resolution of Congress in 1962, National Police Week pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety and protection of others.

National Police Week is a collaborative effort of many organizations dedicated to honoring America's law enforcement community.

Executive Summary:

None

Notification Requirements:

None

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

1. Proclamation 2025

PROCLAMATION

NATIONAL POLICE WEEK MAY 11TH - 17TH , 2025

WHEREAS, there are more than 800,000 law enforcement officers serving in communities across the United States, including the dedicated members of the Rifle Police Department:

WHEREAS, since the first recorded death in 1786, there are currently 24,067 law enforcement officers in the United States who have made the ultimate sacrifice and been killed in the line of duty, and

WHEREAS, in 1962, President Kennedy proclaimed May 15 as National Peace Officers Memorial Day and the calendar week in which May 15 falls, as National Police Week; and

WHEREAS, the dedicated men and women of the Rifle Police Department dedicate themselves to protecting the lives, property, and rights of our residents, upholding the law with courage, integrity, and professionalism; and

WHEREAS, these officers serve as guardians of our community, responding to emergencies, fostering public safety, and building trust through their commitment to justice and compassion; and

WHEREAS, it is important that all citizens know and understand the duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, defending them against violence or disorder, and guarding the innocent against deception and the weak against oppression, and

WHEREAS, our police department has grown to be a modern and well-respected law enforcement agency which unceasingly provides a vital public service; and

WHEREAS, U.S. flags should be flown at half-staff on May 15th for Peace Officers Memorial Day, in honor of all fallen officers and their families.

NOW, THEREFORE, be it proclaimed that the City Council of Rifle, Colorado, hereby proclaims May 11-17, 2025, as National Police Week in the City of Rifle, and publicly salutes the service of law enforcement officers in our community and in communities across the nation.

DONE AND PROCLAIMED BY THE CITY COUNCIL OF RIFLE, COLORADO, IN REGULAR SESSION THIS 7TH DAY OF MAY, 2025.

Sean Strode, Mayor

Alexis Ramirez, City Clerk



Agenda Item #7.b.

Agenda Item Name:

Badge Pinning of Officer Dawson Hamilton

Presenter:

Debra Funston, Chief of Police

Item Description:

Badge Pinning of Officer Dawson Hamilton

Recommended Action:

N/A

Fiscal Impact:

N/A

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

Regular Pinning ceremony for a new officer

Executive Summary:

Officer Dawson Hamilton has completed his required training to become a POST Certified Police Officer with the Rifle Police Department.

Notification Requirements:

N/A

Prepared By:

Debra Funston, Chief of Police

Attachments:

1. 01-27-2025 Dawson Hamilton



Oath of Office

State of Colorado, County of Garfield, City of Rifle

I, Dawson Hamilton, do solemnly swear that I will support the Constitution of the United States, and of the State of Colorado, and the Charter and Ordinances of the City of Rifle and faithfully perform the duties of the office of Police Officer upon which I am about to enter.

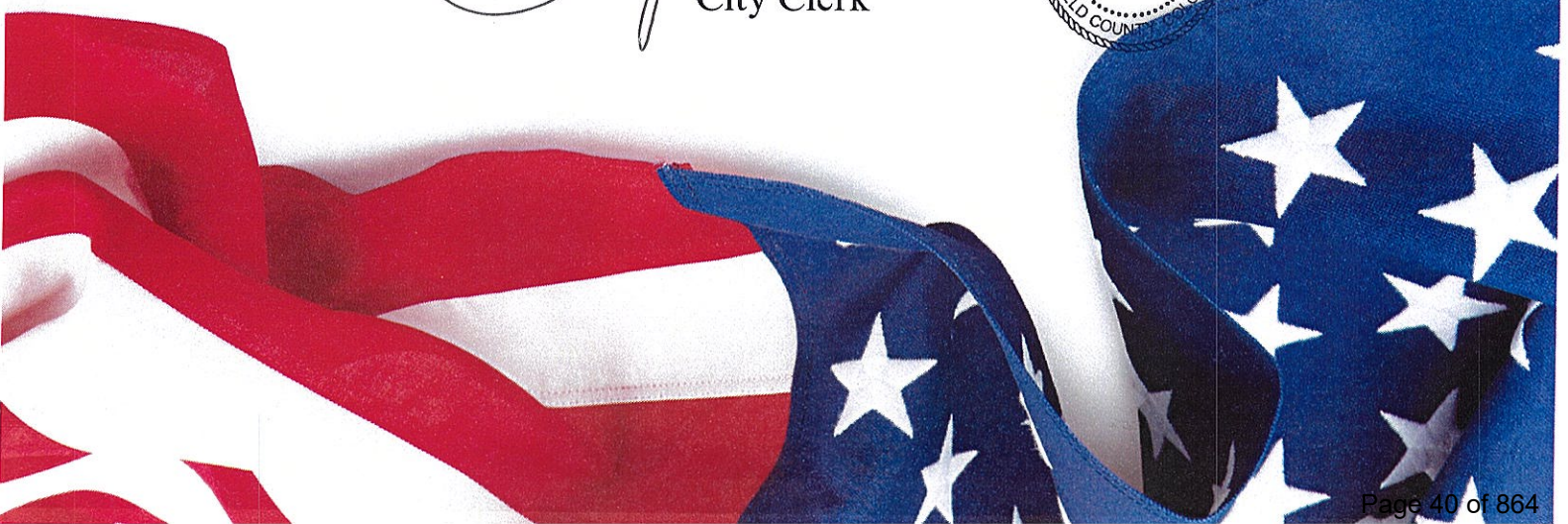
Subscribed and sworn to before me on January 27, 2025

A handwritten signature in black ink, reading "Dawson Hamilton", written over a horizontal line.

Signature

A handwritten signature in black ink, written over a horizontal line.

City Clerk





Agenda Item #8.a.

Agenda Item Name:

Consider Purchase Order for Rifle Community Foundation

Presenter:

Patrick Waller, City Manager

Item Description:

Purchase Order Request

Recommended Action:

Move to approve the purchase request for the Rifle Community Foundation in the amount of \$76,000

Fiscal Impact:

This expense was included in the 2025 budget.

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

The Rifle Community Foundation is funded by the City of Rifle and disperses grants to local non-profits.

Executive Summary:

The Rifle Community Foundation is a nonprofit 501 (c) and a Board of Directors makes decisions on which applicants receive funding. The mission of the organization is to, "enhance the lives of the people of the Colorado River Valley from South Canyon to De Beque Canyon by providing an avenue for donors to invest in legacy projects and worthy activities benefiting area citizens." Councilor Roberts is the City of Rifle representative on the Board of Directors.

The Rifle Community Foundation President will be in attendance to give a brief overview of the organization and answer any questions.

Notification Requirements:

No additional notification required.

Prepared By:

Patrick Waller, City Manager

Attachments:

1. 2025 Funding Request
2. Rifle Community Foundation 2025 Council Update
3. PURCHASE REQUEST



RIFLE COMMUNITY FOUNDATION
P.O. BOX 1234
RIFLE, COLORADO 81650

April 6, 2025

City of Rifle
Attn: Patrick Waller
202 Railroad Ave.
Rifle, CO 81650

Dear Patrick:

The Board of Directors of the Rifle Community Foundation kindly requests payment of the City of Rifle allocated funds to the Foundation for 2025. These include \$36,000 in community grants and \$40,000 in drug-related/rehabilitation programs for a total of \$76,000. We thank you for supporting nonprofit organizations from DeBeque to South Canyon and programs associated with substance dependency, prevention, and rehabilitation.

Regards,

Kasey Nispel

Kasey Nispel
President
Rifle Community Foundation

Rifle Community Foundation

Rifle Community Foundation is an organization dedicated to the distribution of charitable funds to community service, human service, and educational organizations from South Canyon to De Beque Canyon. Our foundation is designed to promote charitable giving and the establishment of charitable endowments as a means of sustaining and cultivating the great heritage and valued quality of life we so cherish in our surrounding Western Colorado communities. We are a non-partisan, non-profit 501 (c) (3) organization and a Western Colorado Community Foundation affiliate.

Mission	Board of Directors
Enhance the lives of the people of the Colorado River Valley from South Canyon to De Beque Canyon by providing an avenue for donors to invest in legacy projects and worthy activities benefiting area citizens.	• Kasey Nispel, President • Mandy Whitt • Caitlin Carey • Brisa Chavez • Karen Roberts • Raquel Mendizabal • Tinker Duclo
Funds	Grant Requirements
General (Community and Human Services) Substance Prevention Police Officer Reserve Fund Heritage Windows RE-2 Foundation Watson Memorial Scholarship	1. The organization must be a 501(c)(3) organization. 2. The organization must submit the Rifle Community Foundation application for a human or community services-related grant. 3. Grant deadlines are April 1st and/or October 1st each year.

Prior Grant Recipients

- AZYEP (Youth Empowerment KDNK)
- Access After School
- Advocate Safehouse
- Alpine Legal Services
- Aspen Community Foundation
- A Way Out
- Buddy Program
- Casa of the Ninth
- College Outreach
- Colorado Close Up
- Community Health Services (new 2025)
- Destination Imagination
- Discovery Cafe
- Dolls for Daughters
- Family Visitor Program / Great Expectations
- Focused Kids
- Garfield County Animal Welfare
- Garfield County Search & Rescue
- Glen-X
- High Country RSVP
- High Water Farm
- Homecare & Hospice of the Valley
- Impact Charitable
- Junior Achievement of the Roaring Fork
- Kenzi's Cause
- KSUN
- Lift-Up
- Lions Club
- Literacy Outreach
- NUTS (New Ute Theater Society)
- Middle Colorado Watershed
- Mountain West Sane Alliance
- Pathfinders
- Pauline Schneegas Wildlife Foundation
- Raising a Reader
- Roaring Fork Leadership
- RE-2 School Lunch
- RE-2 Smart Decision
- Reach Out Colorado
- RIDE Program

- Rifle Animal Shelter/Journey Home
- Rifle Farmers Market
- River Bridge/SANE Alliance
- River Center
- RSVP
- Silt Historical
- Social Bridge
- Symphony in the Valley
- West Elk Trails
- Uproot
- Western Slope Veterans Coalition
- Youth Zone



**CITY OF RIFLE
PURCHASE REQUEST**

1.	Vendor Name	NEW: W-9 attached ☐
	Rifle Community Foundation	

2.	Vendor Address
	PO Box 1234, Rifle, CO 81650

3.	For the Purchase of (description)
	Funding for grants from community organizations
	\$40,000 for Community Wellness Grants and \$36,000 for Foundation Grants

4.	Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
	\$76,000	\$76,000	

5.	Dept. Name	General Ledger Acct #
	Gen - Non Dept	100-4800-400-879 and 100-4800-400-878

6.	Type of Purchase
	Capital Construction
	Capital Construction – Change Order
	Capital Equipment
	Plant Equipment
	Materials, supplies, non-profession/technical services (includes computer/software maint.)
	X Professional Services
	Utilities (includes equipment installation)
	Land, easements, ROW

7.	Purchasing Process Required
	Cooperative Purchasing
	Open Market
	Comparative Pricing
	Request for Proposal (attach bid tab)
	Formal Bid (attach bid tab and advertisement)
	X Single Source (attach an explanation)

8.	Authorization Required
	City Manager
	X City Council

9.	Signatures		
	Position	Signature	Date
	Department Director		
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		

General summary of purchasing ordinance (Section 4, Art. III)

TYPE OF CONTRACT	ESTIMATED AMOUNT	PROCESS	Purchase Order? Purchase Request?	CITY COUNCIL APPROVAL REQUIRED?
Capital Construction	< \$5,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO	Yes if over \$20,000 or for any amount from Capital Fund.
	\$5,000-\$20,000	Comparative Pricing (solicit quotes from 3) vendors/suppliers)	Purchase Request	
	\$20,001-\$100,000	Competitive Bid (see Code Sec 4-3-40)		
	> \$100,000	Bonded Competitive Bid		
Capital Construction Change orders	< = 10% of approved contract	When total change orders to date are < 10% - Dept Head or City Manager Approval	Purchase Request	Yes if total change orders to date are greater than 10%
	> 10% of approved contract			
Capital Equipment	< \$5,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO	Yes if over \$20,000 or for any amount from Capital Fund.
	\$5,000-\$20,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
	> \$20,000	Competitive Bid (see Code Sec 4-3-40)		
Plant Equipment Replacement (purchases necessary for replacement of existing equipment that is component part of any water, wastewater, or physical plant)	< \$7,500	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$75,000
	\$7,500-\$75,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
	>\$75,000	Competitive Bid (see Code Sec 4-3-40)		
Materials, Supplies, Non- Professional Services and Technical Services (including software/hardware maintenance technical services)	< \$10,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$20,000
	>\$10,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
Professional Services (note- process for appointed positions such as auditor, attorney, engineer, or municipal judge to be determined by Council)	< \$25,000	Open Market (informal evaluation by purchasing agent)	All - Purchase Request	Yes if anticipated to exceed \$25,000 per year to a single vendor
	> = \$25,000	Written requests for written proposals must be sent to at least 3 firms or individuals		
Utilities including installation of equipment (purchases to secure utility services such as natural gas, electricity, local telephone, water, or sewer)	any amount	Single Source (negotiations, where appropriate, after good faith determination that only one viable source exists in relevant supply area - keep records for one year)	> \$5,000 - PO >= \$5,000 - Purchase Request	No
Real Property Interest (including easements and rights of way)	any amount	Single Source (see above)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$5,000.



Agenda Item #8.b.

Agenda Item Name:

Consider Habitat for Humanity Bond Issuance - Emergency Ordinance No. 7, Series of 2025

Presenter:

James S. Neu, City Attorney

Item Description:

Emergency Ordinance Request

Recommended Action:

Move to approve emergency Ordinance No. 7, Series of 2025 on it's first and only reading as presented, and order it to be published as required by Charter.

Fiscal Impact:

See attached memo for analysis of Financial Impact. Bond Counsel has reviewed the offering and indicated that there will be no financial impact to the city. Note - This memo is from the conduit bond financing request that was approved in January. The only change is around the interest rate that was driven by the bond market fluctuations.

Operational Impact:

Staff has worked extensively with the applicant to bring the request to Council. If the bond moves forward, there will be relatively minimal reporting required from the Finance department.

Prior Board Motions:

Council previously approve the conduit bond financing at the January 15, 2025 meeting.

Background Information:

Habitat for Humanity has proposed to construct a 65,000 square foot factory to construct modular housing units on City of Rifle property located on the UMTRA mill tailing site, within the Energy Innovation Center and adjacent to the City of Rifle Wastewater Facility. Habitat has gone through the development process as follows:

- Habitat and the City of Rifle have approved a lease agreement to allow the facility to operate on the property.
- Habitat for Humanity has received Planning Commission approval of a Conditional Use Permit to operate the facility on the site.
- Habitat has received a building permit from the City of Rifle.
- A previous conduit bond financing package was approved at the January 15, 2025 meeting.

Executive Summary:

Market conditions are requiring a revised ordinance to be passed for the conduit bond issuance. Nothing has changed except the parameters of the interest rate. This change is being driven by recent fluctuations in the bond market.

Notification Requirements:

No additional notice required.

Prepared By:

Patrick Waller, City Manager

Attachments:

1. 8b - City of Rifle (Habitat) Ordinance No. 7, Series of 2025
2. City of Rifle (Habitat) -- Trust Indenture
3. City of Rifle (Habitat) -- Loan Agreement
4. Amended and Restated PLOM - City of Rifle Habitat for Humanity RFV Series 2025AB posted 4_2_25
5. Bond Purchase Agreement - City of Rifle Habitat for Humanity Series 2025 Bonds 4903-4062-4920-v8
6. Supplement to PLOM - Habitat RFV 2025 Bonds 4937-9788-3194-v3
7. Memo to City Council regarding Habitat Roaring Fork Valley

**CITY OF RIFLE, COLORADO
ORDINANCE NO. 7
SERIES OF 2025**

AN ORDINANCE BY THE CITY OF RIFLE, COLORADO AUTHORIZING THE ISSUANCE AND DELIVERY OF ITS REVENUE BONDS (HABITAT ROARING FORK VALLEY, INC. MODULAR PRODUCTION FACILITY, SERVICE AREAS IN ASPEN, GLENWOOD SPRINGS AND RIFLE, COLORADO) SERIES 2025A AND TAXABLE SERIES 2025B, IN AN AGGREGATE AMOUNT NOT TO EXCEED \$28,000,000 AND TO AUTHORIZE A LOAN OF THE PROCEEDS OF SUCH BONDS TO THE BORROWER FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF A MODULAR PRODUCTION FACILITY IN THE CITY OF RIFLE, STATE OF COLORADO AND TO PAY CERTAIN ISSUANCE EXPENSES OF AND CAPITALIZED INTEREST ASSOCIATED WITH SUCH BONDS (AS DEFINED BELOW) AND FUND CERTAIN RESERVES; APPROVING AND AUTHORIZING EXECUTION OF AN INDENTURE OF TRUST WITH THE TRUSTEE, A LOAN AGREEMENT WITH THE BORROWER AND AN AMENDED AND RESTATED GROUND LEASE (AS DEFINED BELOW); MAKING FINDINGS AND DETERMINATIONS WITH RESPECT TO THE PROJECT (AS DEFINED BELOW) AND THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AND REPEALING ALL ACTION HERETOFORE TAKEN IN CONFLICT HERewith; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Rifle, in the County of Garfield and State of Colorado (the "City"), is a home-rule city and Colorado municipal corporation; and

WHEREAS, the City is authorized by the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act") and the Colorado Supplemental Public Securities Act, Article 57, Title 11, Section 201 *et seq.*, Colorado Revised Statutes, as amended (the "Supplemental Act"), to finance one or more projects (which includes any land, building or other improvement and all real and personal properties) used for or in connection with any manufacturing enterprise; and

WHEREAS, the City is further authorized by the Act and the Supplemental Act to issue revenue bonds (defined under the Act to include bonds, notes, or other securities evidencing an obligation and issued under the Act) for the purpose of defraying the cost of financing any project, including the payment of principal and interest on such revenue bonds for not exceeding three years, the funding of any reserve funds which the City may deem advisable to establish in connection with the retirement of such revenue bonds or the maintenance of the project and incidental expenses incurred in issuing such revenue bonds, and to secure payment of such revenue bonds as provided in the Act and the Supplemental Act; and

WHEREAS, representatives of Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation, including any subsidiaries, affiliates, successors or assigns (but only if such subsidiaries, affiliates, successors or assigns are acceptable to the City) (the "Borrower"), have met with officials of the City and have advised the City of the Borrower's interest in the acquisition, construction, improvement, and equipping of a 65,000 square foot modular manufacturing facility, have proposed that the City issue its revenue bonds, in one or more series, to finance such modular manufacturing facility (or such other name as designated by the Borrower) (the "Project"), located on 10.5 acres of land that the Borrower has leased from the City, which is within the boundaries of the City, and such Project will be owned and operated by the Borrower; and

WHEREAS, the Project constitutes a project under the Act; and

WHEREAS, the City Council has determined that it is in the best interests of the City and its residents to issue revenue bonds for the Project, and the City declares its intention to authorize an issue of its Revenue Bonds (Habitat Roaring Fork Valley, Inc, Modular Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the "Series 2025A Bonds") and Taxable Series 2025B, in the aggregate principal amount not to exceed \$28,000,000 (referred to herein collectively as the "Bonds"), for the purpose of funding a loan to the Borrower to pay the cost of financing the Project and fund an operating expense reserve, fund a debt service reserve fund for the Series 2025A Bonds, fund capitalized interest relating to the Bonds and pay costs of issuance relating to the Bonds, upon such terms and conditions as are contained herein; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust to be dated as of May 1, 2025 (the "Indenture") between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and;

WHEREAS, the Borrower will enter into a Loan Agreement to be dated as of the date of the Indenture (the "Loan Agreement"), by and between the City and the Borrower, which will provide for payments by the Borrower sufficient to pay the principal of, premium, if any, and interest on the Bonds and to meet other obligations as herein and therein provided; and

WHEREAS, D.A. Davidson & Co., as the initial purchaser of the Bonds (the "Underwriter") will enter into a Bond Purchase Agreement (the "Purchase Agreement"), by and among the City, the Borrower and the Underwriter, which will provide for the purchase of the Bonds; and

WHEREAS, there have been presented to the City Council at this meeting substantially final forms of the following documents: (a) the Indenture; (b) the Loan Agreement; (c) the Purchase Agreement; and (d) the Amended and Restated Ground Lease between the Issuer and the Borrower dated as of May 1, 2025 (the "Amended and Restated Ground Lease," and, collectively (a) – (d), the "Financing Documents"); and (g) the Preliminary Limited Offering Memorandum and Supplement thereto (collectively, with any further supplements thereto, the "Preliminary Limited Offering Memorandum") prepared in connection with the sale of the Bonds; and

WHEREAS, the City Council is desirous of authorizing and approving the execution of the agreements and instruments described above and the transactions evidenced thereby; and

WHEREAS, by Ordinance No. 2, Series of 2025 the City Council approved a similar transaction and related documents, but because of changed market conditions, this Ordinance supersedes Ordinance No. 2, Series of 2025.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO AS FOLLOWS:

Section 1. Ratification of Actions. All action heretofore taken, not inconsistent with the provisions of this ordinance (the "Ordinance"), by the City Council or the officers of the City, directed for the purposes herein set forth, are hereby ratified, approved and confirmed. The City is authorized under the Act and the Supplemental Act to issue and deliver its revenue bonds in the form of one or more instruments, such as the Bonds, for the purpose, in the manner and upon the terms and conditions set forth in the Act, the Supplemental Act, the Indenture and the Loan Agreement. The Bonds are being issued pursuant to the Act and the Supplemental Act.

Section 2. Findings; Authorizations. The City Council hereby finds and determines, pursuant to the City's home rule powers and all applicable laws of the State of Colorado, as follows:

(a) The Project is an eligible "project," as defined in the Act.

(b) The issuance of the Bonds will effectuate the public purposes of the City and carry out the purposes of the Act by, among other things, funding the loan to the Borrower with proceeds of the Bonds (the "Loan") to assist the Borrower in providing manufacturing facilities within the boundaries of the City.

(c) The Bonds are special, limited obligations of the City payable solely out of the income, revenues and receipts specifically pledged pursuant to the Indenture and the Loan Agreement. The Bonds, the premium, if any, and the interest thereon shall never constitute the debt or indebtedness of the City, the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, shall not constitute nor give rise to a pecuniary liability of the City, the State or any political subdivision thereof or a charge against their general credit or taxing power and shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the City under Article X, Section 20 of the State Constitution. None of the City, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds do not constitute a debt, loan, credit or pledge of the faith and credit or taxing power of the City, the State or any political subdivision thereof.

(d) The Project is necessary, convenient, and in furtherance of the governmental purposes of the City and in the best interests of the City and its inhabitants; and the City Council hereby authorizes the Project.

Section 3. Approval and Execution of Financing Documents; Authorized Officers; Variations in Documents. The Financing Documents in substantially the forms thereof presented to the City Council and filed with the City, be, and the same are in all respects hereby approved, authorized and confirmed, but such Financing Documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance and as the City Manager and bond counsel shall approve, the execution thereof being deemed conclusive evidence of approval of any such changes, modifications, additions and deletions from the forms thereof presented at this meeting. The Mayor of the City or his designee or designees is hereby authorized and directed to execute, and the City Clerk of the City is hereby authorized and directed to affix the seal of the City to, and attest, such documents for and on behalf of the City.

Section 4. Approval of Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Preliminary Limited Offering Memorandum is in all respects approved, authorized and confirmed, but with such amendments, additions and deletions as are in accordance with the facts and not inconsistent herewith. The Limited Offering Memorandum, and any required updated Limited Offering Memorandum (collectively, the "Limited Offering Memorandum") in substantially the form of the Preliminary Limited Offering Memorandum is in all respects approved, authorized and confirmed, but with such amendments, additions and deletions as are in accordance with the facts and not inconsistent herewith.

The distribution by the Underwriter of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum to interested persons in connection with the sale of the Bonds is hereby authorized, approved and confirmed. The designation of the Preliminary Limited Offering Memorandum by the City Manager as "final" for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for omissions permitted by the Rule, is hereby authorized, approved and confirmed.

Section 5. Authorization to Issue and Deliver the Bonds and Fund the Loan.

(a) Each series of Bonds shall be issued in such principal amount, bear such date and interest rate and shall mature as set forth in the Indenture, provided, however, that the aggregate principal amount of the Bonds issued under the Indenture shall not exceed the amount set forth herein and further provided, it may be determined that no Bonds of a series or any series shall be issued. The proceeds of the Bonds shall be used to fund the Loan as set forth in the Indenture and in the Loan Agreement. The Bonds shall be payable, shall be subject to redemption prior to maturity and shall be in substantially the form as provided in the Indenture. Furthermore, the Bonds shall be payable at such place and in such form, shall carry such registration privileges, shall be executed and shall contain such terms, covenants and conditions, all as set forth in the Indenture. The maximum net effective interest rate payable on the Bonds, without regard to any default rate that might be applicable, shall be the lesser of the maximum legal rate of interest or 8.5% and the final maturity of the Bonds shall not be later than 2048. Such maximum rate of interest is hereinafter referred to as the "Maximum Rate."

(b) The delivery of the Bonds pursuant to the terms of the Indenture, be, and the same is in all respects hereby approved, authorized and confirmed, and the Mayor of the

City or his designee or designees is hereby authorized and directed to execute the Bonds, and the City Clerk of the City is hereby authorized and directed to affix the seal of the City to and attest the Bonds and each is hereby authorized to deliver the Bonds for and on behalf of the City to the Indenture.

(c) The Mayor of the City and his designee or designees is hereby authorized to take any action reasonably necessary or appropriate in accordance with this Ordinance in connection with the preparation, execution, issuance, sale, delivery, security for, and payment of each series of the Bonds, including, but not limited to, determinations of:

- (1) The final form, content, designation and terms of the Bonds, including a determination that the Bonds may be issued in certificated or book-entry form;
- (2) The principal amount of the Bonds to be issued and denominations of the Bonds;
- (3) The rate or rates of interest or the method for determining the rate or rates of interest on the Bonds;
- (4) Whether the Bonds will be issued on a taxable or tax-exempt basis;
- (5) The date of issuance, sale and delivery of, and the payment of interest on the Bonds, and the maturity date or dates of the Bonds;
- (6) The purchase price of the Bonds;
- (7) The terms under which the Bonds may be paid, optionally or mandatorily redeemed, accelerated or called before their respective stated maturities;
- (8) Provision for the registration, transfer and exchange of the Bonds;
- (9) The creation of any reserve fund, sinking fund or other fund with respect to the Bonds;
- (10) The amount of any capitalized interest to be paid on the Bonds; and
- (11) The time and place of payment of the Bonds.

Section 6. Compliance with the Act. In connection with the issuance of the Bonds, the City hereby makes the following determinations:

- (a) that the amounts necessary in each year to pay the principal of and interest on the Bonds is dependent upon the rate of interest on the Bonds, but in any event shall not exceed the principal amount of the Bonds plus interest at the Maximum Rate;

- (b) that the Project is located within the corporate limits of the City;
- (c) that the terms of the Financing Documents and related security documents require that the Borrower will cause to be maintained, or maintain, the Project and will cause to be carried, or carry, all proper insurance with respect thereto and require the payment of all applicable taxes with respect thereto;
- (d) in reliance upon information provided by the Borrower, that the amounts required to be paid by the Borrower under the terms of the Financing Documents will be adequate to retire the Bonds; and
- (e) that proceeds from the issuance of the Bonds will be applied as set forth in the Financing Documents.

Section 7. Investments. To the extent the proceeds from the sale of the Bonds or any special funds from the revenues from the Project are required to be invested and reinvested for any period of time, such investments shall only be in securities and other investments that are permitted under, and made and held in accordance with, the terms of the Act, Section 11-57-214 of the Supplemental Act, the Indenture, the Loan Agreement, and the related federal tax certificates from the City and the Borrower.

Section 8. Additional Documents. The officers, employees and agents of the City shall take all action in conformity with the Act necessary or advisable to effectuate the issuance of the Bonds and the funding of the Loan and shall take all action necessary or advisable in conformity with the Act to finance the acquisition, construction, improvement and, equipping of the Project and for carrying out, giving effect to and consummating the transactions contemplated by this Ordinance and the Financing Documents, including the execution and delivery of appropriate closing documents, subject to the approval the City Attorney. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance. The Mayor and his designee(s) are hereby authorized to execute and deliver for and on behalf of the City any and all related agreements, certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance.

Section 9. No Pecuniary Liability. Nothing contained in this Ordinance or in the Bonds, the Financing Documents or any other instrument shall give rise to a pecuniary liability of, or a charge upon the general credit or taxing powers of the City, the State or any other county, municipality or political subdivision of the State. The breach by any party of any agreement contained in this Ordinance, the Bonds, Financing Documents or any other instrument shall not impose any pecuniary liability upon, or a charge upon the general credit or taxing powers of the City, the State or any county, municipality or political subdivision of the State, none of which has the power to pay out of its general fund, or otherwise contribute, any part of the cost of financing the Project, or power to operate the Project as a business or in any manner.

Section 10. Supplemental Public Securities Act. Section 11-57-204 of the Supplemental Act provides that a public entity, including the City, may elect in an act of

issuance to apply all or any of the provisions of the Supplemental Act. The City Council of the City hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 11. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or shall be construed to give to any person, other than the City, the Trustee and the Borrower, any legal or equitable right, remedy or claim under or with respect to this Ordinance or any covenants, conditions and provisions herein contained; this Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the City, the Trustee and the Borrower.

Section 12. Immunity of Officers. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds, for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds, shall be had against any Member of the City Council, official, counsel, attorney, trustee, employee, financial advisor or agent of the City or the State, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Bonds.

Section 13. Captions. The captions or headings in this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ordinance.

Section 14. Validity of Bonds. The Bonds shall contain a recital that such Bonds are issued pursuant to the Act and the Supplemental Act, and such recital shall be conclusive evidence of its validity and of the regularity of its issuance.

Section 15. Irrepealability. After the Bonds are issued, this Ordinance shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 16. Severability. If any section, paragraph, clause or provision of this Ordinance and the Financing Documents shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 17. Repealer of Measures. All acts, orders, resolutions, ordinances or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof heretofore repealed.

Section 18. Public Inspection. The City Council deems it appropriate that this Ordinance be published by title and summary prepared by the City Clerk and that this Ordinance be available for inspection and acquisition in the office of the City Clerk.

Section 19. Emergency Declaration; Effective Date. The City Council has been advised that in order for to secure the best interest rate on the Bonds, and to avoid possible increase in interest rates due to market volatility, it is necessary to issue the Bonds as soon as

possible. Therefore, for said reason, the City Council declares that this Ordinance is necessary for the immediate preservation of public property, health, peace, or safety and an emergency exists. This Ordinance shall be effective immediately upon final passage and be published following final passage in accordance with applicable Enabling Laws.

INTRODUCED, READ, ADOPTED, AND ORDERED PUBLISHED AS AN EMERGENCY ORDINANCE BY THE MEMBERS OF THE CITY COUNCIL OF THE CITY OF RIFLE BY A VOTE OF ____ IN FAVOR AND ____ AGAINST THIS 7TH DAY OF MAY, 2025.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

By _____
City Clerk

CITY OF RIFLE, COLORADO
and
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

INDENTURE OF TRUST

Dated as of May 1, 2025

SECURING

\$ _____

CITY OF RIFLE, COLORADO

REVENUE BONDS

(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)

SERIES 2025A AND TAXABLE SERIES 2025B

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SIGNATURES FOR TRUST INDENTURE

EXHIBIT A - FORMS OF SERIES 2025 BONDS

EXHIBIT B – FORM OF INVESTOR LETTER

INDENTURE OF TRUST

THIS TRUST INDENTURE (this "Indenture"), dated as of May 1, 2025, by and between the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado (the "Issuer"), and U.S. Bank Trust Company, National Association, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in Denver, Colorado, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act") and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the "Supplemental Act"), to issue revenue bonds for the purposes set forth therein; and

WHEREAS, the Issuer has authorized the issuance of its Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the "Series 2025A Bonds"), and Taxable Series 2025B (the "Series 2025B Bonds" and, collectively with the Series 2025A Bonds, the "Series 2025 Bonds"), in an aggregate principal amount up to \$28,000,000; and

WHEREAS, the proceeds of the Series 2025 Bonds will be used to finance a project consisting of: (i) the acquisition, construction, equipping and installation of a 66,000 square foot modular housing manufacturing facility located on 10.5 acres leased by the City to the Borrower (defined below) within the boundaries of the Issuer; (ii) the funding of a required 2025A Debt Service Reserve Fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025 Bonds; and (iv) the payment of the costs of issuance of the Series 2025 Bonds (collectively, the "Project"); and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of even date herewith (the "Loan Agreement"), with Habitat for Humanity of Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), specifying the terms and conditions of a loan by the Issuer to the Borrower of the proceeds of the Series 2025 Bonds for the purpose of financing the costs of the Project and the payment by the Borrower to the Issuer of amounts sufficient for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds and certain related expenses; and

WHEREAS, to evidence its obligations to make Loan Payments (as defined in the Loan Agreement) under the Loan Agreement, the Borrower will execute and deliver to the Issuer its promissory note in the amount of \$_____, dated May __, 2025 (the "Note"), providing for payments at such times and in such amounts as will be required to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same become due, and to pay certain related expenses; and

WHEREAS, to secure its obligations under the Loan Agreement and the Note, the Borrower (1) will grant a first mortgage lien in connection with the Series 2025 Bonds on its

right, title and interest in and to the real property portion of the Project pursuant to a Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), dated as of even date herewith (the "Mortgage"), granted by the Borrower to the Public Trustee of Garfield County, Colorado, for the benefit of the Trustee, (2) will grant to the Trustee a first priority security interest in connection with the Series 2025 Bonds in the personal property portion of the Project, in any inventory now or hereafter located at the Project, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership and operation of the Project pursuant to the Mortgage, and (3) will deliver a Guaranty Agreement and Indemnity to the Issuer (the "Guaranty") in which the Borrower unconditionally guarantees the full performance and punctual payment when due of each and all indebtedness, obligations and liability of the Borrower under the Note, the Loan Agreement and the Mortgage;

WHEREAS, the Borrower is obtaining an irrevocable line of credit loan from The Denver Foundation (the "Line of Credit") which it agrees to draw on in its entirety and transfer amounts received thereunder to the Trustee for deposit to the Operating Expense Reserve Fund and has further agreed to transfer to the Trustee other funds as necessary which, together with the draws under the Line of Credit, equal an aggregate amount of \$2,500,000 for deposit in the Operating Expense Reserve Fund no later than the Substantial Completion of the Project as provided in the Loan Agreement; and

WHEREAS, to secure its obligation to pay principal of, premium, if any, and interest on the Series 2025 Bonds to be issued hereunder and for the equal and ratable benefit of the owners of all the Series 2025 Bonds, the Issuer has agreed to (1) assign and pledge to the Trustee, and grant a first priority security interest in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), the Note, the Mortgage, and all revenues, payments, receipts, and money to be received and held thereunder and (2) endorse the Note without recourse or warranty to the order of the Trustee, all pursuant to the granting clauses of this Indenture; and

WHEREAS, the Issuer hereby finds and determines that the financing of the Project will further the purposes and policies of the Act; and

WHEREAS, the execution and delivery of this Indenture, the Loan Agreement and the endorsement without recourse of the Note to the order of the Trustee were authorized by the Bond Ordinance, which was duly adopted and approved on May __, 2025; and

WHEREAS, the Series 2025 Bonds to be issued, the Trustee's Authentication Certificate to be endorsed on such Bonds, and the Assignment for transfer of such Series 2025 Bonds are to be in substantially the form attached hereto as Exhibit A, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, with bracketed language to be inserted or replaced for the Series 2025 Bonds; and

WHEREAS, all things necessary to make the Series 2025 Bonds, when executed by the Issuer and when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding, and legal obligations of the Issuer according to the import thereof, to constitute this Indenture a valid lien on the interests in property hereby conveyed, a valid grant of a security

interest in the interests in property hereby made, and a valid assignment and pledge of the revenues and receipts hereby made to secure the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and performed, and the creation, execution, and delivery of this Indenture and the creation, execution, and issuance of the Series 2025 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE OF TRUST WITNESSETH THAT:

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series 2025 Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds according to their tenor and effect, the payment of all other sums payable hereunder and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Series 2025 Bonds, does hereby, subject to the terms and provisions of the Loan Agreement, grant, bargain, sell, convey, pledge, and assign, without recourse and irrevocably in trust, unto U.S. Bank Trust Company, National Association, as the Trustee, and unto its successors in trust, and to its assigns forever, and does hereby grant a continuing security interest in (to the extent permitted by law), for the securing of the performance of the obligations of the Issuer and the Borrower hereinafter set forth, the property, real or personal, tangible or intangible, which property is more particularly described below:

GRANTING CLAUSE FIRST

All the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), (b) the Note, which the Issuer does hereby agree to endorse without recourse or warranty to the order of the Trustee, (c) the Assignment of Construction Contracts, and (d) all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the Gross Revenues (as defined in the Loan Agreement) and the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Issuer is or may become entitled to do under the foregoing, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the provisions of the foregoing or impair or diminish the right of the Issuer to enforce compliance with the obligations of the Borrower under the foregoing.

GRANTING CLAUSE SECOND

All the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Series 2025 Bonds and all money held by the Trustee in the funds created under this Indenture (except the Rebate Fund), including the

Revenue Fund, the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund and the Repair and Replacement Reserve Fund created hereunder, or held by the Trustee as special trust funds derived from insurance proceeds, condemnation awards, payments on contractors' performance or payment bonds or other surety bonds, or any other source, together with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to, taking of, or decrease in the value of the real property portion of the Project, to the extent of all amounts which may be secured by this Indenture at the date of receipt of any such award or payment by the Trustee and of the reasonable attorneys' fees, costs, and disbursements incurred by the Trustee in connection with the collection of such award or payment, together with all of the right, title, and interest of the Issuer in and to all unearned premiums accrued, accruing, or to accrue under any and all insurance policies now or hereafter provided pursuant to the terms of this Indenture and all proceeds or sums payable for the loss of or damage to (i) any property encumbered hereby or (ii) rents, revenues, income, profits, or proceeds from leases, franchises, concessions, or licenses of or on any part of the Project.

GRANTING CLAUSE THIRD

All the right, title, and interest of the Issuer in and to all money and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of this Indenture and all other rights of every name and nature and any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, pledged, assigned, or transferred as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and appy the same subject to the terms hereof.

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

GRANTING CLAUSE FIFTH

All the right, title, and interest of the Issuer in and to the Guaranty and amounts paid pursuant thereto.

IN EACH CASE, whether now owned or hereafter acquired by the Issuer and howsoever its interest therein may arise or appear (whether by ownership, security interest, claim, or otherwise) and whether due or to become due and whether or not earned by performance;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged, conveyed, and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

SUBJECT, HOWEVER, to (1) the restrictions, exceptions, reservations, limitations, and other matters, if any, set forth immediately following the specific description of the real property in Exhibit A attached to the Mortgage and (2) "Permitted Encumbrances" as defined in Section 1.01 of the Loan Agreement and incorporated herein by Section 101 of this Indenture;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Series 2025 Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Series 2025 Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid to the owners of the Series 2025 Bonds the principal, interest, and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and if the Issuer shall well and truly keep, perform, and observe all and singular the covenants, conditions, and premises in the Series 2025 Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof and reconvey to the Issuer the estate hereby conveyed and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except cash held by the Trustee for the payment of interest on and retirement of the Series 2025 Bonds; otherwise this Indenture to be and remain in full force and effect until such time as the principal of the Series 2025 Bonds and the interest and premium, if any, thereon have been paid or provided for as hereinafter set out.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2025 Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said revenues, receipts, and property hereby conveyed, pledged, mortgaged, and assigned and which are the subject of a grant of a security interest are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Series 2025 Bonds, or any part thereof, as follows:

[End of Preamble]

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101 Definitions. Certain words and terms used in this Indenture shall have the meaning given them in Section 1.01 of the Loan Agreement which by this reference is incorporated herein. In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings set forth below. When used herein, such words and terms shall have the meanings given to them by the language employed in Section 1.01 of the Loan Agreement and in this Article I defining such words and terms, unless the context or use clearly indicates otherwise.

"Defaulted Interest" means any interest on any Bond which is due and payable, but which is not punctually paid or duly provided for on any Interest Payment Date.

"Event of Default" means the events specified in Section 901.

"Issue" means all obligations (i) issued at substantially the same time and (ii) sold pursuant to a common plan of financing, as determined in Section 1.150-1(c) of the Regulations, unless otherwise provided in an opinion of nationally recognized bond counsel furnished to the Arbitrage Calculator.

"Rebate Obligations" means (i) any arbitrage property in which the "sale proceeds" (as defined in Section 1.148-1(b) of the Regulations) of an Issue are invested, (ii) any arbitrage property in which the "investment proceeds" (as defined in Section 1.148-1(b) of the Regulations) of an Issue are invested, (iii) any arbitrage property in which "transferred proceeds" (as defined in Section 1.148-9 of the Regulations) of an Issue are invested, (iv) any arbitrage property in which amounts treated as proceeds of an Issue under Section 1.148-1(c) of the Regulations (relating to invested sinking funds) are invested, (v) any arbitrage property invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations), (vi) any arbitrage property pledged as security for payment of debt service on an Issue by the Borrower (or a related Person), the Issuer, or a governmental unit or units of which the Issuer is a part, (vii) any arbitrage property invested in amounts received with respect to "acquired purpose obligations" (e.g., payments on the Loan Agreement), (viii) any arbitrage property invested in other amounts used to pay debt service on an Issue, and (ix) any arbitrage property invested in other amounts received as a result of investing the amounts described in (i) through (viii) above with respect to an Issue. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under this Indenture, or (except in the case of an amount described in (vi) or (viii) above) whether the amount is subject to the pledge of this Indenture. For purposes of (vi) above, an amount is pledged to pay principal or interest with respect to an Issue if there is reasonable assurance that the amount will be available for such purposes in the event that the Borrower encounters financial difficulties. If a decision is made to apply any insurance or condemnation proceeds to the redemption of an Issue instead of using such proceeds for repair or replacement, any arbitrage property in which such proceeds are or were invested become Rebate Obligations on the date of such a decision.

"Regular Record Date" means the 15th day of the month (whether or not a business day) next preceding each Interest Payment Date.

"Special Record Date" means the date fixed by the Trustee for the payment of any Defaulted Interest pursuant to Section 208.

Section 102 Construction of Certain Terms. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) "This Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated "Articles", "Sections", and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words "herein", "hereof", "hereto", "hereby", and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

Section 103 Table of Contents; Titles and Headings. The table of contents, the titles of the Articles, and the headings of the Sections of this Indenture are solely for convenience of reference, are not a part of this Indenture, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 104 Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Indenture and which is precedent to the taking of any action by the Trustee under this Indenture shall include (i) a statement that the Person or Persons making or giving such certificate or opinion have read such covenant or condition herein and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an Accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an Accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or the Borrower or any third party on whom counsel or an Accountant could reasonably rely, unless such counsel or such Accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or the Borrower or the same counsel or Accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Indenture, but different officers, counsel, or Accountants may certify or opine to different matters, respectively.

The Trustee may conclusively rely on certificates and opinions given pursuant to this Indenture and may conclusively presume that such certificates and opinions were given in compliance with this Section 104.

Section 105 Preamble and Granting Clauses Incorporated. The preamble to this Indenture, the Granting Clauses, and other preliminary language are hereby incorporated in this Indenture.

[End of Article I]

ARTICLE II THE SERIES 2025 BONDS

Section 201 Restriction on Issuance of Series 2025 Bonds. No Series 2025 Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of the Series 2025 Bonds that may be issued hereunder is expressly limited to \$25,000,000. Additional Bonds may only be issued hereunder as set forth in Section 212 hereof.

Section 202 Execution; Limited Obligation; Temporary Bonds. The Series 2025 Bonds may be executed on behalf of the Issuer by its Mayor with his manual or facsimile signature and may be attested by the manual or facsimile signature of its City Clerk. All such facsimile signatures shall have the same force and effect as if said officers had manually signed each of the Series 2025 Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2025 Bonds shall cease to be such officer before the delivery of such Series 2025 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, and the Series 2025 Bonds may be issued and delivered as if such officer had remained in office until delivery.

The Series 2025 Bonds, together with interest thereon, shall be special, limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, shall be payable solely from the Security, and shall be a valid claim of the respective owners thereof only against the Security. The Security is hereby again specifically pledged and assigned for the equal and ratable payment of the Series 2025 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, except as may be otherwise expressly authorized in this Indenture. The Series 2025 Bonds shall be special, limited obligations of the Issuer as provided therein payable solely from the Security. The Series 2025 Bonds, the premium, if any, and the interest thereon shall never constitute the debt or indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, shall not constitute nor give rise to a pecuniary liability of the Issuer, the State or any political subdivision thereof or a charge against their general credit or taxing power and shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the Issuer under Article X, Section 20 of the State Constitution. None of the Issuer, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Series 2025 Bonds or other costs incident thereto. The Series 2025 Bonds do not constitute a debt, loan, credit or pledge of the faith and credit or taxing power of the Issuer, the State or any political subdivision thereof. Neither the members of the City Council of the Issuer nor any Person executing the Series 2025 Bonds shall be liable personally on the Series 2025 Bonds by reason of the issuance thereof.

Until Series 2025 Bonds in definitive form are ready for delivery, or by agreement with the purchasers of all Series 2025 Bonds, the Issuer may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of definitive Series 2025 Bonds, subject to the same provisions, limitations, and conditions, one or more printed, lithographed, or typewritten Bonds in temporary form, substantially of the tenor of the Series 2025 Bonds in this Article II described, with appropriate omissions, variations, and insertions as may be required. Series 2025 Bonds in temporary form shall be for such principal amounts as the Issuer shall determine.

Until exchanged for Series 2025 Bonds in definitive form, such Series 2025 Bonds in temporary form shall be entitled to the same security, lien, and benefit of this Indenture and shall have the same rights, remedies, and security hereunder as definitive Series 2025 Bonds to be issued and authenticated hereunder. The Issuer shall, without unreasonable delay, prepare, execute, and deliver definitive Series 2025 Bonds to the Trustee, and thereupon, upon the presentation and surrender of the Series 2025 Bond or Bonds in temporary form to the Trustee at its designated corporate trust office, the Trustee shall cancel the same and authenticate and deliver, in exchange therefor, a Series 2025 Bond or Bonds of the same maturity, interest rate, and series, in definitive form in the authorized denominations, and for the same aggregate principal amount as the Series 2025 Bond or Bonds in temporary form surrendered. Such exchange shall be made without making any charge therefor to any Bondholder.

Section 203 Approval and Authentication. The City Manager or Mayor of the Issuer is hereby authorized to have control of the Series 2025 Bonds and all necessary records and proceedings pertaining to the Series 2025 Bonds pending their investigation, examination, and approval; and their delivery to the Underwriter. Only such Series 2025 Bonds as shall have endorsed thereon a certificate of authentication substantially in the forms set forth hereto as Exhibit A and duly executed by the Trustee shall be entitled to any right, security, or benefit under this Indenture. All Series 2025 Bonds need not be authenticated by the same authorized officer of the Trustee. No Series 2025 Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Series 2025 Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Series 2025 Bond shall be deemed to have been duly executed by it if (a) signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Series 2025 Bonds issued hereunder, and (b) the date of registration and authentication of the Series 2025 Bond is inserted in the place provided therefor on the certificate of authentication.

Section 204 Form; Denomination; Medium of Payment. The Series 2025 Bonds shall be issuable only as fully registered Bonds without coupons in the denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000; provided however if the Series 2025 Bonds or any series thereof receive an Investment Grade rating by one Rating Agency, the Series 2025 Bonds of such series may be registered in denominations of \$5,000. The Series 2025 Bonds shall be substantially in the forms attached hereto as Exhibit A with such variations, insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. Principal of and interest and premium, if any, on the Series 2025 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 205 Mutilated, Lost, Stolen, or Destroyed Bonds. In the event any Series 2025 Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of like date, number, series, interest rate, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided, that, in the case of any mutilated Bond, such mutilated Series 2025 Bond shall first be surrendered to the Trustee, and in

the case of any lost, stolen, or destroyed Series 2025 Bond, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee and the Issuer. In the event any such Series 2025 Bond shall have matured, or shall be about to mature or have been called for redemption, instead of issuing a duplicate Series 2025 Bond the Issuer may pay the same without surrender thereof, provided that the conditions of this Section 205 shall have been satisfied. The Issuer and the Trustee may charge the owner of such Series 2025 Bond with their reasonable fees and expenses in connection with actions taken under this Section and may require the owner of such Bond to pay any tax, fee, or other governmental charge that may be imposed in relation thereto as conditions precedent to the issuance of any replacement Series 2025 Bond(s). The Issuer shall cooperate with the Trustee in connection with the issue of replacement Series 2025 Bonds, but nothing in this Section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Series 2025 Bond.

Every substituted Series 2025 Bond issued pursuant to this Section shall constitute an original additional contractual obligation of the Issuer, whether or not the Series 2025 Bond alleged to have been mutilated, destroyed, lost, or stolen shall be at any time enforceable by anyone, and shall be entitled to all the rights and benefits of this Indenture equally and proportionately with any and all other Series 2025 Bonds Outstanding of the same series duly issued hereunder.

All Series 2025 Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Series 2025 Bonds, and shall preclude any and all other rights or remedies.

Section 206 Cancellation and Destruction of Surrendered Series 2025 Bonds. When any Outstanding Series 2025 Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 205 or transfer or exchange pursuant to Section 207, such Series 2025 Bond shall be promptly cancelled by the Trustee. Cancelled Series 2025 Bonds shall be disposed of pursuant to the Securities Exchange Act of 1934 and the regulations promulgated thereunder.

Section 207 Negotiability; Registration, Transfer, and Exchange. The Series 2025 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State, and the Bondholders, in accepting any of the Series 2025 Bonds, shall be conclusively deemed to have agreed that the Series 2025 Bonds shall be and have all of said qualities and incidents of negotiable instruments.

The Issuer shall cause books for the registration of the Series 2025 Bonds and for the registration of transfer of the Series 2025 Bonds as provided in this Indenture to be kept by the Trustee which is hereby appointed the Issuer's bond registrar and agent for the transfer and exchange of the Series 2025 Bonds and as such shall maintain the books of the Issuer for the registration of ownership of each Bond as provided in this Indenture. The Trustee, for and on behalf of the Issuer, shall keep the Bond registration record, in which shall be recorded any and

all transfers of ownership of Bonds. No Series 2025 Bonds shall be registered to bearer. Any Bond may be transferred upon the registration books upon surrender thereof by the registered Bondholder in person or by his attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing and upon payment by such registered Bondholder of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture. Upon any such registration of transfer, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee a new fully registered Series 2025 Bond or Bonds of authorized denominations and of the same series, maturity or maturities, and interest rate(s) and in the same aggregate principal amount(s), and the Trustee shall enter the transfer of ownership in the registration books. No transfer of any Bond shall be effective until entered on the registration books.

Any Series 2025 Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by the registered owner or his attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the registered owner thereof, and upon payment by such registered owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture, when not prohibited by law, for an equal aggregate principal amount of Series 2025 Bonds of the same interest rate, and maturity or maturities and of any authorized denominations and registered in the name of the same registered owner. The Issuer shall cause to be executed and the Trustee to which Series 2025 Bonds are presented for exchange shall authenticate and deliver Series 2025 Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, shall enter the exchange in the registration books.

Except as provided herein with respect to exchanges for certain temporary Series 2025 Bonds, the cost of printing, lithographing, and engraving of all Series 2025 Bonds shall be deemed to be an Ordinary Expense of the Trustee, and there shall be no charge to any Bondholder for the registration, exchange, or transfer of Series 2025 Bonds from one Bondholder to another, although in each case the Trustee may require the payment by the Bondholder requesting exchange or transfer of any tax, fee, or other governmental charge required to be paid with respect thereto and may require that such amount be paid before any such new Series 2025 Bond shall be delivered.

The Issuer and the Trustee may deem and treat the registered Bondholder of any Series 2025 Bond as the absolute owner of such Series 2025 Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Indenture and the Loan Agreement, whether such Bond shall be overdue or not, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and interest and premium, if any, on any Series 2025 Bond shall be made to or upon the written order of such registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid.

The execution and attestation by the Mayor and City Clerk of the Issuer of any Series 2025 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange shall be valid, limited obligations of the Issuer, evidencing the same obligation as the Series 2025 Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2025 Bonds surrendered. The Trustee shall not be required to transfer or exchange any Series 2025 Bond (a) after the notice calling such Bond for redemption has been given as herein provided or (b) during a period beginning at the opening of business on the fifteenth (15th) day (whether or not a business day) next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

Notwithstanding any other provision of the Indenture to the contrary, no Series 2025 Bonds may be transferred, sold, assigned or pledged by a Bondholder or beneficial owner thereof unless such transfer, sale, assignment or pledge is to a "qualified institutional buyer" within the meaning of Rule 144A promulgated and adopted by the SEC pursuant to the Securities Act of 1933 or to an Accredited Investor; provided, however, that only the initial sale of the Series 2025 Bonds shall be required to be accompanied by an Investor Letter in the applicable form attached hereto as Exhibit B from each initial Bondholder or beneficial owner; provided, further, that if at any time after the Closing Date the Series 2025 Bonds or any series thereof receive an Investment Grade rating by one Rating Agency, the restrictions on transfer set forth in this clause shall no longer be applicable to such series of the Series 2025 Bonds and such Series 2025 Bonds may be transferred to any purchaser regardless of accreditation. Neither the Trustee, the Issuer nor the City shall be responsible for confirmation that a prospective Bondholder or beneficial owner of the Series 2025 Bonds is an eligible purchaser, transferee, assignee, or pledgee of such Series 2025 Bonds for purposes of this clause.

Section 208 Number and Payment Provisions. The Series 2025 Bonds shall be numbered in such manner as the Issuer, with the concurrence of the Trustee, shall determine. Each Series 2025 Bond shall bear interest from the later of the date of initial delivery or the most recent Interest Payment Date to which interest has been paid or provided for. The Trustee shall insert the date of registration and authentication of each Series 2025 Bond in the place provided for such purpose in the form of certificate of authentication of the Trustee to be printed on each Series 2025 Bond.

Principal of and premium, if any, on the Series 2025 Bonds shall be payable by check to the owner of each Bond upon presentation and surrender of such Bond when due, at the designated corporate trust office of the Trustee in St. Paul, Minnesota, or its successor in trust. Payment of interest on the Series 2025 Bonds shall be made to the Persons in whose names the Series 2025 Bonds are registered at the close of business on the Regular Record Date for such payment and shall be paid by check dated as of such Interest Payment Date and mailed to such Persons at their addresses as they appear on the registration books of the Trustee or at such other addresses as are furnished to the Trustee in writing by such registered owners at least prior to the Regular Record Date or, upon written request of any registered Bondholder of at least \$1,000,000 in principal amount of Outstanding Bonds, by wire transfer in immediately available funds to such Persons at such bank account numbers or addresses as are furnished to the Trustee

in writing by such registered owners at least prior to the Regular Record Date, at the option, risk and expense of any owner upon terms satisfactory to the Trustee of any Bonds Outstanding, irrespective of any transfer or exchange of Bonds subsequent to such Regular Record Date and prior to such Interest Payment Date, unless the Issuer shall default in the payment of interest due on such Interest Payment Date.

Defaulted Interest shall cease to be payable to the registered owner on the relevant Regular Record Date solely by virtue of such registered owner having been such registered owner, and such Defaulted Interest will be paid by the Trustee, as follows:

The Trustee will make payment of any Defaulted Interest on the Series 2025 Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than ten days prior to the date of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be paid solely from amounts held under this Indenture in any fund in the Trustee's discretion, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than 15 days preceding such Special Record Date, to each registered owner at his address as it appears in the registration books maintained by the Trustee at the close of business on a day no later than the fifth day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Series 2025 Bonds are registered on such Special Record Date.

Section 209 Issuance of the Series 2025 Bonds. (a) Series 2025A Bonds. The Series 2025A Bonds in the aggregate principal amount of \$_____ shall be designated "City of Rifle, Colorado Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A" and shall be dated the date of delivery. The Series 2025A Bonds shall bear interest from their dated date, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on July 1, 2025 and semiannually thereafter on July 1 and January 1 of each year.

The Series 2025A Bonds shall be issued in the principal amount, shall bear interest at the rate and shall mature on the date, unless earlier called for redemption, as shown below:

Maturity Date	Principal Amount	Interest Rate
	\$	%

(b) Series 2025B Bonds. The Series 2025B Bonds in the aggregate principal amount of \$_____ shall be designated "City of Rifle, Colorado Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B" and shall be dated the date of delivery. The Series 2025B Bonds shall bear interest from their dated date, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on July 1, 2025 and semiannually thereafter on July 1 and January 1 of each year.

The Series 2025B Bonds shall be issued in the principal amount, shall bear interest at the rate and shall mature on the date, unless earlier called for redemption, as shown below:

Maturity Date	Principal Amount \$	Interest Rate %
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Section 210 Delivery of Series 2025 Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall register and authenticate the Series 2025A Bonds in the aggregate principal amount of \$_____ and the Series 2025B Bonds in the aggregate principal amount of \$_____, and deliver them to the Persons designated by the Underwriter.

Prior to the registration and authentication by the Trustee of any of the Series 2025 Bonds, there shall be filed with the Trustee:

- (a) closing certificate of the Issuer incorporating a copy of the documents evidencing creation of the Issuer, the Issuer's Charter, and the Bond Ordinance;
- (b) closing certificate of the Borrower incorporating a copy of the Borrower's Articles of Incorporation and Bylaws, and a copy of the resolution of the board of directors of the Borrower authorizing and approving the execution and delivery of the Loan Agreement, the Note, the Guaranty, the Mortgage, the Line of Credit, the Deposit Account Control Agreement and all other documents to be delivered by the Borrower in connection with the transactions contemplated by said instruments;
- (c) the Tax Compliance Agreement;
- (d) original executed counterparts of this Indenture, the Loan Agreement, the Note, the Guaranty, the Mortgage, the Line of Credit, the Collateral Assignment of Project Documents and the Deposit Account Control Agreement;

- (e) the mortgagee's title insurance commitment (or appropriate binder) required by Section 3.05 of the Loan Agreement, the Underwriter's approval of which shall be evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds;
- (f) a request and authorization to the Trustee on behalf of the Issuer, signed by the Mayor of the Issuer, to authenticate and deliver (i) the Series 2025A Bonds to be issued in the first instance in the aggregate principal amount of \$_____ to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the sum therein specified; and (ii) the Series 2025B Bonds to be issued in the first instance in the aggregate principal amount of \$_____ to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the sum therein specified;
- (g) opinions dated as of the date of the closing of (a) counsel for the Issuer, (b) Bond Counsel, and (c) counsel for the Borrower, in form and substance satisfactory to the Underwriter, which satisfaction shall be evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds;
- (h) evidence satisfactory to the Underwriter (which satisfaction shall be evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds) to the effect that all insurance policies required by Section 6.04 of the Loan Agreement to be in effect on the date of delivery of the Series 2025 Bonds are in effect and that such policies of insurance meet the requirements of Sections 6.04 and 6.06 of the Loan Agreement; and
- (i) such other documents, certificates, and instruments in connection with the transactions contemplated by this Indenture, in form and substance satisfactory to the Underwriter, as the Underwriter may reasonably request; provided that the Underwriter shall provide the Trustee with a written listing of such other documents, certificates and instruments.

Upon receipt of the foregoing and of the purchase price for the Series 2025 Bonds, the Trustee shall register, authenticate, and deliver the Series 2025 Bonds to or upon the order of the Underwriter.

Section 211 Book-Entry Option. With respect to the Series 2025 Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, or any successor entity thereto ("DTC"), the Issuer and the Trustee shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Series 2025 Bonds from time to time as securities depository (a "Depository Participant") or to any Person on behalf of whom such a Depository Participant holds an interest in the Series 2025 Bonds (an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Series 2025 Bonds or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than an owner of a Series 2025 Bond, of

any amount with respect to principal of or interest on the Series 2025 Bonds. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the owner, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2025 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the letter of representation to DTC with respect to the Series 2025 Bonds. During such time as the Series 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, Series 2025 Bonds to be redeemed in connection with partial redemptions of a maturity will be selected in accordance with DTC's procedures as from time to time in effect.

Section 212 Additional Bonds. (a) General. In addition to the principal amount of Series 2025 Bonds, whose authentication and delivery is provided for herein, so long as (i) no Event of Default under the Bond Documents has occurred and is continuing, and (ii) to the extent permitted by law at the time thereof, Additional Bonds may be issued (A) on a parity with the Series 2025 Bonds only to provide funds to pay for the costs of completing the Project in a principal amount not greater than \$1 million, (B) or to fund the costs of refunding Outstanding Series 2025 Bonds in accordance with the provisions of Section 212(b), or (C) for any purpose upon the written consent of the Majority Holder. Additional Bonds may be issued on a subordinate basis to the Series 2025 Bonds solely as Short-Term Indebtedness. Additional Bonds issued for the purposes described herein may be executed by the appropriate officials of the Issuer and delivered to Trustee for authentication, and thereupon the same shall be authenticated and delivered by Trustee upon the basis permitted by, and upon compliance with the conditions hereof, and upon receipt by Trustee of the following:

1. An ordinance of Issuer authorizing the issuance of the designated series of Additional Bonds and the sale thereof to the original purchaser named therein for the purchase price set forth therein;

2. A direction from Issuer for the authentication and delivery of such Additional Bonds to or upon the order of the original purchaser named therein upon payment of the purchase price set forth therein;

3. A certificate of Borrower requesting the issuance of such Additional Bonds, stating that no Event of Default has occurred under the Bond Documents which has not been cured, that the Additional Bonds of the series to be authenticated have not theretofore been issued and that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;

4. An opinion of Bond Counsel stating that (i) all conditions precedent provided for in this Indenture and the Loan Agreement relating to the authentication and delivery of such Additional Bonds have been complied with; (ii) the series of Additional Bonds whose authentication and delivery are applied for, when issued and executed by Issuer and

authenticated and delivered by Trustee, will be the valid and binding obligations of Issuer in accordance with their terms and entitled to the benefits of and secured by the lien of this Indenture, the Loan Agreement, the Note, the Mortgage, the Guaranty, the Collateral Assignment of Project Documents and the Deposit Account Control Agreement equally and ratably with, or subordinate to, as applicable, the Outstanding Series 2025 Bonds, only to the extent provided herein and in the Loan Agreement; and (iii) the issuance of such Additional Bonds will not affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds;

5. An executed counterpart of the supplemental indenture authorizing such Additional Bonds;

6. The executed Additional Note, an executed counterpart of an amendment to the Loan Agreement, if necessary, providing for additional payments sufficient to provide for the payment of principal of, premium, if any, and interest on all Series 2025 Bonds and Additional Bonds to be Outstanding after the issuance of such series of Additional Bonds;

7. An executed counterpart of an amendment to the Mortgage, if necessary, subjecting any additional property financed with such series of Additional Bonds to the lien of the Mortgage; and

8. A copy of the ordinance of Issuer authorizing the execution and delivery of the supplemental indenture, the amendment to the Loan Agreement, if any, and such series of Additional Bonds.

Any Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate, if any, permitted by law, shall have stated maturities and may be subject to redemption prior to their stated maturities at such times and prices and on such terms and conditions, all as may be provided by the supplemental indenture authorizing their issuance and in accordance with Article II hereof. All Additional Bonds issued on a parity with the Series 2025 Bonds shall be payable and secured equally and ratably with the Outstanding Series 2025 Bonds and any such Additional Bonds theretofore issued are, only to the extent provided herein and in the Loan Agreement, entitled to the same benefits and security of this Indenture, the Loan Agreement, the Guaranty, the Mortgage and the Deposit Account Control Agreement as supplemented or amended.

(b) Additional Bonds for Refunding Purposes. Additional Bonds may be issued at any time or from time to time, subject to Section 212(a) and the conditions hereinafter stated in this Section for the purpose of providing funds, with any other funds available and committed therefor, for paying at, or redeeming prior to, their stated maturities any or all of the Outstanding Series 2025 Bonds, including the payment of any premium thereon and interest which will accrue on such Series 2025 Bonds to a redemption date or the stated maturities thereof, and any expenses in connection with such refunding. Such Additional Bonds shall be designated substantially as the Series 2025 Bonds to be refunded, with the addition of the term "Refunding."

Prior to authentication and delivery of any Additional Bonds for refunding purposes under this Section there shall be filed with Trustee such documents as shall be required by

Trustee to show that provision has been duly made in accordance with the provisions of this Indenture or any instrument securing the payment or redemption of all of the Outstanding Series 2025 Bonds refunded.

Prior to the issuance of such Refunding Bonds, Issuer shall cause notice of its intention to issue the Refunding Bonds and setting forth the estimated date of delivery of the Refunding Bonds, to be given to the holders of the Series 2025 Bonds being refunded in the manner required by the Act and other applicable law. If any of the Series 2025 Bonds to be refunded are to be called for redemption, Issuer shall cause notice of redemption, including a description of any conditions to such redemption, to be given in the manner required by Article III hereof.

Simultaneously with the delivery of such Additional Bonds under this Section, the Trustee shall apply, after payment of the expenses incident to such financing, the proceeds of the Additional Bonds (including accrued interest) and any other moneys provided to Trustee for such purpose, as follows:

1. the accrued interest received as part of the proceeds of such Additional Bonds shall be deposited to the credit of the Bond Fund; and
2. an amount which, with any other funds that shall be simultaneously deposited with Trustee, or Government Obligations or a combination thereof, will be sufficient for the purpose specified in this Section shall be deposited in a special escrow account as provided in Article VIII hereof.

[End of Article II]

ARTICLE III
REDEMPTION OF SERIES 2025 BONDS BEFORE MATURITY

Section 301 Privilege of Redemption and Redemption Price. The Series 2025 Bonds shall be subject to redemption prior to maturity to the extent and in the manner provided in this Indenture.

Section 302 Optional Redemption. (a) The Series 2025A Bonds may be called for redemption at the election of the Borrower, on July 1, ____, and on any date thereafter in whole or in part, at a redemption price equal to the principal amount of each Series 2025A Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, without premium. At the written request of the Borrower given pursuant to Section 9.03 of the Loan Agreement, the Issuer shall give written notice to the Trustee of its election to redeem Series 2025A Bonds, of the redemption date, and of the principal amount of the Series 2025A Bonds to be redeemed, which notice shall be given at least 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee, in its sole discretion. Any such redemption shall be conditioned on adequate funds therefor being received by the Trustee by the redemption date. In the event notice of redemption shall have been given as provided in Section 308 and all conditions to redemption have been satisfied, the Issuer shall, and hereby covenants that it will, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds which the Issuer has so elected to redeem.

(b) The Series 2025B Bonds are not subject to redemption at the election of the Borrower prior to their maturity date.

Section 303 RESERVED.

Section 304 Special Extraordinary Redemption. The Series 2025 Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in Section 11.02(a) of the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in Section 7.02(c) or Section 11.02(b) of the Loan Agreement. Notwithstanding the foregoing, the Series 2025 Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by Section 11.02(a) of the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by Section 11.02(b) of the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by Section 7.01(c) of the Loan Agreement or Section 7.02(d) of the Loan Agreement, whichever is applicable.

If the Series 2025 Bonds are called for redemption in the events described in the first sentence of the immediately preceding paragraph, the Series 2025 Bonds shall be subject to redemption at any time within 180 days of such event in whole or (in the case of partial redemption as a result of condemnation of a portion of the Project) in part, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If the Series 2025 Bonds are called for redemption in the events described in the second sentence of the

immediately preceding paragraph, the Series 2025 Bonds shall be redeemed by the Issuer at any time within 180 days of such event in whole and not in part at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Notwithstanding any other provision of this Indenture, the Trustee shall apply money provided to it under this Section 304 for redemption of the Series 2025 Bonds prior to maturity as follows:

FIRST, to the payment of accrued interest on the Series 2025 Bonds, pro rata, to the date fixed for redemption; and

SECOND, to the payment of the principal of the Series 2025 Bonds, pro rata, called for redemption.

Section 305 RESERVED.

Section 306 Special Mandatory Redemption of Series 2025A Bonds. The Series 2025A Bonds shall be subject to special mandatory redemption, in whole or in part, from amounts disbursed by the Trustee to the holders of the Series 2025A Bonds in accordance with Section 510, at a redemption price equal to the principal amount of Series 2025A Bonds thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

Section 307 Partial Redemption. Subject to Section 311, if less than all of the Series 2025 Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Series 2025 Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner that all remaining Bondholders own only authorized denominations of the Series 2025 Bonds after such redemption. Upon surrender of any Series 2025 Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2025 Bond so surrendered.

Section 308 Notice of Redemption. If any of the Series 2025 Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Series 2025 Bonds to be redeemed; (ii) the CUSIP number, if any, of the Series 2025 Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Series 2025 Bonds; (v) the interest rate and maturity date of the Series 2025 Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Series 2025 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2025 Bonds so to be redeemed; (ix) in the case of a Series 2025 Bond to be redeemed in part only, also the portion of the principal amount

thereof to be redeemed; and (x) that on the redemption date there shall become due and payable upon each Series 2025 Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this Section 306 shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption pursuant to Section 302 may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2025 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Series 2025 Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Series 2025 Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2025 Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Series 2025 Bonds or portions thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Series 2025 Bonds shall no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Section 309 Payment Upon Redemption. On or prior to each redemption date, the Trustee shall make provision for the payment of the Series 2025 Bonds to be redeemed on such redemption date by setting aside and holding in trust, (a) an amount from the Bond Fund sufficient to pay the principal of and interest on such Bonds, and (b) an amount from the Bond Fund sufficient to pay the premium, if any, on such Bonds. Upon presentation and surrender of any such Series 2025 Bond at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal of and premium, if any, on such Bond from the money set aside for such purpose. Interest on any Series 2025 Bond called for redemption maturing prior to or on the date fixed for redemption shall be payable only to the registered owner of such Bond. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Series 2025A Bonds for payment.

Section 310 Effect of Redemption. Notice of redemption having been given as provided in Section 306, the Series 2025 Bonds or portions thereof designated for redemption

shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Series 2025 Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Series 2025 Bonds are presented and surrendered for payment on such date. If any Series 2025 Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Series 2025 Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Series 2025A Bonds for payment.

Section 311 Purchase of Series 2025 Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Series 2025 Bonds, in excess of any amount set aside for payment of Series 2025 Bonds theretofore matured or called for redemption and past due interest in all cases where such Series 2025 Bonds have not been presented for payment, to the purchase on the open market of Outstanding Series 2025 Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Series 2025 Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Series 2025 Bonds so purchased and cancelled, provided that no such Series 2025 Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Series 2025 Bond purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Series 2025 Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed in writing by the Borrower, purchase Series 2025 Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

Section 312 Cancellation. All Series 2025 Bonds which have been purchased, redeemed, paid, or retired, or received by the Trustee for exchange, shall not be reissued but shall be cancelled and destroyed by the Trustee, in accordance with Section 206.

[End of Article III]

ARTICLE IV GENERAL COVENANTS

Section 401 Condition of Issuer's Obligation; Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made in the various Sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall never constitute the debt or indebtedness of the Issuer, the State, or any other political subdivision of the State, within the meaning of any provision or limitation of the State Constitution or statutes. The principal of, premium, if any, and interest on the Series 2025 Bonds shall be payable solely from the Security and nothing in the Series 2025 Bonds or in this Indenture shall be considered as pledging any other funds or assets of the Issuer.

The Issuer covenants that it shall promptly pay from the sources provided herein and in the Loan Agreement the principal of, including any applicable premiums, and interest on every Series 2025 Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Series 2025 Bonds, according to the true intent and meaning thereof. The Issuer hereby appoints and designates the designated corporate trust office of the Trustee as the place of payment for the Series 2025 Bonds, and the Trustee as the paying agent for the Series 2025 Bonds, such designation and appointment to remain in effect until written notice of change is filed as provided in Section 1108.

Section 402 Performance of Covenants; Authority of the Issuer. The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, in any and every Series 2025 Bond executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the laws of the State, including particularly the Act and the Supplemental Act, to issue the Series 2025 Bonds authorized hereby and to execute this Indenture, to convey the Trust Estate to the Trustee, and to pledge the receipts, revenues, and collateral hereby pledged in the manner and to the extent herein set forth, that all action required on its part for the issuance of the Series 2025 Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Series 2025 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 403 Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Loan Agreement, the Note, and the Mortgage, for the benefit of the Bondholders, against the claims and demands of all Persons. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee the Trust Estate. Any and all property hereafter acquired which is of the kind or nature provided herein to be and become subject to the lien and security interest hereof shall, without any further conveyance, assignment, or act on the part of the Issuer or the Trustee, be and become subject to the lien and security interest of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as

herein and in the Loan Agreement provided, it has not and will not sell, convey, assign, pledge, encumber, grant a security interest in, or otherwise dispose of, or create or suffer to be created any lien, encumbrance, security interest, or charge upon, any part of the Trust Estate or the income and revenues therefrom or of its rights under the Loan Agreement or enter into any contract or take any action by which the rights of Trustee or the Bondholders may be impaired.

Section 404 Payment of Taxes, Assessments, and Charges. Pursuant to the provisions of Section 6.03 of the Loan Agreement, the Borrower has agreed to pay all lawful taxes, assessments, and charges at any time levied or assessed upon or against the Project, or any part thereof, and, upon request, furnish evidence thereof to the Trustee, the failure of which to pay might impair or prejudice the lien and priority of the Mortgage; provided, however, that nothing contained in this Section shall require the payment of any such taxes, assessments, or charges if the same are not required to be paid under the provisions of Section 6.03 of the Loan Agreement.

Section 405 Maintenance and Repair. Pursuant to the provisions of Sections 6.01 and 8.13 of the Loan Agreement, the Borrower has agreed at its own expense to operate the Project, to cause the Project to be kept in as reasonably safe condition as its operation shall permit, and to cause to be made all needed repairs so that the Project shall at all times be kept in good repair and in good operating condition, and the Borrower may, at its own expense, make, from time to time, additions, modifications, and improvements to the Project under the terms and conditions set forth in Section 6.01 of the Loan Agreement.

Section 406 Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the income and revenues derived from the Project shall at all times be open to inspection by such Accountants or other agents as the Trustee may from time to time designate.

Section 407 Rights Under and Possession of the Loan Agreement, the Note, the Guaranty and the Mortgage. The Loan Agreement, the Note, the Guaranty and the Mortgage duly executed originals or counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the Issuer and the Borrower, including provisions that subsequent to the initial issuance of the Series 2025 Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Loan Agreement, the Note, the Guaranty and the Mortgage, may not be effectively amended, changed, modified, altered, or terminated (other than as provided therein) without the written consent of the Trustee pursuant to Article XIII, and reference is hereby made to the Loan Agreement, the Note, the Guaranty and the Mortgage, for a detailed statement of said covenants and obligations of the Borrower under the Loan Agreement, the Note, the Guaranty and the Mortgage, and the Trustee may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement, the Note, the Guaranty and the Mortgage, and may enforce all rights of the Issuer for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

So long as any of the Series 2025 Bonds remain Outstanding, and for such longer period when required by the Loan Agreement, the Issuer shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Loan Agreement and the Mortgage. The Issuer covenants to maintain, at all times, the validity and

effectiveness of the Loan Agreement, the Note, the Guaranty and the Mortgage, and (except as expressly permitted by the Loan Agreement) shall take no action, shall permit to the extent within its control no action to be taken by others, and shall not to the extent within its control omit to take any action or permit others to omit to take any action, which action or omission might release the Borrower from its liabilities or obligations under the Loan Agreement, the Note, the Guaranty, the Mortgage or the Line of Credit or result in the surrender, termination, amendment, or modification of, or impair the validity of, the Loan Agreement, the Note, the Guaranty or the Mortgage.

The Issuer covenants to diligently enforce all covenants, undertakings, and obligations of the Borrower under the Loan Agreement, the Note, the Guaranty and the Mortgage, and the Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights under the Loan Agreement, the Note, the Guaranty and the Mortgage on behalf of the Issuer and the owners of the Series 2025 Bonds.

The Trustee shall retain possession of an executed original or counterpart of or a copy of the Loan Agreement, the Note, the Guaranty and the Mortgage, and shall release the same only in accordance with the provisions thereof and upon written direction of the Issuer. The Loan Agreement, the Note, the Guaranty and the Mortgage shall be available for inspection at reasonable times and under reasonable conditions by the Issuer and the Trustee.

Section 408 Recording and Filing. The security interest of the Trustee created by this Indenture shall be perfected by the filing by the Issuer of financing statements required to be filed pursuant to the State's Uniform Commercial Code - Secured Transactions or by the taking of possession of appropriate collateral. Such financing or continuation statements shall be filed from time to time in accordance with the Loan Agreement, and the appropriate parties shall take or maintain possession of appropriate collateral provided in Section 12.03 of the Loan Agreement or otherwise, is necessary to preserve the security interest of this Indenture.

Section 409 Designation of Additional Paying Agents and Co-Bond Registrar. The Issuer shall, upon the written request from the Borrower and payment of any expenses incurred in connection therewith pursuant to Section 5.02 of the Loan Agreement and with the consent of the Trustee, cause the necessary arrangements to be made through the Trustee for the designation of additional paying agents as specified by the Borrower for the making available of funds for the payment of such of the Series 2025 Bonds as shall be presented when due at the designated office of said additional paying agents. The Trustee may designate, with the consent of the Borrower, a co-bond registrar which may perform the duties of bond registrar on behalf of the Trustee, and all references herein to bond registrar shall include any such co-bond registrar.

Section 410 Tax Covenants. (a) The Issuer, to the extent of matters within its control, shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest on the Series 2025A Bonds shall be exempt from all federal income taxation. In furtherance of the foregoing covenant, the Issuer hereby particularly covenants and agrees with the holders of the Series 2025A Bonds as follows:

No part of the proceeds of the Series 2025A Bonds or any other funds of the Issuer shall be used at any time directly or indirectly to

acquire securities or obligations, the acquisition of which, or which in any other manner, would cause any Bond to be an arbitrage bond as defined in section 148 of the Code and any applicable regulations issued thereunder.

In furtherance of the foregoing, the Trustee hereby agrees as follows:

(i) All of the gross proceeds of the Series 2025A Bonds, other than gross proceeds held in a "bona fide debt service fund" (defined in the Regulations) will be applied as directed by the Issuer and the Borrower in writing in the manner specified in Section 502 on or before the 30th day following the date of initial issuance and delivery of the Series 2025A Bonds, or

(ii) If any part of the gross proceeds of the Series 2025A Bonds has not been expended in the manner and within the time set forth in (i) above, the Trustee shall invest such gross proceeds in such manner as may be directed in writing by the Borrower but subject to the limitation set forth below. The Trustee shall not be liable for any losses incurred as a result of the investment of such gross proceeds which are invested by the Trustee pursuant to and in accordance with this Section 410.

(b) The Issuer, to the extent of matters within its control, further covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Series 2025A Bonds as obligations described in section 103 of the Code, the interest on which is excluded from the "gross income" of the holder for purposes of federal income taxation.

In furtherance thereof, the Issuer, to the extent of matters within its control, specifically covenants as follows:

(iii) To refrain from taking any action that would result in the Series 2025A Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(iv) To refrain from using any portion of the proceeds of the Series 2025A Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which would produce a materially higher yield over the term of the Series 2025A Bonds, other than investment property acquired with --

(A) proceeds of the Series 2025A Bonds invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Series 2025A Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10% of the proceeds of the Series 2025A Bonds;

(v) To otherwise restrict the use of the proceeds of the Series 2025A Bonds or amounts treated as proceeds of the Series 2025A Bonds, as may be necessary, so that the Series 2025A Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(vi) To pay the United States of America at least once during each five year period (beginning on the Closing Date) an amount that is at least equal to 90% of the "excess earnings," within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Series 2025A Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(vii) To maintain such records as will enable the Issuer to fulfill its responsibilities under this Section and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Series 2025A Bonds.

It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Series 2025A Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized Bond Counsel, will not adversely affect the exclusion of interest on the Series 2025A Bonds from gross income under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2025A Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized Bond Counsel, to preserve the exemption from federal income taxation of interest on the Series 2025A Bonds under section 103 of the Code. This Section 410 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder. The requirements of this Section 410 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 (or any successor section) applicable to the Series 2025A Bonds.

[End of Article IV]

ARTICLE V
DEPOSIT OF BOND PROCEEDS; FUNDS AND ACCOUNTS; REVENUES

Section 501 Creation of Funds. There are hereby created by the Issuer and ordered established the following named trust funds and trust accounts to be held by the Trustee.

- (a) A Bond Fund, and within such Bond Fund,
 - (i) a General Account;
 - (ii) a Capitalized Interest Account;
 - (iii) an Unrestricted Redemption Account.
- (b) A Revenue Fund;
- (c) A Project Fund, and within such Project Fund,
 - (i) a Construction Account; and
 - (ii) an Issuance Cost Account;
- (d) A 2025A Debt Service Reserve Fund;
- (e) A Supplemental Debt Service Reserve Fund;
- (f) An Operating Expense Reserve Fund;
- (g) A Repair and Replacement Reserve Fund;
- (h) An Administrative Expense Fund;
- (i) An Insurance Fund;
- (j) A Condemnation Fund;
- (k) A Rebate Fund; and
- (l) A Surplus Fund.

Pursuant to Section 4.04 of the Loan Agreement, the Borrower has agreed to establish and maintain the Collections Fund and the Operating Expense Fund as provided therein.

Section 502 Deposits to Funds. (a) Proceeds in the amount of \$_____ shall be received from the sale of the Series 2025A Bonds, which amount represents the principal amount of the Series 2025A Bonds, less an underwriting fee of \$_____, plus an original issue premium of \$_____. Such proceeds from the sale of the Series 2025A Bonds shall be deposited by the Trustee as follows:

(i) \$_____ of the proceeds of the Series 2025A Bonds in the Construction Account of the Project Fund; \$_____ of the proceeds of the Series 2025A Bonds in the Issuance Cost Account of the Project Fund;

(ii) \$_____ of the proceeds of the Series 2025A Bonds to the Capitalized Interest Account of the Bond Fund; and

(iii) \$_____ of the proceeds of the Series 2025A Bonds to the 2025A Debt Service Reserve Fund.

(b) Proceeds in the amount of \$_____ shall be received from the sale of the Series 2025B Bonds, which amount represents the principal amount of the Series 2025B Bonds, less an underwriting fee of \$_____. Such proceeds from the sale of the Series 2025B Bonds shall be deposited by the Trustee as follows:

(i) \$_____ of the proceeds of the Series 2025B Bonds to the Capitalized Interest Account of the Bond Fund; and

(ii) \$_____ of the proceeds of the Series 2025B Bonds to the Issuance Cost Account of the Project Fund.

(c) On or before the Substantial Completion of the Project, the Borrower shall draw on the Line of Credit and transfer amounts received from such draws to the Trustee for deposit in the Operating Expense Reserve Fund and shall otherwise transfer to the Trustee funds which, together with the draws under the Line of Credit, equal an aggregate amount of \$2,500,000, for deposit to the Operating Expense Reserve Fund, as required by Sections 4.05 and 8.05 of the Loan Agreement.

(d) All and any amounts received by the Trustee pursuant to a draw on the Construction Letters of Credit by the Trustee under Section 3.07(k) of the Loan Agreement shall be deposited by the Trustee to the Project Fund.

Section 503 Disbursements from the Project Fund. (a) The Trustee shall disburse money in the Construction Account, on the Closing Date and thereafter no more frequently than once in any calendar month, upon receipt of a Project Fund Requisition for Project Costs in form substantially identical to the form appearing as Exhibit C to the Loan Agreement executed by an Authorized Borrower Representative and approved by the Construction Monitor (for applicable disbursements) and the Borrower's compliance with the other applicable requirements set forth in Section 4.02 of the Loan Agreement. All amounts on deposit in the Construction Account shall be used to pay Project Costs. The Trustee may conclusively rely, without investigation or inquiry, on the information contained in such requisition meeting the requirements of this Section 503(a) and shall have no duty or obligation to determine or confirm whether any disbursements from the Construction Account are used to pay Project Costs.

(b) The Trustee shall disburse money in the Issuance Cost Account upon receipt of a written direction of the Borrower signed by an Authorized Borrower Representative and in the form attached as Exhibit C to the Loan Agreement. Amounts in the Issuance Cost Account shall

be used to pay the Issuance Costs. Upon the Trustee's receipt of a written direction of the Borrower as provided in Section 4.02 of the Loan Agreement, amounts remaining in the Issuance Cost Account shall be transferred to the Construction Account. The Issuance Cost Account shall then be closed. The Trustee may conclusively rely, without investigation or inquiry, on the information contained in such requisition meeting the requirements of this Section 503(b) and shall have no duty or obligation to determine or confirm whether any disbursements from the Cost of Issuance Account are used to pay Issuance Costs.

(c) Upon the completion of construction of the Project, the Borrower, on behalf of the Issuer, shall provide the Trustee with a Substantial Completion Certificate, signed by the Consulting Architect. Upon receipt of such Substantial Completion Certificate, the Trustee shall transfer any amounts then remaining in the Construction Account to the Bond Fund and use such amounts to pay debt service on the Series 2025 Bonds as it becomes due, and the Construction Account shall then be closed.

(d) When the Construction Account and the Issuance Cost Account are closed, the Project Fund shall be closed.

Section 504 The Revenue Fund. (a) The Issuer shall deposit or cause the Borrower to deposit the Gross Revenues with the Trustee as received and no less frequently than weekly, and the Trustee shall upon receipt deposit such amounts in the Revenue Fund.

(b) So long as no Event of Default has occurred and is continuing, money in the Revenue Fund shall be applied on the twenty-fifth day of each month (or, if such day is not a business day, on the next succeeding business day) in the following manner in the order of priority indicated:

(i) first, to the Rebate Fund, to the extent directed in writing by the Issuer (otherwise none) any amount necessary to meet the Rebate Amount; and

(ii) second, to the Administrative Expense Fund, to pay Ordinary Expenses of the Trustee, Extraordinary Expenses of the Trustee, Arbitrage Calculator Fees and Issuer Expenses; and

(iii) third, (A) to the General Account of the Bond Fund, approximately equal proportional amounts each month to accumulate to make the interest payment on the next Interest Payment Date, taking into account amounts on deposit in the General Account of the Bond Fund to be applied to such interest payment, and thereafter an amount equal to one-sixth (1/6) of the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date, provided that no such payment need be made, or a partial payment may be made, if the amount on deposit in the Bond Fund is, or with such partial payment shall be, sufficient to pay the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date and (B) *pari passu*, (i) commencing July 1, 2027, to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12) of the principal payment due with respect to the Series 2025B Bonds and (ii) to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12) of the next mandatory principal payment due

with respect to any parity Additional Bonds on the next ensuing July 1 as may be due at maturity or by sinking fund redemption as set forth in a Supplemental Indenture, provided that no such payment need be made or a partial payment may be made if the amount on deposit in the General Account of the Bond Fund is, or with such partial payment shall be, sufficient to pay the amount due on the Series 2025B Bonds and any parity Additional Bonds, *pari passu*, on such July 1; and

(iv) fourth, to the Borrower for deposit in the Operating Expense Fund, an amount specified in writing by the Borrower as necessary to pay the Operating Expenses for the succeeding month as set forth in the Annual Budget; and

(v) fifth, to the 2025A Debt Service Reserve Fund, subject to the requirements of Section 507, respectively, an amount sufficient to restore the 2025A Debt Service Reserve Requirement if the total amount in the 2025A Debt Service Reserve Fund is less than the 2025A Debt Service Reserve Requirement, provided, however, that such restoration of the 2025A Debt Service Reserve Requirement shall not extend (a) beyond twelve (12) consecutive months, beginning in the month following a withdrawal from the 2025A Debt Service Reserve Fund, or (b) beyond four (4) consecutive months, beginning in the month following a calculation of the Value of the 2025A Debt Service Reserve Fund at an amount less than the Debt Service Reserve Requirement; and

(vi) sixth, on and after July 1, 2028, to the Operating Expense Reserve Fund, an amount equal to the amount necessary to restore the amount therein to the Operating Expense Reserve Fund Requirement if the total amount in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement; and

(vii) seventh, to the Repair and Replacement Reserve Fund, an amount specified in writing by the Borrower equal to 1/12th of the Repair and Replacement Reserve Fund Requirement for that Fiscal Year plus any monies necessary to replenish such fund pursuant to Section 508(b); and

(viii) eighth, to the Supplemental Debt Service Reserve Fund, an amount sufficient to fund and restore the Supplemental Debt Service Reserve Fund Requirement if the total amount in the Supplemental Debt Service Reserve Fund is less than the Supplemental Debt Service Reserve Fund Requirement; and

(ix) finally, all remaining amounts to the Surplus Fund.

Section 505 Source of Payment of Series 2025 Bonds. The Series 2025 Bonds herein authorized, together with the interest thereon, and all payments required of the Issuer hereunder are not and shall never become debt or indebtedness of the Issuer but are special, limited obligations payable solely and only from the Security and as authorized and provided in this Indenture.

Loan Payments, provided for in Section 5.02 of the Loan Agreement are to be remitted directly to the Trustee for the account of the Issuer and deposited in accordance with Section 504 hereof. Loan Payments are required to be sufficient in amount to pay the principal of, premium, if any, and interest due on the Series 2025 Bonds, and the entire amount of revenues and receipts

from said Loan Agreement (except amounts paid to the Issuer under its Unassigned Rights) are pledged to the payment of the principal of, premium, if any, and interest due on the Series 2025 Bonds. The Issuer hereby covenants and agrees that it shall not create any lien or security interest upon the Security other than the lien and security interest hereby created, subject to Permitted Encumbrances.

Section 506 The Bond Fund. (a) Use of the Bond Fund. The Bond Fund shall be used as a sinking fund to pay the principal of, premium, if any, and interest on the Series 2025 Bonds. "The General Account", the "Capitalized Interest Account", and the "Unrestricted Redemption Account" are included in the Bond Fund. The Unrestricted Redemption Account of the Bond Fund shall be used to pay principal of, premium, if any, and interest on the Series 2025 Bonds in the event of redemption of the Series 2025 Bonds other than special mandatory redemption of the Series 2025A Bonds pursuant to Section 306.

(b) Payments into the Bond Fund. There shall be deposited into the Bond Fund, on the dates and in the manner specified in Section 504(b), (i) from amounts on deposit in the Revenue Fund to the General Account amounts sufficient to pay the principal of and interest on the Series 2025B Bonds when due and the interest on the Series 2025A Bonds when due and (ii) all other money received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Borrower that such money is to be paid into the Bond Fund. All money received by the Trustee for redemption of Series 2025 Bonds including the special mandatory redemption of the Series 2025A Bonds pursuant to Section 306, shall be deposited into the Unrestricted Redemption Account. All other money received by the Trustee for deposit in the Bond Fund shall be deposited into the General Account of the Bond Fund. The Issuer hereby covenants and agrees that so long as any of the Series 2025 Bonds issued hereunder are Outstanding it shall deposit, or cause to be deposited, promptly into the General Account of the Bond Fund for its account sufficient sums from Loan Payments in the Revenue Fund to meet and pay the principal of, premium, if any, or interest on the Series 2025 Bonds as and when the same become due and payable, other than special mandatory redemption payments of the Series 2025A Bonds pursuant to Section 306. Nothing herein shall be construed as requiring the Issuer to use or to provide any funds or revenues from any source other than the Security.

(c) Use of Money in the Bond Fund. Except as provided in Section 517, money in the Bond Fund shall be used solely as a fund for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, for the redemption of the Series 2025 Bonds at or prior to maturity, and to purchase Series 2025 Bonds in the open market pursuant to Section 309. Except as provided in Article III or any corresponding article in an indenture supplemental hereto, no part of Loan Payments in the General Account of the Bond Fund shall be used to redeem, prior to maturity, a part of the Series 2025 Bonds Outstanding; provided, however, that whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Series 2025 Bonds Outstanding hereunder, to pay interest to accrue thereon to such redemption date, and to pay all costs and expenses accrued and to accrue to such redemption date, if so directed in writing by the Borrower pursuant to the Loan Agreement, the Issuer covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Series 2025 Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further that any money in the Bond Fund, other than Loan

Payments held in the General Account of the Bond Fund, may be used at the written request of the Issuer if so directed by the Borrower pursuant to the Loan Agreement to redeem a part of the Series 2025 Bonds Outstanding on the next succeeding redemption date for which the required notice of redemption may be given or to purchase Series 2025 Bonds pursuant to Section 309 so long as the Borrower is not in default with respect to any payments required to be made under the Loan Agreement and to the extent said money are in excess of the amount required for payment of Series 2025 Bonds theretofore matured or called for redemption and past due interest in all cases where such Series 2025 Bonds have not been presented for payment. Notwithstanding any direction by the Borrower pursuant to the Loan Agreement or failure by the Borrower to give such direction, it is hereby covenanted and agreed by the Issuer that any money in the Bond Fund will be spent to pay principal of, premium, if any, and interest on Series 2025 Bonds or to redeem or purchase Series 2025 Bonds on the earliest possible date, but in any event within a one year period beginning on the date of receipt.

(d) Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest and premium, if any, on the Series 2025 Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal, interest, and premium, if any, which authorization and direction the Trustee hereby accepts.

(e) Insufficient Funds in the Bond Fund. To the extent there are insufficient funds in the Bond Fund after making distributions pursuant to Section 504 hereof to pay the principal or interest of Series 2025 Bonds on the due date, the Trustee shall transfer to the Bond Fund moneys from the following funds in the following order of priority to the pay principal or interest, as applicable, due on such Series 2025 Bonds, *pari passu*: (1) the Surplus Fund, (2) the Repair and Replacement Fund, (3) the Operating Expense Reserve Fund, (4) the Supplemental Debt Service Reserve Fund, and (5) only to pay principal or interest due on the Series 2025A Bonds, the 2025A Debt Service Reserve Fund. A withdrawal of funds from the Funds listed in (1)-(5) in the previous sentence to pay principal and interest, as applicable, due on the Series 2025 Bonds shall not constitute an Event of Default.

Section 507 The Debt Service Reserve Funds. (a) Deposits to the 2025A Debt Service Reserve Fund. On the Closing Date, the Trustee shall deposit in the 2025A Debt Service Reserve Fund an amount equal to the 2025A Debt Service Reserve Requirement. If the Borrower has exercised its option or is obligated to prepay the Loan in whole and not in part pursuant to the terms of Article XI of the Loan Agreement, and has paid the sums as provided therein, all of the money then in the 2025A Debt Service Reserve Fund shall be deposited in the Unrestricted Redemption Account of the Bond Fund by the Trustee. Any money held in the Debt Service Reserve Fund may be paid to the Borrower or its designee when all Series 2025A Bonds have been fully paid, redeemed or defeased pursuant to Article VIII hereof.

(b) Custody of the 2025A Debt Service Reserve Fund. The 2025A Debt Service Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. Subject to Section 507(c), the Issuer hereby authorizes and directs the Trustee to withdraw funds from the 2025A Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series

2025A Bonds, and then all principal of and premium, if any, then due on the Series 2025A Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to Section 509, which authorization and direction the Trustee hereby accepts. The Trustee shall give written notice to the Issuer and the Underwriter of any withdrawal from the 2025A Debt Service Reserve Fund and of any losses from the investment of money in the 2025A Debt Service Reserve Fund.

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025A Bonds is equal to or less than the balance of the Bond Fund and money deposited in the 2025A Debt Service Reserve Fund and the Supplemental Debt Service Reserve Fund, and if all amounts owed under the Loan Agreement and this Indenture have been paid, money held in the 2025A Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding Series 2025A Bonds. If any Event of Default has occurred and is continuing, all funds in the 2025A Debt Service Reserve Fund shall be applied at the written direction of the Majority Holder with respect to the Series 2025A Bonds for which such funds are held.

(c) Deposits to Supplemental Debt Service Reserve Fund. The Trustee shall deposit the amounts described in Section 504(b) in the Supplemental Debt Service Reserve Fund. Any money held in the Supplemental Debt Service Reserve Fund shall be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for in accordance with Article VIII.

(d) Custody of the Supplemental Debt Service Reserve Fund. The Supplemental Debt Service Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Issuer hereby authorizes and directs the Trustee to withdraw funds from the Supplemental Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series 2025 Bonds, and then all principal of and premium, if any, then due on the Series 2025 Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to Section 509, which authorization and direction the Trustee hereby accepts. The Trustee shall give written notice to the Issuer and the Underwriter of any withdrawal from the Supplemental Debt Service Reserve Fund and of any losses from the investment of money in the Supplemental Debt Service Reserve Fund. Funds shall be withdrawn from the Supplemental Debt Service Reserve Fund for the purposes set forth in this Section 507(d) prior to withdrawal of any funds from the 2025A Debt Service Reserve Fund as provided in Section 507(b).

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025 Bonds is equal to or less than the balance of the Bond Fund and money deposited in the Supplemental Debt Service Reserve Fund and the 2025A Debt Service Reserve Fund and if all amounts owed under the Loan Agreement and this Indenture have been paid, money held in the Supplemental Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding Series 2025 Bonds. If any Event of Default has occurred and is continuing, all funds in the Supplemental Debt Service Reserve Fund shall be applied at the written direction of the Majority Holder with respect to the Series 2025 Bonds for which such funds are held.

Section 508 The Repair and Replacement Reserve Fund. (a) Deposits to the Repair and Replacement Reserve Fund. The Trustee shall deposit the amounts described in Section 504(b) in the Repair and Replacement Reserve Fund. Commencing June 30, 2028, and every three (3) years thereafter, the Borrower shall cause a Financial Consultant to perform an inspection of the Project and to prepare a report which shall contain recommendations for any adjustment to the Repair and Replacement Reserve Requirement for the next succeeding three Fiscal Years based upon the physical condition of the Project and taking into account the amount of funds then in the Repair and Replacement Reserve Fund. The report shall be delivered to the Trustee with the Annual Budget. The Trustee shall have no duty or obligation to review or analyze such report and shall not be deemed to have knowledge of any information contained therein. Any money held in the Repair and Replacement Reserve Fund shall be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for in accordance with Article VIII.

(b) Custody of Repair and Replacement Reserve Fund. The Repair and Replacement Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Issuer hereby authorizes and directs the Trustee upon receipt of a request from the Borrower as described in the Loan Agreement to withdraw funds from the Repair and Replacement Reserve Fund pursuant to Section 504(b)(v) from such fund to pay, as long as no Event of Default under the Loan Agreement has occurred and is continuing, the extraordinary maintenance, repair costs and capital expenditures (allowable as such under generally accepted accounting principles) related to the Project which the Borrower is obligated to pay pursuant to Section 6.01 of the Loan Agreement. After the report of the Financial Consultant as set forth in Section 508(a), to the extent the amount in the Repair and Replacement Reserve Fund is less than the then applicable Repair and Replacement Reserve Fund Requirement, the Trustee shall deposit each month from the Revenue Fund to the Repair and Replacement Reserve Fund in accordance with Section 504 one-twelfth of the amount necessary to satisfy the increase in the Repair and Replacement Reserve Fund Requirement. The Trustee shall withdraw any funds on deposit in the Repair and Replacement Reserve Fund to pay the principal of, premium, if any, and interest on the Series 2025 Bonds in the event there shall be insufficient funds for such purposes in the Bond Fund on the date such interest, principal and premium is due, or to pay the Trustee's expenses as described in Section 5.02 of the Loan Agreement, which authorization and direction the Trustee hereby accepts; provided however, that in such event the Trustee shall deposit each month from the Revenue Fund to the Repair and Replacement Reserve Fund, one twelfth of the amount necessary to replenish the Repair and Replacement Reserve Fund Requirement.

Money in the Repair and Replacement Reserve Fund shall be expended in accordance with the provisions of the Loan Agreement, particularly Section 4.06 of the Loan Agreement; provided, however, the Trustee shall use all or any portion of the balance in the Repair and Replacement Reserve Fund to avoid a default in the payment of the principal of or interest on the Series 2025 Bonds, and may transfer the same to the Bond Fund for such purposes. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Loan Agreement.

Section 509 Operating Expense Reserve Fund. The Operating Expense Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Trustee is hereby authorized and directed to disburse funds from the Operating Expense Reserve Fund to

make any payments due under Section 506(e) after applying funds in accordance with the payment priority set forth in Section 506(e). If amounts are not needed for the foregoing uses and no Event of Default exists under the Loan Agreement or the Bond Documents of which the Trustee has notice or is deemed to have notice as provided in Section 1001(h), the Trustee shall at the written request of the Borrower on the Closing Date and thereafter on or after the twenty-fifth day of each month, disburse amounts to the Borrower to fund Operating Expenses not otherwise funded by a transfer under Section 504(b)(iv), as provided in Section 4.05 of the Loan Agreement. To the extent the amount on deposit in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement, on and after July 1, 2028, the Trustee shall transfer from the Revenue Fund to the Operating Expense Reserve Fund in accordance with Section 504(b) the amount necessary to replenish the amounts on deposit to the Operating Expense Reserve Fund Requirement.

Section 510 Surplus Fund. The amounts on deposit in the Surplus Fund will be used to remedy any shortfall in the Revenue Fund with respect to those deposits required by Section 504(b) (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii). To the extent not required to remedy any such shortfall and so long as no Event of Default exists under the Loan Agreement or the Bond Documents, the Trustee shall, within fifteen (15) days following receipt by the Trustee of a certification of the Borrower provided pursuant to Section 8.16 of the Loan Agreement, disburse the amount in the Surplus Fund as follows: 90% of such amount shall be disbursed to the holders of the Series 2025A Bonds to redeem such Bonds pursuant to Section 306 hereof, and 10% of such amount shall be disbursed to the Borrower to use in its discretion. The Trustee may conclusively rely on such Borrower certification for such purpose.

Section 511 Administrative Expense Fund. The Trustee shall deposit from the Revenue Fund (or otherwise received from the Borrower pursuant to Section 5.02 of the Loan Agreement) to the Administrative Expense Fund the amounts required to be deposited in the Administrative Expense Fund pursuant to Section 504 hereof. Amounts in the Administrative Expense Fund shall be used to pay the Arbitrage Calculator Fee, Ordinary Expenses of the Trustee, Extraordinary Expenses of the Trustee and Issuer Expenses, as the case may be, as they become payable pursuant to the Loan Agreement or this Indenture.

Section 512 Non-presentment of Bonds. In the event any Series 2025 Bonds shall not be presented when required for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay such Series 2025 Bonds shall have been made available to the Trustee for the benefit of the owner or owners thereof, all liability of the Issuer and the Borrower to the owner or owners thereof for the payment of such Series 2025 Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the owner or owners of such Series 2025 Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this Indenture or on, or with respect to, said Series 2025 Bonds.

Any money deposited with the Trustee in trust for the payment of the principal of (and premium, if any) or interest on any Series 2025 Bond and remaining unclaimed after such has become due and payable shall be paid pursuant to the laws of the State.

Section 513 Trustee's Fees, Charges, and Expenses. Pursuant to the provisions of the Loan Agreement, the Borrower has agreed to pay, from Gross Revenues, to the Trustee until the principal of, interest, and premium, if any, on the Series 2025 Bonds shall have been fully paid, (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, as trustee, and its Ordinary Expenses of the Trustee incurred, as trustee, under this Indenture, as and when the same become due; (ii) the reasonable fees and charges of the Trustee, as bond registrar and paying agent and of any paying agents and co-bond registrars for acting as paying agent or co-bond registrar pursuant to Section 409; and (iii) the reasonable fees and charges for the necessary Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. The Borrower may after providing for the payment of such amount, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any of the fees, charges, or expenses referred to herein.

Section 514 Money to be Held in Trust. All money required to be deposited with or paid to the Trustee for the account of the Revenue Fund, the Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other trust fund or reserve under any provision of this Indenture (other than the Rebate Fund) shall be held by the Trustee in trust and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the trust created hereby and any lien or security interest granted with respect to the Trust Estate and shall be and remain entitled to the benefit and shall be subject to the security of this Indenture for the equal and proportionate benefit of the owners of all Outstanding Series 2025 Bonds. The Trustee hereby covenants that all money held in any fund under this Indenture and any collateral securing such funds (other than the Rebate Fund) are a part of the Trust Estate, and that the rights and interests of the Bondholders in and to such money and collateral are and shall be superior to the claims of the creditors and depositors of the Trustee and of any other financial institution in which such money are deposited or which has provided or pledged such collateral. To the extent not invested as provided in Article VI, all such money held by the Trustee in excess of the amount insured by the Federal Deposit Insurance Corporation or a successor federal agency shall be continuously secured, for the benefit of the Issuer and the owners of the Series 2025 Bonds, by a pledge of securities of the type described in Article VI.

Section 515 Insurance and Condemnation Proceeds. Reference is hereby made to Article VII of the Loan Agreement whereunder it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited in the Insurance Fund and the Condemnation Fund, respectively, and are to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Insurance Fund" and a trust fund to be designated the "Condemnation Fund", both of which shall be opened only if funds are required to be deposited therein hereunder and both of which shall be used as provided in Article VII of the Loan Agreement.

Section 516 Amounts Remaining in Funds and Accounts. Any amounts remaining in the Revenue Fund, the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund (other than the Rebate Fund), account, or reserve created under this Indenture, after payment in full of the principal of, interest, and premium, if any, on the Series 2025 Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges, and expenses of the Trustee and any paying agents, and all other amounts required to be paid hereunder, or under the Loan Agreement shall be promptly paid to the Borrower or its designee.

Section 517 Rebate Fund. (a) Notwithstanding the other provisions of the Indenture, unless (b), (c) or (d) of this Section 517 is satisfied with respect to the Series 2025A Bonds and except as provided in (g) of this Section 517, then on the business day that is no more than thirty days after the date that is one year after _____, 2025, and every fifth year thereafter during the term of the Series 2025A Bonds and on the business day immediately preceding the date that all Outstanding Series 2025A Bonds are redeemed or purchased (the "Determination Date"), (i) the Borrower shall immediately pay an amount equal to all excess investment earnings as confirmed in the certificate of the Arbitrage Calculator as hereinafter provided to the Trustee for deposit to the Rebate Fund, hereby created; and (ii) the Trustee shall (to the extent the Borrower has not paid such amount to the Trustee for deposit in the Rebate Fund) transfer from the Bond Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Revenue Fund, the Project Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund held by the Trustee under this Indenture to the Rebate Fund, hereby created, an amount equal to all excess investment earnings as confirmed to the Trustee by the Borrower by providing a certificate to such effect of an Arbitrage Calculator as hereinafter provided. If the gross earnings on the Bond Fund in any bond year are less than \$100,000 then the investment earnings in the Bond Fund shall not be taken into account as excess investment earnings.

(b) The Borrower shall not have to comply with the requirements set forth in (a) above with respect to the Series 2025A Bonds if all gross proceeds of the Series 2025A Bonds are expended within six months of the date of initial issuance of the Series 2025A Bonds, as applicable and as further described in the Rebate Memorandum and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(c) Notwithstanding the Borrower's failure to comply with the 6-month exception set forth in (b) above, the Borrower shall not have to comply with the requirements set forth in (a) above with respect to the Series 2025A Bonds if all gross proceeds of the Series 2025A Bonds are expended within 18 months of the date of initial issuance of the Series 2025A Bonds and as further described in the Rebate Memorandum, in accordance with the following schedule:

15% within 6 months;

60% within 1 year; and

100% within 18 months.

and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(d) Notwithstanding the Borrower's failure to comply with either the 6-month exception set forth in (b) above or the 18 month exception set forth in (c) above, the Borrower shall not have to comply with the requirements set forth in (a) above with respect to the that portion of the Series 2025A Bonds that constitutes a Construction Issue, as defined in the Rebate Memorandum (the "Construction Issue") if the portion of the gross proceeds of the Series 2025A Bonds that constitutes the Construction Issue is expended within 2 years of the date of initial issuance of the Series 2025A Bonds and as further described in the Rebate Memorandum, in accordance with the following schedule:

10% within 6 months;

45% within 1 year;

75% within 18 months; and

100% within 2 years

and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(e) Money deposited and held in the Rebate Fund shall not be pledged to secure debt service on the Series 2025A Bonds but shall be held in trust for the benefit of the United States of America and the Borrower. Investment earnings on any money in the Rebate Fund shall be retained therein.

(f) On the date five years after the anniversary of the first Bond Year after the Series 2025A Bonds are issued and every five years thereafter, the entire balance in the Rebate Fund shall be paid by the Trustee on behalf of the Issuer to the United States of America and on the date that all Outstanding Bonds are purchased or redeemed, the entire balance of the Rebate Fund shall be paid to the United States of America in accordance with section 148(f)(3) of the Code and the Borrower shall pay to the United States of America when due any additional amounts that may be due to the United States of America in connection with the Series 2025A Bonds.

(g) Unless all gross proceeds have been expended (i) within six months after the date of initial issuance of the Series 2025A Bonds as described in (b), above, (ii) in accordance with the eighteen (18) month schedule described in (c), above, or (iii) in accordance with the 2-year schedule described in (d), above, and such expenditure has been confirmed to the Trustee in the manner provided herein, the Borrower shall provide annually to the Trustee a certificate of an Arbitrage Calculator which certificate shall state the excess investment earnings to be paid and transferred to the Rebate Fund and that such amount was computed in accordance with section 148(f) of the Code (or any successor section), and the Trustee may conclusively rely on that certificate in making such transfer and in making any payment to the United States of America hereunder. To the extent that amounts in the Bond Fund, the Debt Service Reserve Funds, the Operating Fund and the Repair and Replacement Reserve Fund, the Revenue Fund, the Project

Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund held by the Trustee under this Indenture are not sufficient to adequately fund the Rebate Fund, the Borrower shall immediately pay such deficiency to the Trustee. The Trustee shall have no liability to use its funds to make any payment to the United States of America hereunder or to make any calculations or determinations with respect to any arbitrage rebate requirements. The Trustee on behalf of the Issuer shall retain all records concerning determinations of the amount to be rebated to the United States of America for six years after the final maturity of the Series 2025A Bonds.

(h) This Section 517 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder and applicable thereto. The requirements of this Section 517 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 of the Code (or any successor section) applicable to the Series 2025A Bonds.

Section 518 Deposit Account Control Agreement. In connection with the issuance of the Series 2025 Bonds, the Borrower, the Depository Bank and the Trustee have entered into a Deposit Account Control Agreement under which a security interest has been granted by the Borrower to the Trustee in the Collections Fund and the Operating Expense Fund. Upon receipt of a notice of exclusive control provided pursuant to Section 8.16 of the Loan Agreement, the Depository Bank shall be required to transfer the Collections Fund and Operating Expense Fund to the name and credit of the Trustee, except to the extent otherwise provided in Section 8.16 of the Loan Agreement. The Trustee may withdraw any funds on deposit in the Collections Fund and Operating Expense Fund to the extent and for the purposes provided in the Deposit Account Control Agreement to which authorization and direction the Trustee hereby accepts.

[End of Article V]

ARTICLE VI INVESTMENTS

Section 601 Investment of Funds and Accounts. Subject to Article VIII, any money held as part of the Bond Fund, the Revenue Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, the Rebate Fund, the Surplus Fund, reserves in connection with contested liens, or other special trust funds created under this Indenture or other accounts or funds held by the Trustee (other than the Rebate Fund), to the extent permitted by law shall be invested and reinvested by the Trustee as directed in writing by the Borrower, in accordance with the provisions of Section 4.10 of the Loan Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the account or fund, as the case may be, from which money was derived for such investment, and the interest accruing thereon and any profit realized from such investments shall be credited as set forth in Section 602, and any loss resulting from such investments shall be charged to such account or fund. The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the uses prescribed for money held in such fund or account. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of this Indenture. In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at the face value or the cost thereof, whichever is lower. The Trustee shall not be liable for any depreciation in the value of any obligations in which money of funds or accounts shall be invested, as aforesaid, or for any loss arising from any investment. Such investments shall be made only as follows:

(i) money in the Project Fund, the Repair and Replacement Reserve Fund, the Revenue Fund, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, and any other accounts or funds only in Permitted Investments as directed in writing by the Borrower maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide money to meet the payments from each such respective fund,

(ii) money in the Bond Fund as directed in writing by the Borrower only in Permitted Investments maturing or redeemable at the option of the holder not later than the next-succeeding principal, mandatory redemption, or interest payment date of the Series 2025 Bonds, and

(iii) money in the Debt Service Reserve Funds as directed in writing by the Borrower only in Permitted Investments; provided that: (a) the weighted average maturity of investments in the Debt Service Reserve Funds at any time may not exceed ten (10) years and (b) the Trustee must determine the value of the investments in the Debt Service Reserve Funds no less frequently than semiannually (or monthly from the date of any deficiency until such deficiency is cured).

In the absence of any direction from the Borrower, the Trustee shall have no duty or obligation to ensure that cash in the funds and accounts hereunder are invested. The Trustee may conclusively

rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Trustee that such directed investments constitute Permitted Investments.

The Issuer covenants that none of the money held under this Indenture will be used in any manner which will cause any Series 2025A Bonds, the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes, to become arbitrage bonds within the meaning of section 148 of the Code and any Regulations proposed or promulgated in connection therewith or to become federally guaranteed within the meaning of section 149(b) of the Code and any Regulations proposed or promulgated in connection therewith.

Section 602 Allocation of Income from Investments. All interest accruing from investments of money in the Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, and other funds (other than the Rebate Fund) and any profit realized therefrom shall be allocated on each December 25 and July 25 as follows:

- (a) interest and profits from the investments of money of each account held in the Bond Fund shall be retained in the account of the Bond Fund to which such investments relate;
- (b) interest and profits from the investments of money in the Project Fund shall be retained in the Construction Account of the Project Fund unless transferred to the Revenue Fund pursuant to Section 503;
- (c) interest and profits from the investment of money in the Debt Service Reserve Funds, shall be retained in each such Debt Service Reserve Fund, at all times if the balance is less than the 2025A Debt Service Reserve Requirement or Supplemental Debt Service Reserve Fund Requirement, respectively; thereafter and at all times the balance of a Debt Service Reserve Fund is equal to or greater than the 2025A Debt Service Reserve Requirement or Supplemental Debt Service Reserve Fund Requirement, respectively, such interest and profits shall be deposited in the General Account of the Bond Fund;
- (d) interest and profits from the investment of money in the Operating Expense Reserve Fund shall be deposited in the Revenue Fund;
- (e) interest and profits from the investment of money in the Repair and Replacement Reserve Fund shall be deposited in the Revenue Fund;
- (f) interest and profits from the investment of money in the Insurance Fund shall be retained in the Insurance Fund;
- (g) interest and profits from the investment of money in the Condemnation Fund shall be retained in the Condemnation Fund;

- (h) interest and profits from the investment of money in the Surplus Fund shall be deposited in the Revenue Fund;
- (i) interest and profits from the investment of money in the Administrative Expense Fund shall be retained in the Administrative Expense Fund; and
- (j) interest and profits from the investment of money in any other funds shall, unless the Trustee receives written directions of the Authorized Borrower Representative to the contrary, be deposited in the Revenue Fund.

Section 603 Trustee's Own Bond or Investment Department. The Trustee may make any and all investments permitted under Section 601 through its own bond or investment department.

Section 604 Investment Records. The Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation, and application of the money related to the Series 2025A Bonds, including money derived from, pledged to, or to be used to make payments on the Series 2025A Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each and every Rebate Obligation, (a) its purchase price, including any accrued interest paid, (b) identifying information, including face amount, coupon rate, and payment dates, (c) the amount received at maturity or its disposition price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity and, if different, the date it became a Rebate Obligation. The Trustee shall also obtain and retain with respect to each Rebate Obligation evidence to establish the fair market value of such Rebate Obligation on the dates it became and ceased to be a Rebate Obligation.

In order to allow the Borrower to perform the calculations required by section 148(f) of the Code, the Trustee acknowledges that it will be necessary to track separately all of the Rebate Obligations contained in funds created hereunder. To that end, the Trustee shall take such accounting measures as are necessary or appropriate and in accordance with the Trustee's standard practices to account fully for all Rebate Obligations and the amount earned thereon. The Trustee agrees to deliver to the Borrower, upon the request of and at the expense of the Borrower, copies of all records maintained pursuant to this Section 604 and such other records available to the Trustee as are reasonably required to allow the Borrower to comply with Sections 4.10, 4.11 and 4.12 of the Loan Agreement.

[End of Article VI]

ARTICLE VII COVENANTS WITH RESPECT TO THE PROJECT

Section 701 Subordination of Rights of the Borrower. Pursuant to Section 12.13 of the Loan Agreement, the Loan Agreement and the rights and privileges thereunder of the Borrower are specifically made subject and subordinate to the rights and privileges of the Trustee and the owners of the Series 2025 Bonds set forth in this Indenture.

Section 702 Release of the Project Site. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 8.05 of the Loan Agreement, whereby the Issuer and the Borrower have reserved the right to withdraw or subordinate the lien of the Mortgage with respect to certain portions of the Borrower's interest in Project Site upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall release from or subordinate the lien of the Mortgage with respect to any such land or interests in land upon compliance with the provisions of the Loan Agreement.

Section 703 Release of Equipment. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 6.02 of the Loan Agreement, whereby the Borrower may withdraw certain items of equipment constituting Equipment upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall release from the security interest of the Mortgage any such item of equipment upon compliance with the provisions of the Loan Agreement.

Section 704 No Amendments to Mortgage, Guaranty and Note. Except as provided in Article XII, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Mortgage, the Guaranty or the Note.

Section 705 Perform Other Contracts. (a) The Issuer will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, and conditions of the Loan Agreement and the Bond Documents. It will not do or to the extent within its control permit anything to be done or omit or refrain from doing anything where such action or non-action might be a ground for declaring a forfeiture or termination of the Loan Agreement or the Bond Documents.

(b) The Issuer hereby covenants to enforce all its rights and obligations under and pursuant to the Loan Agreement and agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement and the Mortgage for and on behalf of the Bondholders, whether or not an Event of Default exists hereunder.

(c) The Trustee shall not execute any release of the obligations of the Borrower under the Loan Agreement, the Guaranty, the Mortgage, the Note, the Assignment of Construction Contracts or the Deposit Account Control Agreement, except pursuant to Section 8.05 of the Loan Agreement or upon payment in full of the Series 2025 Bonds.

(d) The Loan Agreement, the Guaranty, the Mortgage, the Note and the Deposit Account Control Agreement set forth certain covenants and obligations of the Borrower.

Reference is hereby made thereto for a detailed statement of the covenants, obligations, and rights of the Borrower thereunder.

Section 706 Execute Additional Documents. The Issuer will do and/or continue to do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, all and every such further acts, deeds, conveyances, mortgages, assignments, transfers, financing statements, and assurances as the Trustee shall require, for the better assuring, conveying, pledging, confirming, and continuing unto the Trustee, all and singular the Trust Estate hereby pledged, conveyed, or assigned or intended so to be, or which the Issuer may be or may hereafter become bound to pledge, convey, or assign to the Trustee for carrying out the intention or facilitating the performance of the terms of this Indenture.

Section 707 Granting of Easements. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 8.06 of the Loan Agreement, whereby the Borrower may grant easements and take other action upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights of way, and other rights and privileges permitted by Section 8.06 of the Loan Agreement upon compliance with the provisions of the Loan Agreement.

[End of Article VII]

ARTICLE VIII DISCHARGE OF LIEN

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made, to or for the owners of the Series 2025 Bonds the principal, interest, and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein and shall pay or cause to be paid all fees and expenses of the Trustee and each paying agent due or to become due under this Indenture and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Series 2025 Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, then this Indenture and these presents and the estate, lien, interests, and rights hereby created and granted shall cease, determine, terminate, and become null and void (except as to any surviving rights of registration, transfer, or exchange of Bonds herein provided for and except for the obligations under Section 604), and thereupon the Trustee cancel and discharge the lien and security interest of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requested by the Issuer and requisite to discharge and satisfy the lien and security interest hereof and convey to the Issuer the estate hereby conveyed and release, assign, and deliver to the Issuer any property at the time subject to the lien and security interest of this Indenture which may then be in its possession, except funds held by the Trustee for the payment of principal of, interest, and premium, if any, on the Series 2025 Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid and defeased within the meaning and with the effect expressed in the first paragraph of this Article with respect to payment of all Series 2025 Bonds Outstanding hereunder if, under circumstances which do not cause interest on any of the Series 2025 Bonds, the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes, to become includable therein on said date, (i) there shall have been irrevocably deposited with the Trustee, in trust, pursuant to an escrow agreement either money in an amount which shall be sufficient, along with any other funds or investments held by the Trustee and available therefor, or direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America (collectively, "Government Obligations") not redeemable by the Issuer, the principal of and interest on which when due, without reinvestment, will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Series 2025 Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and an amount equal to the Trustee's and paying agents' necessary and proper fees, compensation, and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity, (ii) in the event such Series 2025 Bonds are subject to immediate redemption, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Series 2025 Bonds as provided in Section 306, (iii) in the event said Series 2025 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to (a) give notice of redemption of such Series 2025 Bonds as provided in Section 306 not less than 30 days prior to a date on which such Series 2025 Bonds are subject to redemption and (b) give, as soon as practicable in the same manner as a notice of redemption of such Series 2025 Bonds as provided in Section 306, a notice to the owners of such Series 2025 Bonds stating that the deposit required

by (i) above has been made with the Trustee, stating that said Series 2025 Bonds are deemed to have been paid in accordance with this Article, and stating such maturity or redemption dates upon which money are to be available for the payment of the principal of, premium, if any, and interest on such Series 2025 Bonds, (iv) there shall have been submitted to the Issuer and the Trustee an opinion of counsel experienced in matters of bankruptcy and insolvency and acceptable to the Issuer to the effect that the defeasance of the Series 2025 Bonds in accordance with this Article does not involve any preferential transfer within the meaning of United States Bankruptcy Code and the escrow deposit will not be treated as part of the bankruptcy estate of the Issuer or the Borrower in the event that the Issuer or Borrower becomes a "debtor" within the meaning of the United States Bankruptcy Code, (v) there shall have been submitted to the Issuer and the Trustee an opinion of a nationally recognized bond counsel that the Series 2025 Bonds have been legally defeased and are no longer secured by a pledge of and lien on the Trust Estate hereunder, and that such refunding and defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds, (vi) there shall have been submitted to the Issuer and the Trustee a legal opinion as to the validity and enforceability of the escrow agreement required by (i) above, and (vii) there shall have been submitted to the Issuer, and the Trustee a report by a certified public accountant acceptable to the Issuer verifying that the principal and the interest paid on the Government Obligations is sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Series 2025 Bonds prior to the redemption date or maturity date thereof, as the case may be. Neither Government Obligations nor money deposited with the Trustee pursuant to this Section nor principal nor interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Series 2025 Bonds; provided, that to the extent permitted by the escrow agreement any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Series 2025 Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and an amount equal to the Trustee's and paying agents' fees and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity. The escrow agreement required by (i) above shall provide that the Issuer will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (a) the right to make any such redemption had been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds and (b) as a condition of any such redemption there shall be provided a verification report by a certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.

The deposit required by (i) of the preceding paragraph may be made and the opinion required by (iv) of the preceding paragraph may be submitted with respect to any particular Series 2025 Bonds (whether upon or prior to the maturity or the redemption date of such Series 2025 Bonds), under circumstances which do not cause interest on any Series 2025 Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, to become includable therein, in which case such Series 2025 Bonds shall no longer be deemed to be Outstanding and shall be deemed to be paid within the meaning of this

Article, and the owners of such Series 2025 Bonds shall be secured only by such deposit and not by any other part of the Security; provided, however, that if such Series 2025 Bonds are to be redeemed prior to the maturity thereof, the requirements of (ii) and (iii) of the preceding paragraph shall have been met with respect to such Series 2025 Bonds.

The release of property from the lien and security interest of this Indenture by the Trustee under the provisions of this Article shall operate and be effective as a full and complete discharge and satisfaction of the lien and security interest created by this Indenture as to the property described in such release and may be relied upon by the Clerk and Recorder of Garfield County, Colorado and its successors in office, without the production of the Series 2025 Bonds for endorsement thereon of such release, and such release shall be conclusive evidence that the property therein specifically described has been validly released from the lien and security interest of this Indenture, and any purchaser need not inquire as to the power or authority of the Trustee to give such release nor see to the application of any money in respect thereto.

Notwithstanding any provisions of any other Article of this Indenture which may be contrary to the provisions of this Article, all money or direct obligations of the United States of America set aside and held in trust pursuant to the provisions of this Article and for the payment of Series 2025 Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Series 2025 Bonds (including interest and premium thereon, if any) with respect to which such money or Government Obligations have been so set aside in trust.

Anything in Article XI to the contrary notwithstanding, if such money or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Series 2025 Bonds and interest and premium thereon, if any, and such Series 2025 Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each Series 2025 Bond affected thereby.

[End of Article VIII]

ARTICLE IX
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 901 Defaults; Events of Default. If any of the following events occur, subject to the provisions of Sections 910 and 911, it is hereby defined as and declared to be and to constitute a default and an "Event of Default":

(a) default in the due and punctual payment of any interest on any Series 2025 Bond;

(b) default in the due and punctual payment of the principal of any Series 2025 Bond (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) the occurrence of an "Event of Default" under any of the Bond Documents;

(d) any breach by the Issuer of any representation or warranty made in this Indenture or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Indenture or in the Series 2025 Bonds contained, subject to the provisions of Section 911;

(e) the issuance of an order of relief by the Bankruptcy Court of the United States District Court having valid jurisdiction, granting the Issuer relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Issuer or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the consent by the Issuer to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, affairs, or assets.

Section 902 Acceleration. Subject to the provisions of Section 910, if an Event of Default specified in paragraphs (a) or (b) of Section 901 shall occur and be continuing, the Trustee shall, by notice in writing delivered to the Issuer, declare the principal of all Series 2025 Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. If an Event of Default specified in paragraphs (c), (d), (e), or (f) of Section 901 shall occur and be continuing, the Trustee may, and upon the written request of the owners of not less than 25% in aggregate principal amount of Series 2025 Bonds then Outstanding shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder, or upon any Event of Default, the Issuer and the Trustee shall immediately declare all

installments of Loan Payments due under Section 5.02 of the Loan Agreement to become immediately due and payable in accordance with Section 10.02 of the Loan Agreement.

The above provisions of Sections 901 and 902, however, are subject to the condition that if, after the principal of all Series 2025 Bonds then Outstanding shall have been so declared to be due and payable, all arrears of interest upon such Series 2025 Bonds and the principal and redemption premium, if any, on all Series 2025 Bonds then Outstanding which shall have become due and payable otherwise than by acceleration, and all other sums payable under this Indenture, except the principal of and interest on the Series 2025 Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer, together with the reasonable expenses of the Trustee or of the owners of such Series 2025 Bonds, including reasonable attorneys' fees paid or incurred, and the Loan Agreement shall be in full force and effect, then and in every such case, the Trustee may annul such declaration of maturity and its consequences, which waiver and annulment shall be binding upon all Bondholders; but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon. In the case of any such annulment, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture.

Section 903 Other Remedies. Upon the occurrence of an Event of Default, the Trustee may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect, and shall have the power to proceed with any available right or remedy granted by the Bond Documents or the laws of the State, as it may deem best, including any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Bond Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law, and may enforce its right to the appointment of a receiver pursuant to Section 905. The Trustee, as the assignee of all of the right, title, and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights), the Note and the Mortgage, may enforce each and every right granted to the Issuer under the Loan Agreement (except for the Unassigned Rights), the Note and the Mortgage. Upon the occurrence of an Event of Default, the Trustee, in its own name and as trustee of an express trust, or in the name of the Issuer without the necessity of joining the Issuer, shall be entitled to institute any action or proceedings at law or in equity and may prosecute any such action or proceedings to judgment or final decree and may enforce any such judgment or final decree against any obligor thereon and collect in the manner provided by law, but limited as provided in the Bond Documents, out of the property of any obligor thereon wherever situated the money adjudged or decreed to be payable for the benefit of the Bondholders, or on behalf of the Issuer. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Loan Agreement under federal bankruptcy law or any other applicable law, or in the case a receiver or trustee shall have been appointed for the property of any such obligor, or in the case of any other judicial proceedings relative to any obligor under the Loan Agreement or relative to the creditors or property of any such obligor, the Trustee (irrespective of whether

the principal of the Series 2025 Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the power vested in it by this Indenture) shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys, and counsel and for reimbursement of all expenses and liabilities incurred and all advances made by the Trustee except as a result of its gross negligence or bad faith) and the Bondholders allowed in any such judicial proceedings relative to the Borrower or any other obligor under the Loan Agreement, or relative to the creditors or property of the Borrower, or relative to any such other obligor, as the case may be, and to collect and receive any money or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Bondholders and of the Trustee on their behalf. Any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by each of the Bondholders to make payments to the Trustee and in the event that the Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel and all other expenses and liabilities incurred and all advances made by the Trustee except as a result of its gross negligence or bad faith.

Section 904 Rights of Bondholders to Require Trustee to Pursue Remedies. If an Event of Default occurs and is continuing, and if requested so to do by owners of at least 25% of the aggregate principal amount of the Series 2025 Bonds then Outstanding, and if indemnified as provided in Section 1014, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section and by Sections 902 and 903 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No lien, right, or remedy by the terms of this Indenture conferred upon or reserved or otherwise available to the Trustee or to the Bondholders is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to any other lien, right, or remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the Series 2025 Bonds shall not operate to prejudice, waive, or affect the Security or any rights, powers, or remedies under this Indenture, nor shall the Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantors.

Section 905 Appointment of Receivers. (a) If an Event of Default occurs and is continuing, a receivership may be necessary to protect the Security, whether before or after maturity of the Series 2025 Bonds, or at the time of or after the institution of suit to collect the principal of, premium (if any), or interest on the Series 2025 Bonds, or to enforce this Indenture; accordingly, the Trustee shall, as a matter of strict right and regardless of the value of the Security or of the solvency of any party bound for the payment of the Series 2025 Bonds, have the right to the appointment on application and notice to the Issuer and the Borrower, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect, and operate the Security, to collect the revenues, rents, issues, profits, products, and income thereof, to make all necessary and needed repairs, to complete the construction of any improvements which have been undertaken but not completed, to pay all taxes and assessments against the Security and insurance premiums for insurance thereon, and after the payment of the expenses of the receivership, including reasonable attorneys' fees to the Trustee's attorney, and after compensation for management of the Security, to apply the net proceeds to pay the Series 2025 Bonds or in such manner as the court shall direct. All such expenses shall be secured by the lien of this Indenture until paid.

(b) Such receivership shall continue until the first to occur of full payment of the Series 2025 Bonds, title to the Project having passed by foreclosure sale under the Mortgage, or the Event of Default having been cured.

Section 906 Application of Money. Upon an Event of Default and if money held by the Trustee is insufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, all money received and held by the Trustee pursuant to this Indenture as Security (except for money held in the Bond Fund, which shall solely secure Series 2025 Bonds) and all money received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such money and of the expenses, liabilities, and advances incurred or made by the Trustee and the fees of the Trustee, be applied as follows:

(a) Unless the principal of all the Series 2025 Bonds shall have become or shall have been declared due and payable, all such money shall be applied:

FIRST - To the payment of the Ordinary Expenses and Extraordinary Expenses of the Trustee and the costs and compensation of any advances made by the Trustee, the Issuer, and any receiver and the reasonable attorneys' fees of the Trustee, the Issuer, or any receiver;

SECOND - To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2025 Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

THIRD - To the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2025 Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which money are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest at the same rate as the interest on such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Series 2025 Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege;

FOURTH - To the payment of Operating Expenses of the Project for reasonable renewals, repairs, and replacements of the Project necessary to prevent impairment of the Security; and

FIFTH - To be held for the payment to the Bondholders entitled thereto as the same shall become due of the principal of, premium, if any, and interest on the Series 2025 Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Series 2025 Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of principal, premium, if any, and interest due on such date to the Bondholders entitled thereto without any discrimination or privilege.

(b) If the principal of all the Series 2025 Bonds shall have become due or shall have been declared due and payable, all such money shall be applied first to the payment to the items described in paragraph FIRST of the preceding subsection (a); then to Persons entitled thereto of the principal, premium, if any, and interest then due and unpaid upon the Series 2025 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest or of any Series 2025 Bond over any other Series 2025 Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Series 2025 Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then the money shall be applied in accordance with the provisions of paragraph (a) of this Section, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Series 2025 Bonds shall later become due or be declared due and payable.

When money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future. When the Trustee shall apply such

funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, but in accordance with the provisions of Section 208, and shall not be required to make payment to the owner of any Series 2025 Bond until such Series 2025 Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

When all principal of, premium, if any, and interest on all Series 2025 Bonds have been paid under the provisions of this Section 906 and whenever all fees, expenses, and charges of the Trustee and the Issuer shall have been paid, any amounts remaining hereunder shall be paid, transferred, and assigned to the Borrower, as provided in Section 12.06 of the Loan Agreement.

Section 907 Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Series 2025 Bonds may be enforced by the Trustee without the possession of any of the Series 2025 Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Series 2025 Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of the Outstanding Series 2025 Bonds.

Section 908 Limitations on Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless: (i) a default has occurred of which the Trustee has been notified as provided in subsection (h) of Section 1101, or of which by said subsection it is deemed to have notice; (ii) such default shall have become an Event of Default; (iii) the owners of at least 25% in aggregate principal amount of Series 2025 Bonds then Outstanding shall have made written request to the Trustee and provided the indemnity required by Section 1114 and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name; and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its, his, or their own name or names. Such notification, request, and offer of opportunity and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Series 2025 Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Series 2025 Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Series 2025 Bond at and after the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Series 2025 Bonds issued hereunder to the respective owners

thereof at the time, place, from the source, and in the manner in said Series 2025 Bonds expressed.

Section 909 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue unimpaired as if no such proceedings had been taken.

Section 910 Waivers of Events of Default. The Trustee may waive any Event of Default hereunder and rescind its consequences and shall waive any Event of Default hereunder and its consequences and shall rescind any declaration of maturity of principal of and interest on the Series 2025 Bonds upon the written request of the owners of a majority in aggregate principal amount of all Series 2025 Bonds then Outstanding; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Outstanding Series 2025 Bonds at the date of maturity specified therein or (ii) any Event of Default in the payment when due of the interest or premium on any such Series 2025 Bonds, unless prior to such waiver or rescission the consent of the owners of 100% in aggregate principal amount of Series 2025 Bonds then Outstanding to such waiver shall have been obtained and all arrears of interest and all arrears of payments of principal or premium, if any, when due, with interest on such overdue amounts (to the extent permitted by law) at the rate borne by the Series 2025 Bonds, and all expenses of the Trustee in connection with such default, shall have been paid or provided for. In the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon. All waivers under this Indenture shall be in writing.

Section 911 Notice of Defaults; Opportunity of the Issuer and the Borrower to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 901(d) shall constitute an Event of Default until actual written notice of such default by registered or certified mail shall be given by the Trustee or the owners of not less than 25% of the aggregate principal amount of Series 2025 Bonds then Outstanding to the Borrower and the Borrower and Issuer shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to the rights of the Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower or the Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected in accordance with and subject to any directions or limitations of time established by the Trustee. Upon request of the Trustee, the Borrower shall within the applicable period furnish to the Trustee a certificate certifying that such default is such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to

the rights of the Trustee and that corrective action capable of curing such default has been instituted and is being diligently pursued and will be diligently pursued until the default is cured. The Borrower or the Issuer shall notify the Trustee when such default has been cured. The Trustee shall be entitled to conclusively rely upon any such certificate given pursuant to this Section.

With regard to any alleged default concerning which notice is given to the Borrower under the provisions of this Section 911, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

In addition, the Trustee shall give written notice of all other Events of Default by registered or certified mail to the Borrower; provided, however, such notice shall not be a condition precedent to the Trustee or the Bondholders exercising any right or remedy granted to them hereunder.

[End of Article IX]

ARTICLE X

THE TRUSTEE

Section 1001 Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(d) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. No implied covenants or duties shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(e) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, accountants, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in reliance upon such opinion or advice.

(f) The Trustee shall not be responsible for any recital other than contained herein (except in respect to the authentication certificate of the Trustee endorsed on the Series 2025 Bonds) or for insuring the property conveyed hereby or for collecting any insurance money or for the validity of the execution by the Issuer of this Indenture or any supplemental indentures hereto or instruments of further assurance or for the sufficiency of the Security for the Series 2025 Bonds issued hereunder or intended to be secured hereby or for the value or title of the property conveyed hereby or otherwise as to the maintenance of the Security hereof; except that in the event the Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Indenture, it shall use due diligence in preserving such property. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement except as herein expressly set forth, but the Trustee may require of the Issuer or the Borrower full information and advice as to the agreements aforesaid and as to the condition of the property conveyed hereby. Except as otherwise provided in this Indenture, the Loan Agreement, the Guaranty or the Mortgage, the Trustee shall perform all of the duties or obligations of the Issuer under the Loan

Agreement and the Mortgage, but shall not be answerable for the performance of any such duty or obligation for other than its gross negligence or willful misconduct.

(g) The Trustee shall not be accountable for the use of the proceeds from the sale of the Series 2025 Bonds disbursed in accordance with the provisions of the Loan Agreement or this Indenture. The Trustee may become the owner of Series 2025 Bonds secured hereby with the same rights which it would have if not Trustee.

(h) The Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, telegram, or other paper or document, or oral communication or direction, reasonably believed to be genuine and correct and to have been signed or sent or given by the proper Person or Persons. The Trustee shall not unreasonably withhold its consent to, approval of, or action with respect to any reasonable request of the Issuer or the Borrower. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.

(i) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, the Trustee shall be entitled to rely upon a certificate signed and attested on behalf of an Issuer by the Authorized Issuer Representative and upon a certificate signed on behalf of the Borrower by the Authorized Borrower Representative, as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary or Assistant Secretary of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Governing Body of the Issuer as conclusive evidence that such a resolution has been duly adopted and is in full force and effect.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable with respect to any such permissive right for other than its negligence or willful misconduct.

(k) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article V and (ii) failure by the Borrower to make any of the payments to the Trustee required to be made by Section 5.02 of the Loan Agreement, unless the Trustee shall be specifically notified in writing of such default by the Issuer, the Borrower, or by the owners of at least 25% in aggregate principal amount of all Series 2025 Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee in Denver, Colorado,

and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(l) The Trustee shall not be liable for any debts contracted or for damages to Persons or to personal property injured or damaged or for salaries or nonfulfillment of contracts related to the Project.

(m) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to fully to inspect any and all of the Project, including all books, papers, and records of the Issuer pertaining to the Project and the Series 2025 Bonds, and to take such memoranda from and in regard thereto as may be desired, subject to the limitations imposed upon such rights of inspection pursuant to Section 8.02 of the Loan Agreement.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or otherwise in respect of the premises hereof.

(o) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Series 2025 Bonds, the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Indenture or other Bond Documents, the delivery of any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of any such action by the Trustee, deemed reasonably necessary for the purpose of establishing the right of the Issuer to the authentication of any Series 2025 Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(p) All money received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any money received hereunder except such as may be agreed upon in writing.

(q) The Trustee may construe any provision hereof insofar as such may appear to it to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provision by the Trustee shall be binding upon the Bondholders and the Issuer.

(r) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of 25% in aggregate principal amount of the Outstanding Series 2025 Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

(s) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, in its sole discretion, unless the Trustee shall be provided security or indemnity satisfactory to the Trustee in its sole discretion against such risk or liability.

(t) The Trustee shall be under no responsibility to approve or evaluate any expert or other skilled person selected by the Issuer or the Borrower for any of the purposes expressed in this Indenture or other Bond Document, including without limitation, the Accountants, the Arbitrage Calculator, the Bond Counsel, the Independent Counsel, the Consulting Architect, the Construction Monitor, the Financial Consultant, the Contractor and the Engineer. The Trustee shall have no duty or obligation to review or approve any Annual Budget or Plans and Specifications or amendments or modifications thereto provided to the Trustee by the Borrower. The Trustee shall have no duty or obligation to make any inspections of the Project, make any provision to obtain completion bonds, mechanic's or materialmen's lien releases or otherwise supervise any phase of the construction or furnishing of the Project.

(u) The Trustee shall have no duty or obligation to effect, maintain or renew any policies of insurance of the Borrower, or to review or approve the form or sufficiency of any such policies or the qualifications of the company issuing same. The Trustee shall have no duty to report or make or file claims or proof of loss for any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any premiums, taxes or assessments or to require any such payment be made.

(v) The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture or other Bond Document sent by Electronic Means (as hereinafter defined); provided, however, that the Issuer and the Borrower, as applicable, shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder. Each of the Issuer and the Borrower agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions which on their face appears to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and the Borrower shall be responsible for ensuring that only their Authorized Officers transmit such instructions to the Trustee, and the Issuer, the Borrower and their respective Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions

conflict or are inconsistent with a subsequent written instruction delivered by other means. Each of the Issuer and the Borrower agrees (i) to assume all risks arising out of their use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that its security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 1002 Fees, Charges, and Expenses of the Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Trustee rendered hereunder, and all advances, attorneys' fees, and other Ordinary Expenses of the Trustee reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services of the Trustee, and in the event that it should become necessary that the Trustee perform Extraordinary Services of the Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses of the Trustee in connection therewith; provided, that if such Extraordinary Services of the Trustee or Extraordinary Expenses of the Trustee are occasioned by the gross negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and hereinabove provided.

Section 1003 Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by subsection (h) of Section 1001 required to take notice or if notice of default is given as in said subsection (h) provided, the Trustee shall give such notice to the Borrower and the Issuer as is specified in Section 911 and such notice to the Borrower as is specified in Section 10.01 of the Loan Agreement and shall give written notice thereof by first-class mail, within 30 days (unless such default is cured or if corrective action has been instituted and is being diligently pursued pursuant to Section 911 or is waived), to the owners of all Series 2025 Bonds then Outstanding shown by the registration books maintained by the Trustee pursuant to Section 207.

Section 1004 Intervention by the Trustee. The Trustee may intervene on behalf of Bondholders in any judicial proceeding to which the Issuer or the Borrower is a party and which, in the reasonable opinion of the Trustee and its counsel, has a substantial bearing on the interests of owners of the Series 2025 Bonds and shall do so if requested in writing by the owners of at least 25% in aggregate principal amount of all Series 2025 Bonds then Outstanding and the indemnity required by Section 1014 has been provided. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1005 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell, lease, or transfer its municipal corporate trust business and assets as a whole or substantially

as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, rights, obligations, duties, remedies, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1006 Resignation by the Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving 60 days written notice to the Issuer and the Borrower, and, by first-class (postage prepaid) mail, to each Bondholder shown on the registration records maintained pursuant to Section 207, and such resignation shall take effect at the appointment of a successor trustee pursuant to the provisions of Section 1008 and acceptance by the successor trustee of such trusts. Such notice to the Issuer and to the Borrower may be served personally or sent by registered mail. If no successor trustee shall have been so appointed pursuant to Section 1008 within 30 days after delivery of such notices, a temporary trustee may be appointed by the Issuer pursuant to Section 1008. In the event that no successor trustee is appointed and has accepted appointment within 60 days of the giving of written notice by the resigning trustee as aforesaid, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

Section 1007 Removal of the Trustee. The Trustee may be removed at any time by the Issuer with an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by (1) the Majority Holders or (2) so long as no Event of Default exists or is continuing, by the Borrower.

Section 1008 Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall (a) resign or be removed or (b) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting hereunder, a successor may be appointed by (1) an instrument executed by the Majority Holders if an Event of Default exists and is continuing; or (2) an instrument executed and signed and attested by an Authorized Issuer Representative of the Issuer and, so long as no Event of Default exists and is continuing, executed by the Borrower; provided, that if a successor trustee is not so appointed within ten days after notice of resignation is mailed or an instrument of removal is delivered as provided under Sections 1006 and 1007, respectively, or within ten days of the Issuer's knowledge of any of the events specified in (b) hereinabove, the Majority Holders, by an instrument or concurrent instruments in writing signed by or on behalf of such Majority Holders, delivered personally or sent by registered mail to the Issuer and the Borrower, may designate a successor trustee. Until a successor trustee shall be appointed in the manner above provided, the Issuer, by resolution and upon written notice to the Borrower, shall appoint a temporary trustee to fill such vacancy, and any such temporary trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor trustee so appointed by the Bondholders. Notice of the appointment of a successor trustee shall be given in the same manner as provided by Section 1006 with respect to the resignation of the Trustee. Every such successor trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing

within or outside the State, shall be eligible to serve as trustee, bond registrar, and paying agent under the Act, shall be duly authorized to exercise trust powers and subject to examination by federal or state authority, shall have a reported combined capital, surplus, and undivided profits of not less than \$50,000,000, and shall be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions of this Indenture.

In case at any time the Trustee shall resign and no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor trustee.

Section 1009 Concerning Any Successor Trustee. Every successor trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, remedies, immunities, privileges, duties, and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1002, execute and deliver an instrument transferring to such successor trustee all the estates, properties, obligations, duties, remedies, immunities, privileges, rights, powers, and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and money held by it as trustee hereunder to its successors, and every predecessor trustee shall deliver the registration books held by it as bond registrar hereunder to its successors. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, trusts, rights, obligations, remedies, immunities, privileges, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor trustee in each recording office where the Assignment or a financing statement relating to this Indenture shall have been filed or recorded, if any.

Section 1010 Right of the Trustee to Pay Insurance, Taxes and Other Charges. In case any tax, assessment, or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Loan Agreement and is not being contested pursuant to Section 6.03 of the Loan Agreement, the Trustee may pay such tax, assessment, or governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure, and any amount at any time so paid under this Section or Section 6.08 of the Loan Agreement, with interest thereon from the date of payment at the prime rate of the Trustee plus 2% per annum, shall become an additional obligation secured by this Indenture and the same shall be given a preference in payment over any of the Series 2025 Bonds and shall be paid out of the revenues herein pledged to the payment of the Series 2025 Bonds if not otherwise caused to be paid, but the Trustee shall be under no obligation to make any such payment unless it shall

have been requested to do so by the owners of at least 25% in the aggregate principal amount of all Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 1011 Trustee Protected in Relying Upon Resolutions. The resolutions, opinions, certificates, reports, and other instruments provided for in this Indenture or any other Bond Document may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder or the taking of any other action by the Trustee provided for in this Indenture or other Bond Documents.

Section 1012 Successor Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar. In the event of a change in the office of trustee, the predecessor trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Rebate Fund, the Condemnation Fund, the Insurance Fund and any special trust funds hereunder created and shall cease to be paying agent for the payment of principal of and interest and premium, if any, on the Series 2025 Bonds and shall cease to be bond registrar, and the successor trustee as qualified under Section 1008 shall become such trustee, paying agent, and bond registrar.

Section 1013 Trust Estate May Be Vested in Separate Trustee or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Bond Documents and in particular in case of the enforcement of either on an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or may not hold title to the Trust Estate, in trust, as herein granted, or may not take any other action which may be necessary or desirable in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 1013 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, duty, obligation, interest, security interest, and lien expressed or intended by this Indenture to be exercised by or vested in or granted or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed,

acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 1014 Indemnification of Trustee. Before taking any action under this Indenture at the direction or request of the Bondholders, the Trustee may, at the expense of the Bondholders, require that a satisfactory indemnity bond be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities, except for liability which is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee by reason of any action so taken. Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Trustee has been advised or such loss or damage and regardless of the form of action.

Section 1015 List of Bondholders. The Trustee shall keep on file a list of names and addresses of all owners of Series 2025 Bonds as may from time to time be shown on the registration books in the hands of the Trustee together with the principal amount and numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. Except as prohibited by the laws of the State, at reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or Bondholders (or a designated representative thereof), at the expense of the requesting party, of 15% or more in aggregate principal amount of Series 2025 Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Except as required by law, the Trustee will not release or disclose the content of the bond register to any Person other than to, or at the written request of, the above named Persons, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order the Trustee will notify the Issuer so that the Issuer may contest the subpoena or court order.

[End of Article X]

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 1101 Supplemental Indentures Not Requiring Consent of Bondholders.

(a) The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(i) to cure any ambiguity or formal defect or omission in, or to correct or supplement any defective provision of, this Indenture,

(ii) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations, and restrictions to be observed by the Issuer for the protection of the Bondholders,

(iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new trustee (unless such successor is the result of a merger or corporate acquisition) or the appointment of a new or additional paying agent or bond registrar,

(iv) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, benefits, security, liabilities, duties, or authority that may lawfully be granted to or conferred or imposed upon the Bondholders or the Trustee or either of them,

(v) to subject to the lien and security interest of this Indenture additional revenues, properties, or collateral,

(vi) to modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2025 Bonds for sale under the securities laws of any state, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute,

(vii) to modify, amend, or supplement this Indenture in such manner to assure the continued exclusion from gross income of the owners thereof for federal income tax purposes of interest on any Series 2025A Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, or

(viii) in connection with any other change herein which, in the opinion of counsel provided to the Trustee, does not prejudice or materially adversely affect the Bondholders or impair the Security.

(b) The Issuer and the Trustee shall, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture (i) to the extent necessary with respect to the land and interests in land, buildings, furnishings, machinery, equipment, and all other real and personal property which may form a part of the Project, so as to

more precisely identify the same or to substitute or add additional land or interests in land, buildings, furnishings, machinery, equipment, or real or personal property as Security; or (ii) with respect to any changes required to be made in the description of the Security in order to conform with similar changes made in the Loan Agreement as permitted by Section 1101.

(c) The Trustee may require and rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XI.

Section 1102 Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of indentures supplemental hereto covered by Section 1201 and subject to the terms and provisions contained in this Section and in Section 913 hereof and not otherwise, the owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Series 2025 Bonds, without the consent of every owner of such Series 2025 Bonds; or (b) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interest of this Indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken; or (c) a reduction in the amount, or an extension of the time of any payment, required by the mandatory redemption provisions of Section 305, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken, or (d) a reduction in the aforesaid aggregate principal amount of Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken; or (e) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee; or (f) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or (g) the release of or requirements for the release of this Indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, upon being reasonably indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given in substantially the manner provided in Section 306 with respect to redemption of Series 2025 Bonds. Such notice shall be prepared by or on behalf of the Issuer, briefly set forth the nature of the proposed supplemental indenture and state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, the owners of not less than two-thirds in aggregate principal amount of

the Series 2025 Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may require and rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XI.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Bondholders entitled to consent to any indenture supplemental hereto. If a record date is fixed, then those Persons who were Bondholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such supplemental indenture or to revoke any consent previously given, whether or not such Persons continue to be Bondholders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Anything herein to the contrary notwithstanding, if the Borrower is not in default under the Loan Agreement at such time, a supplemental indenture under this Article XII which affects any rights or obligations of the Borrower or which changes the priority or use of money under this Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture, specifically referencing this Section 1102, together with a copy of such supplemental indenture, to be mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the 15th day after the mailing of such notice and a copy of the proposed supplemental indenture.

[End of Article XI]

ARTICLE XII AMENDMENT OF OTHER BOND DOCUMENTS

Section 1201 Amendments to Other Bond Documents Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the Bond Documents other than the Indenture as may be required (i) by the provisions of the Loan Agreement and this Indenture, (ii) for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising from a formal defect or omission therein, (iii) in connection with the land and interests in land, buildings, machinery, equipment, and other real or personal property described in this Indenture so as to identify more precisely the same or to add additional land or interests in land, buildings, machinery, equipment, or other real or personal property, (iv) so as to add additional rights acquired in accordance with the provisions of the Bond Documents, (v) to substitute a new borrower under the Loan Agreement as provided therein, or (vi) in connection with any other change therein which, does not prejudice the Trustee or materially adversely affect the owners of the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel that such amendment is authorized and permitted pursuant to the terms of this Section before consenting to any amendments to the Bond Documents pursuant to this Section.

Section 1202 Amendments to Other Bond Documents Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 1201, neither the Issuer nor the Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than the Indenture without giving notice to and obtaining the written approval or consent of the beneficial owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds at the time Outstanding given and procured as in Section 1102 provided; provided, however, that nothing in this Section or Section 1201 shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every owner of Series 2025 Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Series 2025 Bonds the owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change, or modification of such other Bond Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1102 with respect to supplemental indentures. Such notice shall be prepared by or on behalf of the Issuer or Borrower, briefly set forth the nature of such proposed amendment, change, or modification and state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Trustee or the owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds Outstanding at the time of the execution of such proposed amendment, change, or modification shall have consented to and approved the execution thereof as herein provided, no

owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee from consenting to the execution thereof or to enjoin or restrain the Issuer or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith.

The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel that such amendment is authorized and permitted pursuant to the terms of this Section before consenting to any amendments to the Bond Documents pursuant to this Section.

[End of Article XII]

ARTICLE XIII MISCELLANEOUS

Section 1301 Consents of Bondholders. Any consent, request, direction, approval, waiver, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, waiver, objection, or other instrument or of the writing appointing any such agent and of the ownership of Series 2025 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(w) the fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument or writing acknowledged to him the execution thereof; where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority;

(x) the fact of ownership of Bonds and the amount or amounts, numbers, other identification of such Series 2025 Bonds, and the date of ownership shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 207 and the fact of ownership of the Series 2025 Bonds may be established by the Trustee on a record date to be set by the Trustee which shall not be more than fifteen days from the date of any action taken with regard to such Bondholder request or instrument;

(y) any request, consent, or vote of the owner of any Series 2025 Bond shall bind every future owner of the same Series 2025 Bond and the owner of every Series 2025 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request, consent, or vote;

(z) in determining whether the owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Indenture, Bonds which are owned by the Issuer, by the Borrower, or by any other obligor under the Loan Agreement or on the Series 2025 Bonds, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Series 2025 Bonds, shall be disregarded and deemed not to be outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, but only Bonds which the Trustee actually knows to be so owned shall be disregarded; Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such

Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Series 2025 Bonds; in case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee; and

(aa) notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2025 Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall be protected in recognizing consents and other actions by or on behalf of beneficial owners of the Series 2025 Bonds as if such consents or other actions were made by the Bondholders of a related portion of the Series 2025 Bonds when such actions are received in compliance with an omnibus proxy of DTC or otherwise pursuant to the rules of DTC or when other proof of beneficial ownership and indemnification satisfactory to the Trustee are delivered to the Trustee by such beneficial owners.

Section 1302 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Series 2025 Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower and the owners of the Series 2025 Bonds any legal or equitable right, remedy, or claim under or in respect to this Indenture, or any covenants, conditions, and provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Borrower and the owners of the Series 2025 Bonds herein provided for.

Section 1303 Severability. If any provision of this Indenture shall be held or be deemed to be or shall, in fact, be illegal, invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained illegal, invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1304 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested or shall be sufficiently given and deemed given when dispatched by telegram when telegraphic notice is permitted by the express provisions of this Indenture, addressed as follows:

If to the Issuer:	City of Rifle
	202 Railroad Avenue
	Rifle, Colorado 81650
	Attention: Mayor

If to the Borrower: Habitat for Humanity of the Roaring Fork Valley, Inc.
53 Calaway Court
Glenwood Springs, Colorado 81601
Attention: President/CEO and COO

If to the Trustee: U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202
Attention: Jennifer Petruno, Vice President

A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee. Any party named in this Section 1404 may, by notice given to all parties to this Indenture and the Loan Agreement, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

All notice, certificate, or other communication to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer or the Borrower chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer or the Borrower, as applicable, agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 1305 Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be, in the location of the corporate trust office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1306 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1307 Laws Governing Indenture. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by and construed according to the laws of the State, exclusive of such State's rules regarding choice of law.

Section 1308 No Liability of Issuer's Officers. No personal recourse under or upon any obligation, covenant, or agreement contained in this Indenture or in the Series 2025 Bonds or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of this Indenture, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Issuer, or any incorporator, member, director, or officer of any successor corporation, as such, either directly or through the Issuer or any successor corporation, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may be due and unpaid by the Issuer upon the Series 2025 Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may remain due and unpaid upon the Series 2025 Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Series 2025 Bonds. There shall be no other recourse under the Series 2025 Bonds, this Indenture or otherwise against the Issuer or any other property now or hereafter owned by it and, upon entry of any judgment, the judgment creditor or creditors shall request the Prothonotary (or any successor official) to mark the judgment index accordingly.

[End of Article XIII]

SIGNATURES FOR TRUST INDENTURE

IN WITNESS WHEREOF, the Issuer has executed this Indenture by causing its name to be hereunto subscribed by its Mayor and attested by its City Clerk; and the Trustee has executed this Indenture by causing its name to be hereunto subscribed by its Authorized Officer, all being done as of the day and year first above written.

CITY OF RIFLE, COLORADO

By: _____
Name: _____
Title: Mayor

ATTEST:

City Clerk

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as Mayor of the City of Rifle, Colorado.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

STATE OF COLORADO)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as City Clerk of the City of Rifle, Colorado.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

STATE OF COLORADO)
) ss:
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as _____ of U.S. Bank Trust Company, National Association.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

EXHIBIT A
FORMS OF SERIES 2025 BONDS

REGISTERED

Number RA-____

\$_____

CITY OF RIFLE, COLORADO
REVENUE BONDS
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
SERIES 2025A

Rate of Interest
____%

Maturity Date
July 1, 20____

Dated
May____, 2025

CUSIP

Registered Owner: CEDE & CO.

Principal Amount:

DOLLARS

The CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (hereinafter called the "Issuer"), value received, hereby promises to pay, solely from the sources as hereinafter provided, to the registered owner, or registered assigns or legal representative, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, or its successor in trust (the "Trustee"), or by wire transfer, as provided in the Trust Indenture, as hereinafter defined, the principal sum set forth above on the Maturity Date set forth above, subject to the prior mandatory or optional redemption of this Bond as hereinafter provided, and to pay solely from such source interest hereon at the Interest Rate, as hereinafter defined, and as it may be adjusted as herein described, payable in arrears on the Interest Payment Date, as hereinafter defined, until payment in full and, to the extent permitted by law, interest on overdue installments of such interest, from the Interest Payment Date next preceding the date on which this Bond is authenticated, unless this Bond is (a) authenticated before the first Interest Payment Date following the initial delivery of the Bonds, in which case it shall bear interest from the date of such initial delivery, (b) authenticated after a Record Date, as hereinafter defined, and before the subsequent Interest Payment Date, in which case interest shall be computed from the subsequent Interest Payment Date, or (c) authenticated upon an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date (unless interest on this Bond is in default at the time of authentication, in which case this Bond shall bear interest from the date to which interest has been paid). Except as otherwise provided in the Trust Indenture, interest hereon shall be paid to the person in whose

name this Bond is registered on the register of the Trustee at the close of business on the Record Date next preceding each Interest Payment Date, as hereinafter defined, by check or draft mailed to such person at his address as it appears on the register maintained by the Trustee, as the case may be, or by wire transfer for Bondholders of an aggregate principal amount of at least \$1,000,000, at the request of such Bondholders, as provided in the Trust Indenture. Principal of, premium, if any, and interest on or purchase price of this Bond are payable in lawful money of the United States of America. If any payment hereon is due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the day such payment was due and, in the case of such payment, no interest shall accrue for the intervening period. **Capitalized terms used and not defined herein shall have the meaning assigned to in the Indenture or Loan Agreement (each defined below).**

This Bond is one of an issue of \$_____ in aggregate principal amount of the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Bonds"), of like date and tenor, except as to number and principal amount, authorized and issued pursuant to the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act"), and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), and under an Indenture of Trust dated as of May 1, 2025 (the "Trust Indenture") between the Issuer and the Trustee. The proceeds of the Bonds will be loaned by the Issuer to Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") pursuant to a Loan Agreement dated May 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower and will be used by the Borrower to (i) finance the costs of the acquisition, construction, equipping and installation of the Facility, (ii) fund the payment of capitalized interest on the Bonds, (iii) fund a debt service reserve fund for the Bonds, and (iv) pay certain costs of issuance of the Bonds (together, the "Project"). The Bonds are equally and ratably secured, together with the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B, by the Trust Indenture and the Trust Estate, as set forth herein, which assigns to the Trustee, as security for the Bonds and the Taxable Series 2025B Bonds, the Issuer's rights in the Loan Agreement, the Pledged Revenues (except for the Unassigned Rights of the Issuer) and the Borrower's promissory note in the principal amount of \$_____, dated May __, 2025 (the "Note"), issued and delivered pursuant to the Loan Agreement.

Reference is hereby made to the Trust Indenture, the Loan Agreement and the Note and to all amendments thereof and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the default provisions, the rights, duties and obligations of the Issuer, the Trustee and the Borrower or the rights of the Bondholders of the Bonds and the terms upon which the Bonds are issued and secured.

The Trust Indenture provides that the Issuer, on behalf of the Borrower, may issue Additional Bonds upon satisfaction of certain conditions outlined in the Trust Indenture, and, if issued, such Additional Bonds may be on a parity and equally and ratably secured with the Bonds and any other Additional Bonds previously issued, without preference, priority or

distinction of any Bonds over any other Bonds, except as otherwise set forth in a supplement to the Trust Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the Trust Indenture, in the Bonds, in the Loan Agreement, or the Note, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Loan Agreement, the Note or the Trust Indenture, shall be had against any past, present or future official, officer, agent or employee of the Issuer for the payment for or to the Issuer or any receiver thereof, or for or to any owner of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds.

This Bond and the issue of which it is a part have been authorized by an ordinance duly adopted by the Issuer pursuant to the laws of the State, particularly the Act and the Supplemental Public Securities Act. This Bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Issuer (but only to the extent of the revenues pledged in the Trust Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Issuer to the extent provided above shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Issuer to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Issuer to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Issuer to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

The Bonds are issuable initially as fully registered Bonds in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 (the "Authorized Denominations"). This Bond, upon surrender hereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the holder hereof or his attorney duly authorized in writing, may, at the option of the holder hereof, be exchanged for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. This Bond is transferable as provided in the Trust Indenture, subject to certain limitations therein contained, only upon the register of the Trustee, and only upon surrender of this Bond for transfer to the Trustee accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly

executed by the holder hereof or his duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination or Denominations and in the same aggregate principal amount and tenor as the Bond surrendered shall be issued to the designated transferee or transferees.

The person in whose name this Bond is registered on the register of the Trustee shall be deemed and regarded as the absolute owner hereof for any purpose, as provided in the Trust Indenture.

The Trustee may make appropriate arrangements for the Bonds to be issued or held by means of a book-entry system administered by The Depository Trust Company ("DTC") with no physical distribution of Bonds made to the public (other than those Bonds, if any, not held under such book-entry system). References in the remainder of this paragraph and in the next five succeeding paragraphs to a Bond or the Bonds shall be construed to mean the Bond or Bonds held under the book-entry system. In such event, one Bond for each maturity shall be issued to DTC, and immobilized in its custody on behalf of DTC. A book-entry system shall be employed, evidencing ownership of the Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE TRUST INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE TRUST INDENTURE.

Payments of principal, interest and redemption premium, if any, with respect to the Bonds, so long as DTC or its nominee, Cede & Co., is the only owner of the Bonds, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representations dated as of November 1, 2003 from the Issuer to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Issuer, the Borrower, and the Trustee shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Borrower determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Issuer and the Trustee shall, at the request of the Borrower, discontinue the book-entry system with DTC. If the Borrower fails to identify another qualified securities depository to replace DTC, the Borrower shall cause the Trustee to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER, AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of the Trust Indenture, the Bonds shall be delivered solely as fully registered Bonds without coupons in the Authorized Denominations, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof and of the Trust Indenture.

Redemption of Bonds

(a) Optional Redemption. The Bonds maturing on or prior to July 1, ____ are not subject to optional redemption prior to their respective maturity dates. The Bonds maturing on and after July 1, ____ may be called for redemption at the election of the Borrower, on July 1, ____, and on any date thereafter in whole or in part, in any order of maturity, at a redemption price equal to the principal amount of each Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, without premium. At the written request of the Borrower, the Issuer shall give written notice to the Trustee of its election to redeem Bonds, of the redemption date, and of the principal amount of each maturity of the Bonds to be redeemed, which notice shall be given at least 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee, in its sole discretion. Any such redemption shall be conditioned on adequate funds therefor being received by the Trustee by the redemption date. In the event notice of redemption shall have been given and all conditions to redemption have been satisfied, the Issuer shall, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds which the Issuer has so elected to redeem.

(b) Special Extraordinary Redemption. The Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in the Loan Agreement. Notwithstanding the foregoing, the Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by the Loan Agreement.

(c) Special Mandatory Redemption of Bonds. The Bonds shall be subject to special mandatory redemption, in whole or in part, from amounts disbursed by the Trustee to the holders of the Bonds in accordance with the Indenture, at a redemption price equal to the principal amount of Bonds thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

(d) Purchase of Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and cancelled, provided that no such Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed in writing by the Borrower, purchase Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

(e) Notice of Redemption; Effect. If any of the Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Bonds; (v) the interest rate and maturity date of the Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed; (ix) in the case of a Bond to be redeemed in part only, also the portion of the principal amount thereof to be redeemed; and (x) that on the redemption date there shall become due and

payable upon each Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Bonds shall no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Bonds for payment.

(f) Partial Redemption. If less than all of the Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner

that all remaining Bondholders own only authorized denominations of the Bonds after such redemption. Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all Bonds then outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Trust Indenture directs the Trustee to declare an acceleration upon the occurrence of certain Events of Default under the Trust Indenture, all as provided in more detail in the Trust Indenture to which reference is hereby made.

The owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture and except that any registered owner may institute action to enforce the payment of the principal of, premium, if any, or interest on his Bond.

Modifications or alterations of the Trust Indenture or any trust indenture supplemental thereto, or the Loan Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Loan Agreement.

Executed counterparts of the Trust Indenture and the Loan Agreement are on file at the principal corporate trust office of the Trustee. The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Trust Indenture and the Loan Agreement.

This Bond is issued pursuant to the Supplemental Public Securities Act. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value.

It is hereby certified that all acts, conditions and things required to happen, exist and be performed under the laws of the State, and under the Trust Indenture precedent to and in the issuance of this Bond have happened, exist and have been performed as so required, and that the issuance, authentication and delivery of this Bond have been duly authorized by the Issuer.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature of one of its authorized signers, this Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Rifle, Colorado and its official seal to be impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk of the City of Rifle, Colorado, all as of the Issue Date referenced above.

[SEAL]

ATTEST:

CITY OF RIFLE, COLORADO

City Clerk

By: _____
Mayor

(Form of Certificate of Authentication)

It is hereby certified that this Bond has been issued under the provisions of the Trust Indenture described in this Bond; and that this Bond has been issued in exchange for or replacement of a bond or bonds, or a portion of a bond or bonds of an issue.

U.S. Bank Trust Company, National
Association, as Trustee

By _____
Authorized Representative

Date of Authentication: May __, 2025

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
the within Bond and all rights thereunder
and hereby irrevocably constitutes and appoints
to transfer the within-mentioned Bond on
the books kept for registration thereof with full power of substitution in the premises.

(PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE)

(Please Print or Typewrite Name and Address of Assignee)

Dated: _____

NOTICE: The signature(s) on this assignment must
correspond in every particular with the name(s) of
the registered owner(s) appearing on the face of the
within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the
requirements of the Trustee, which requirements will include membership or participation in
STAMP or such other signature guaranty program as may be determined by the Trustee in
addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of
1934, as amended.

REGISTERED

Number RB-____

\$_____

CITY OF RIFLE, COLORADO
REVENUE BONDS
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
TAXABLE SERIES 2025B

Rate of Interest
____%

Maturity Date
July 1, 2028_

Dated
May__, 2025

CUSIP

Registered Owner: CEDE & CO.

Principal Amount:

DOLLARS

The CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (hereinafter called the "Issuer"), value received, hereby promises to pay, solely from the sources as hereinafter provided, to the registered owner, or registered assigns or legal representative, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, or its successor in trust (the "Trustee"), or by wire transfer, as provided in the Trust Indenture, as hereinafter defined, the principal sum set forth above on the Maturity Date set forth above, subject to the prior mandatory or optional redemption of this Bond as hereinafter provided, and to pay solely from such source interest hereon at the Interest Rate, as hereinafter defined, and as it may be adjusted as herein described, payable in arrears on the Interest Payment Date, as hereinafter defined, until payment in full and, to the extent permitted by law, interest on overdue installments of such interest, from the Interest Payment Date next preceding the date on which this Bond is authenticated, unless this Bond is (a) authenticated before the first Interest Payment Date following the initial delivery of the Bonds, in which case it shall bear interest from the date of such initial delivery, (b) authenticated after a Record Date, as hereinafter defined, and before the subsequent Interest Payment Date, in which case interest shall be computed from the subsequent Interest Payment Date, or (c) authenticated upon an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date (unless interest on this Bond is in default at the time of authentication, in which case this Bond shall bear interest from the date to which interest has been paid). Except as otherwise provided in the Trust Indenture, interest hereon shall be paid to the person in whose name this Bond is registered on the register of the Trustee at the close of business on the Record Date next preceding each Interest Payment Date, as hereinafter defined, by check or draft mailed to such person at his address as it appears on the register maintained by the Trustee, as the case may be, or by wire transfer for Bondholders of an aggregate principal amount of at least \$1,000,000, at the request of such Bondholders, as provided in the Trust Indenture. Principal of, premium, if any, and interest on or purchase price of this Bond are payable in lawful money of

the United States of America. If any payment hereon is due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the day such payment was due and, in the case of such payment, no interest shall accrue for the intervening period. **Capitalized terms used and not defined herein shall have the meaning assigned to in the Indenture or Loan Agreement (each defined below).**

This Bond is one of an issue of \$_____ in aggregate principal amount of the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B (the "Bonds"), of like date and tenor, except as to number and principal amount, authorized and issued pursuant to the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act"), and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), and under an Indenture of Trust dated as of May 1, 2025 (the "Trust Indenture") between the Issuer and the Trustee. The proceeds of the Bonds will be loaned by the Issuer to Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") pursuant to a Loan Agreement dated May 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower and will be used by the Borrower to (i) finance the costs of the acquisition, construction, equipping and installation of the Facility, (ii) fund the payment of capitalized interest on the Bonds, and (iii) pay certain costs of issuance of the Bonds (together, the "Project"). The Bonds are equally and ratably secured, together with the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A, by the Trust Indenture and the Trust Estate, as set forth herein, which assigns to the Trustee, as security for the Bonds and the Series 2025A Bonds, the Issuer's rights in the Loan Agreement, the Pledged Revenues (except for the Unassigned Rights of the Issuer) and the Borrower's promissory note in the principal amount of \$_____, dated May __, 2025 (the "Note"), issued and delivered pursuant to the Loan Agreement.

Reference is hereby made to the Trust Indenture, the Loan Agreement and the Note and to all amendments thereof and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the default provisions, the rights, duties and obligations of the Issuer, the Trustee and the Borrower or the rights of the Bondholders of the Bonds and the terms upon which the Bonds are issued and secured.

The Trust Indenture provides that the Issuer, on behalf of the Borrower, may issue Additional Bonds upon satisfaction of certain conditions outlined in the Trust Indenture, and, if issued, such Additional Bonds may be on a parity and equally and ratably secured with the Bonds and any other Additional Bonds previously issued, without preference, priority or distinction of any Bonds over any other Bonds, except as otherwise set forth in a supplement to the Trust Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the Trust Indenture, in the Bonds, in the Loan Agreement, or the Note, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Loan Agreement, the Note or the Trust Indenture, shall be had

against any past, present or future official, officer, agent or employee of the Issuer for the payment for or to the Issuer or any receiver thereof, or for or to any owner of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds.

This Bond and the issue of which it is a part have been authorized by an ordinance duly adopted by the Issuer pursuant to the laws of the State, particularly the Act and the Supplemental Public Securities Act. This Bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Issuer (but only to the extent of the revenues pledged in the Trust Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Issuer to the extent provided above shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Issuer to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Issuer to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Issuer to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

The Bonds are issuable initially as fully registered Bonds in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 (the "Authorized Denominations"). This Bond, upon surrender hereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the holder hereof or his attorney duly authorized in writing, may, at the option of the holder hereof, be exchanged for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. This Bond is transferable as provided in the Trust Indenture, subject to certain limitations therein contained, only upon the register of the Trustee, and only upon surrender of this Bond for transfer to the Trustee accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly executed by the holder hereof or his duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination or Denominations and in the same aggregate principal amount and tenor as the Bond surrendered shall be issued to the designated transferee or transferees.

The person in whose name this Bond is registered on the register of the Trustee shall be deemed and regarded as the absolute owner hereof for any purpose, as provided in the Trust Indenture.

The Trustee may make appropriate arrangements for the Bonds to be issued or held by means of a book-entry system administered by The Depository Trust Company ("DTC") with no physical distribution of Bonds made to the public (other than those Bonds, if any, not held under such book-entry system). References in the remainder of this paragraph and in the next five succeeding paragraphs to a Bond or the Bonds shall be construed to mean the Bond or Bonds held under the book-entry system. In such event, one Bond for each maturity shall be issued to DTC, and immobilized in its custody on behalf of DTC. A book-entry system shall be employed, evidencing ownership of the Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE TRUST INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE TRUST INDENTURE.

Payments of principal, interest and redemption premium, if any, with respect to the Bonds, so long as DTC or its nominee, Cede & Co., is the only owner of the Bonds, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representations dated as of November 1, 2003 from the Issuer to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Issuer, the Borrower, and the Trustee shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Borrower determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Issuer and the Trustee shall, at the request of the Borrower, discontinue the book-entry system with DTC. If the Borrower fails to identify another qualified securities depository to replace DTC, the Borrower shall cause the Trustee to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER, AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of the Trust Indenture, the Bonds shall be delivered solely as fully registered Bonds without coupons in the Authorized Denominations, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof and of the Trust Indenture.

Redemption of Bonds

(a) No Optional Redemption. The Bonds are not subject to redemption at the election of the Borrower prior to their maturity date.

(b) Special Extraordinary Redemption. The Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in the Loan Agreement. Notwithstanding the foregoing, the Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by the Loan Agreement.

(c) Purchase of Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and cancelled, provided that no such Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed

in writing by the Borrower, purchase Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

(d) Notice of Redemption; Effect. If any of the Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Bonds; (v) the interest rate and maturity date of the Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed; (ix) in the case of a Bond to be redeemed in part only, also the portion of the principal amount thereof to be redeemed; and (x) that on the redemption date there shall become due and payable upon each Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Bonds shall no longer be entitled to

any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Bonds for payment.

(e) Partial Redemption. If less than all of the Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner that all remaining Bondholders own only authorized denominations of the Bonds after such redemption. Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all Bonds then outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Trust Indenture directs the Trustee to declare an acceleration upon the occurrence of certain Events of Default under the Trust Indenture, all as provided in more detail in the Trust Indenture to which reference is hereby made.

The owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture and except that any registered owner may institute action to enforce the payment of the principal of, premium, if any, or interest on his Bond.

Modifications or alterations of the Trust Indenture or any trust indenture supplemental thereto, or the Loan Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Loan Agreement.

Executed counterparts of the Trust Indenture and the Loan Agreement are on file at the principal corporate trust office of the Trustee. The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Trust Indenture and the Loan Agreement.

This Bond is issued pursuant to the Supplemental Public Securities Act. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value.

It is hereby certified that all acts, conditions and things required to happen, exist and be performed under the laws of the State, and under the Trust Indenture precedent to and in the issuance of this Bond have happened, exist and have been performed as so required, and that the issuance, authentication and delivery of this Bond have been duly authorized by the Issuer.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature of one of its authorized signers, this Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Rifle, Colorado and its official seal to be impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk of the City of Rifle, Colorado, all as of the Issue Date referenced above.

[SEAL]

ATTEST:

CITY OF RIFLE, COLORADO

City Clerk

By: _____
Mayor

(Form of Certificate of Authentication)

It is hereby certified that this Bond has been issued under the provisions of the Trust Indenture described in this Bond; and that this Bond has been issued in exchange for or replacement of a bond or bonds, or a portion of a bond or bonds of an issue.

U.S. Bank Trust Company, National
Association, as Trustee

By _____
Authorized Representative

Date of Authentication: _____, 2025

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
the within Bond and all rights thereunder
and hereby irrevocably constitutes and appoints
to transfer the within-mentioned Bond on
the books kept for registration thereof with full power of substitution in the premises.

(PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE)

(Please Print or Typewrite Name and Address of Assignee)

Dated: _____

NOTICE: The signature(s) on this assignment must
correspond in every particular with the name(s) of
the registered owner(s) appearing on the face of the
within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the
requirements of the Trustee, which requirements will include membership or participation in
STAMP or such other signature guaranty program as may be determined by the Trustee in
addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of
1934, as amended.

EXHIBIT B
FORM OF INVESTOR LETTER

Date: _____

City of Rifle
202 Railroad Avenue
Rifle, Colorado 81650

U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202

D.A. Davidson & Co.
1550 Market St. #300
Denver, CO 80202

Re: [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A] [AND/OR] [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the "Bonds")]

Ladies and Gentlemen:

The undersigned on behalf of [] [being the initial purchaser] [OR] [not on its own behalf but in its capacity as investment advisor to the [Name(s) of Fund(s)] identified opposite its signature hereto] as purchaser of that portion of the above-captioned Bonds as set forth opposite its signature hereto (the "Purchaser"), in connection with the purchase of the Bonds by the Purchaser, hereby makes the following representations and warranties upon which you are authorized to rely.

Capitalized terms used herein shall have the meanings given to them in the Indenture of Trust dated as of May 1, 2025 (the "Indenture"), between the City of Rifle, Colorado (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), or the Loan Agreement dated as of May 1, 2025 (the "Loan Agreement"), between the Issuer and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), each relating to the Bonds.

The Purchaser states that: (a) it is (i) an Accredited Investor as defined in Rules 215 and 501(a) of Regulation D, promulgated under the Securities Act of 1933, as amended (the "1933 Act"); or (ii) a Qualified Institutional Buyer as defined in Rule 144A under the Securities Act.

The Purchaser understands that the Bonds have not been registered under the 1933 Act, or the securities laws of any state, and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser as set forth herein.

The Purchaser has sufficient knowledge and experience in financial and business matters in general, including the purchase and ownership of taxable or tax-exempt obligations such as the Bonds in particular, and is capable of evaluating the merits and risks involved in its purchase of the Bonds. The Purchaser is able to bear the economic risk of, and an entire loss of, its investment in the Bonds and understands that it may be required to bear the risks of an investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.

The Purchaser acknowledges that it has been provided a copy of the Amended and Restated Preliminary Limited Offering Memorandum dated April 2, 2025 as supplemented on May __, 2025 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [the date of sale] with respect to the Bonds (the "Limited Offering Memorandum"), and that it has either been supplied with or been given access to information which it deemed significant in making its investment decision, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Project, the Borrower, the Indenture, the Loan Agreement, the Ground Lease, the Guaranty, the Mortgage, the Bonds and the security therefor so that the Purchaser has been able to make its decision to purchase the Bonds.

The Purchaser understands that the Bonds involve a high degree of risk. The Purchaser has obtained all information requested by it in connection with the issuance of the Bonds as it regards necessary to evaluate all merits and risks of its investment in the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture and the Loan Agreement.

THE PURCHASER ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PROVIDED IN THE TRUST ESTATE UNDER THE INDENTURE (CONSISTING PRIMARILY OF THE LOAN PAYMENTS TO BE MADE BY THE BORROWER UNDER THE LOAN AGREEMENT), AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF PRINCIPAL OF, AND INTEREST, ON THE BONDS.

The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Issuer, the State of Colorado or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Colorado or any political subdivision thereof; that no right will exist to have taxes levied by the State of Colorado or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Issuer with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Issuer or the Trustee relating to the legal consequences or other aspects of its investment in the Bonds, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Indenture or the Loan Agreement or the adequacy of the funds pledged to the Trustee to secure repayment of the Bonds.

The Purchaser acknowledges and understands that the Bonds (i) are not registered under the 1933 Act and that the Indenture has not been registered under the Trust Indenture Act of 1939 and that such registration is not legally required as of the date hereof; (ii) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction; (iii) will not be listed on any stock or other securities exchange; (iv) will carry no rating from any rating service; and (v) may not be readily marketable.

Neither the Trustee, Bond Counsel, the Issuer, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its financial condition or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. Except for the information contained under the captions "INTRODUCTION—The Issuer," "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION—The Issuer" in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, no written information has been provided by the Issuer to the Purchaser with respect to the Bonds.

The Purchaser is purchasing the Bonds solely for its own account (or an account of an affiliate or funds on behalf of whom it acts as a registered investment advisor) for investment purposes and has no present intention to resell or distribute all or any portion of, or interest in, the Bonds other than to an affiliate of the Purchaser (in which case the Purchaser is executing this Investor Letter on behalf of the affiliate as well as itself); provided that the Purchaser reserves the right to transfer or dispose of the Bonds at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 1 and 12 of this letter.

The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) in Authorized Denominations, and then only to another Qualified Institutional Buyer or Accredited Investor (as defined in paragraph 1 of this letter) and in accordance with (i) an applicable exemption from the registration requirements of Section 5 of the 1933 Act; (ii) any applicable state securities laws; and (iii) the transfer restrictions set forth in the Indenture.

No party other than the addressees hereto is entitled to rely on the representations and acknowledgments contained in this letter. Without limiting the generality of the foregoing, nothing in this letter will be deemed to relieve any party of its obligations under any federal or state securities laws.

The signatory hereof is a duly appointed, qualified and acting representative of the Purchaser with the authority to make the representations and acknowledgements contained herein

on behalf of the Purchaser, and is authorized to execute and deliver this letter on behalf of the Purchaser.

\$ _____
Par Amount of the Bonds purchased

[NAME OF PURCHASER][, not on its own
behalf but in its capacity as investment advisor
to the [INSERT NAME[S] OF FUND(S)
ABOVE SIGNATURE LINE]

By: _____ N

[Signature Page to Investor Letter]

CITY OF RIFLE, COLORADO
as Issuer

and

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
as Borrower

LOAN AGREEMENT

Dated as of May 1, 2025

THE RIGHTS AND INTEREST OF THE CITY OF RIFLE, COLORADO IN THIS LOAN AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED THEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN ASSIGNED AND ARE THE SUBJECT OF A GRANT OF A SECURITY INTEREST TO U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE, UNDER AN INDENTURE OF TRUST DATED AS OF MAY 1, 2025.

**LOAN AGREEMENT
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and is only for convenience of reference.)

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LOAN AGREEMENT

PARTIES AND RECITALS

This LOAN AGREEMENT, dated as of May 1, 2025, is by and between the CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (the "Issuer"), and HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC., a Colorado nonprofit corporation (the "Borrower").

WITNESSETH:

IN CONSIDERATION OF the respective representations and agreements hereinafter contained, the parties hereto agree as follows, provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute a general obligation of the Issuer but shall be payable solely out of the revenues, receipts, and other payments derived from this Loan Agreement, the Indenture, and the sale of the Series 2025 Bonds referred to in Section 1.01 hereof and insurance proceeds, foreclosure proceeds, proceeds from released property, and condemnation awards as herein provided, and the Series 2025 Bonds, the premium, if any, and the interest thereon shall never constitute the debt or indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, shall not constitute nor give rise to a pecuniary liability of the Issuer, the State or any political subdivision thereof or a charge against their general credit or taxing power and shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the Issuer under Article X, Section 20 of the State Constitution.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. Certain words and terms used in this Loan Agreement are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Loan Agreement:

"2025A Debt Service Reserve Fund" means the 2025A Debt Service Reserve Fund created in Section 501 of the Indenture and referred to herein.

"2025A Debt Service Reserve Requirement" means, with respect to the Series 2025A Bonds, an amount equal to the lesser of: (a) the maximum annual debt service on the Series 2025A Bonds, (b) ten percent (10%) of the initial principal amount of the Series 2025A Bonds, or (c) one hundred twenty five percent (125%) of the average annual debt service on the Outstanding Series 2025A Bonds.

"Accountants" means a firm of independent certified public accountants (which may be the accountant or firm of accountants regularly retained by the Borrower) reasonably acceptable to the Issuer.

"Accredited Investor" means an individual or company which qualifies as an "accredited investor" under Rules 215 and 501(a) of Regulation D, promulgated under the Securities Act of 1933.

"Act" means the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended.

"Additional Bonds" means bonds issued by the Issuer pursuant to Section 212 of the Indenture in addition to the Series 2025 Bonds.

"Additional Loan Payments" means the additional loan payments specified in Section 5.02(b).

"Additional Notes" means additional notes which may be issued by the Borrower pursuant to the Loan Agreement to evidence its obligation to repay the loan of the proceeds of any Additional Bonds.

"Additions or Alterations" means extraordinary modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project, including any and all machinery, furnishings, and equipment therefor.

"Administrative Expense Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Affiliate" means any Person directly or indirectly controlling, controlled by, or under common control with another Person or any Person controlling 10% or more of the voting securities of such Person or any officer, director, or partner of such Person and if such Person is an officer, director, or partner, any entity for which such Person acts in any such capacity.

"Annual Budget" for any period, commencing with Fiscal Year 2028, means the Annual Budget prepared and presented by the Borrower to the Trustee, stating that (i) the Gross Revenues in such Annual Budget exceed the Operating Expenses in such Annual Budget covered by such Annual Budget and (ii) the Fixed Charges Coverage Ratio of such Annual Budget shall equal at least 1.20. Any Annual Budget may be amended by the Borrower, which amendment shall be provided to the Trustee, and shall be and remain the Annual Budget, provided that the Gross Revenues in such Annual Budget as amended exceed or equal the expenses and payments in such Annual Budget as amended by each month covered by such Annual Budget as amended. An Annual Budget shall in no event cover any period in excess of one Fiscal Year.

"Arbitrage Calculator" means any nationally recognized bond counsel, nationally recognized firm of certified public accountants, or other firm acceptable to the Issuer which is knowledgeable in making the calculations required by section 148(f) of the Code, appointed by the Borrower pursuant to Section 4.12 hereof to make the calculations required by section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

"Arbitrage Calculator Fee" means the fees charged by the Arbitrage Calculator, such fees to be for the calculation of rebate due, if any, on May __, 2030, and every five years thereafter so long as rebate calculations need to be made.

"Audit Report" means an audit report resulting from an audit conducted by Accountants in conformity with generally accepted auditing standards applied on a consistent basis.

"Authorized Borrower Representative" means the individual at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Trustee, containing the specimen signature of such individual and signed on behalf of the Borrower by the President or Vice President of the Borrower. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Authorized Denominations" means \$100,000 or any multiple of \$5,000 in excess of \$100,000, or as otherwise authorized in Section 204 of the Indenture.

"Authorized Issuer Representative" means the individual at the time designated to act on behalf of the Issuer by written certificate furnished to the Borrower and the Trustee, containing the specimen signature of such individual and signed on behalf of the Issuer by the Mayor of the Issuer. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Bond Counsel" means an attorney at law or a firm of attorneys, acceptable to the Issuer of nationally recognized standing in matters pertaining to the issuance of tax-exempt bonds by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America, or the District of Columbia.

"Bond Documents" means, collectively, this Loan Agreement, the Indenture, the Note, the Guaranty, the Mortgage, the Collateral Assignment of Project Documents, the Tax Compliance Agreement and the Deposit Account Control Agreement and all other agreements, certificates, and documents executed from time to time in connection with the issuance, offering, sale, and delivery of the Bonds.

"Bond Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Bondholders" means the Persons in whose names any of the Bonds are registered on the books kept and maintained by the Trustee as bond registrar.

"Bond Ordinance" means the ordinance enacted by the Governing Body of the Issuer authorizing the issuance and sale of the Bonds and the security therefor.

"Bond Year" means the twelve-month calendar year.

"Borrower" means Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation, and its successors and assigns.

"Borrower Documents" means the Loan Agreement, the Note, the Bond Purchase Agreement, the Ground Lease, the Mortgage, the Guaranty, the Collateral Assignment of Project Documents, the Deposit Account Control Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement, the Construction Contract, the architect agreement, the Construction Monitor Agreement and any agreement or document entered into by the Borrower from time to time related to the Project, and any amendment, modification or supplement thereof.

"Building" means each of those certain buildings and all other facilities and improvements constituting part of the Project and not constituting part of the Equipment which are or will be located on the Project Site.

"Charter" means the home rule charter of the Issuer.

"Closing Date" means the date of issuance of the Series 2025 Bonds.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral Assignment of Project Documents" means that certain Collateral Assignment of Project Documents dated even date herewith between the Borrower and the Trustee pursuant to which the Borrower collaterally assigns all of the Borrower's right, title and interest under the Project Documents, as each may be amended or supplemented from time to time.

"Collections Fund" means the depository account established by the Borrower with the Depository Bank upon issuance of the Series 2025 Bonds in accordance with Section 4.03, which shall be designated the Collections Fund.

"Completion Certificate" means a certificate of completion of the Project as described in Section 4.02 hereof.

"Completion Date" means 18 months after the Closing Date or such later date approved in writing by the Consulting Architect.

"Completion of the Facility" means the occurrence of the satisfaction of each of the following conditions: (a) receipt by the Trustee of a Substantial Completion Certificate; (b) receipt by the Trustee of a certification from the Borrower, prepared by the Construction Monitor and in form and substance reasonably acceptable to the Trustee certifying that the Facility has been completed in substantial accordance with the Plans and Specifications and in compliance with all governmental requirements and restrictive covenants, if any, affecting the Project Site, free and clear of liens or claims for liens for material supplied or for labor or services performed in connection with the construction of the Facility; and (c) receipt by the Trustee of certified copies of certificates of occupancy for each Building comprising any portion of the Project which certificates shall permit the unconditional occupancy of each of such Buildings.

"Condemnation Fund" means the fund created in Section 501 of the Indenture and referred to in Section 7.02 hereof.

"Construction Account" means that account of the Project Fund described in Section 501 of the Indenture.

"Construction Budget" means the Construction Budget for the Project attached as an exhibit to the Construction Contract.

"Construction Contract" means the AIA Document 102-2017 and AIA Document 201-17 between the Borrower and the Contractor and the GMP amendments thereto relating to construction aspects of the construction, furnishing and equipping of the Facility.

"Construction Default" means the occurrence of any of the following:

(a) The construction of the Facility shall be, at any time, (i) discontinued due to acts or matters within the Borrower's control for a period of thirty (30) or more consecutive days, or (ii) not completed by the Completion Date, subject to extension for delay not within the reasonable control of the Borrower.

(b) The Borrower shall be unable to satisfy any condition of the Borrower's right to receive a disbursement from the Project Fund hereunder for a period in excess of thirty (30) days after Trustee's refusal to approve any further Project Fund Requisition.

(c) The Borrower shall have executed any conditional bill of sale, chattel mortgage or other security instrument covering any materials, fixtures or articles intended to be incorporated in the Project or the appurtenances thereto, or covering articles of personal property placed in the Facility, or if any of such materials, fixtures or articles shall not have been purchased in such a manner that the ownership thereof vests unconditionally (except for any amounts owing by Borrower as a result of funds retained by Borrower) in Borrower, free from encumbrances other than Permitted Encumbrances, or if Borrower shall not produce to the Trustee upon reasonable demand the contracts, bills of sale, statements, receipted vouchers or agreements, or any of them, under which Borrower claims title to such materials, fixtures and articles.

(d) Any levy, attachment or garnishment shall be issued, or any lien for the performance of work or the supply of materials shall be filed, against any material part of the Project and remain unsatisfied or unbonded, except as provided in Section 6.09, following the earlier of (i) fifteen (15) days after the date of filing thereof or (ii) the requesting by the Borrower of a disbursement from the Project Fund.

(e) The Borrower shall sell, lease (other than leases in the ordinary course), exchange, assign, convey, transfer, or otherwise disposes of all or any material portion of the Project.

"Construction Letters of Credit" means the irrevocable standby letters of credit from Alpine Bank, Glenwood Springs, Colorado commencing on June 1, 2025 and expiring after a one-year term, provided by the Contractor for the benefit of the Trustee as security

for the performance by the Contractor under the Construction Contract and referenced in Exhibit A thereto.

"Construction Monitor" means the Consulting Architect.

"Construction Monitor Agreement" means the agreement between the Construction Monitor and the Borrower dated as of May __, 2025, as it may be amended or supplemented from time to time.

"Consulting Architect" means EV Studio LLC, or such other architect or architectural firm at the time employed by the Borrower and designated to act on behalf of the Borrower by written certificate furnished to the Trustee, containing the signature of such Person or the signature of a partner or officer of such firm, and signed on behalf of the Borrower by an Authorized Borrower Representative. The Consulting Architect shall be registered and qualified to practice under the laws of the State and shall certify in each request for disbursement from the Project Fund that the work has been completed in accordance with the Plans and Specifications and the Construction Budget.

"Continuing Disclosure Agreement" means the continuing disclosure agreement to be entered on the Closing Date by the Borrower and the dissemination agent substantially in the form attached to the Limited Offering Memorandum.

"Contractor" means Decatur Wilkie Inc. or any other Person with whom the Borrower contracts for the construction of the Project or any portion thereof.

"Debt Service Reserve Funds" means, collectively, the 2025A Debt Service Reserve Fund and the Supplemental Debt Service Reserve Fund.

"Deposit Account Control Agreement" means the agreement or agreements entered among the Borrower, the Depository Bank and the Trustee in connection with the issuance of the Bonds under which the Borrower grants a security interest to the Trustee in the deposit account representing the Collections Fund and the Operating Expense Fund.

"Depository Bank" means U.S. Bank National Association, with which the Collections Fund and Operating Expense Fund will be established as deposit accounts.

"Draw Agreement" means the Title Review/Title Policy Endorsement Agreement by and among Land Title Guarantee Company, the Trustee, and the Borrower dated May __, 2025.

"Engineer" means the firm, entity or any other Person with whom the Borrower contracts for engineering services in connection with the development, construction and completion of the Facility or any portion thereof.

"Equipment" means the furniture, furnishings, equipment, machinery, furnishings, and other personal property, and all replacements, substitutions, and additions thereto used in connection with the operation and use of the Premises which is not permanently affixed to the Facilities.

"Event of Default" means the events specified in Section 10.01 of this Loan Agreement.

"Examination Report" means an examination report resulting from an examination conducted by Accountants in conformity with generally accepted standards applied on a consistent basis for accountants' services on prospective financial information pertaining to the Borrower or the Project.

"Extraordinary Services of the Trustee" and "Extraordinary Expenses of the Trustee" mean all services rendered and all expenses incurred by the Trustee under the Indenture or other Bond Documents, including reasonable counsel fees, other than Ordinary Services of the Trustee and Ordinary Expenses of the Trustee.

"Facility" means the 66,000 square foot modular housing production facility to be located wholly within the boundaries of the Project Site, including any and all improvements made thereto from time to time.

"Financial Consultant" means a firm of Accountants or consultants, knowledgeable in the operation and financial affairs of housing manufacturing facilities and not in the full-time employment of the Borrower or the Issuer, which is to be retained by the Borrower to make reports with respect to rates, fees, charges, services, and operations and to provide other functions and duties provided for in this Loan Agreement.

"Fiscal Year" means any period of 12 consecutive months adopted by the Borrower as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Fitch" means Fitch, Inc., doing business as Fitch Ratings.

"Fixed Charges" means, for any period, the sum of all cash outflows related to the Project that the Borrower cannot avoid without violating the Borrower's long-term contractual or legal obligations (those obligations which extend for a period greater than one year), including, but not limited to, (i) interest on Long-Term Indebtedness, (ii) payments under long-term leases related to the Project, and (iii) scheduled payments of principal on Long-Term Indebtedness of the Borrower, but specifically excluding any payments into the Repair and Replacement Reserve Fund.

"Fixed Charges Coverage Ratio" means, for any period, the ratio of (i) Net Revenue Available for Fixed Charges as calculated based on the Borrower's audited financial statements on a GAAP basis, to (ii) Fixed Charges.

"GAAP" means Generally Acceptable Accounting Principles.

"Governing Body" means the City Council of the Issuer.

"Governmental Obligations" means negotiable direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States Government.

"Gross Proceeds" includes any of the following: (i) the proceeds (less the amount to pay Issuance Costs) received by the Issuer on the Closing Date from the sale of the Bonds; (ii) all amounts earned from investment of any proceeds of the Bonds, including amounts received in connection with this Loan Agreement; (iii) amounts held in the Bond Fund, any other debt service fund, or any similar fund, to the extent that the Issuer or the Borrower reasonably expects to use such fund to pay debt service on the Bonds; (iv) amounts invested in a "reasonably required reserve or replacement fund," as such term is defined in section 148(d) of the Code and Section 1.148-2(f) of the Regulations (or any comparable provision applicable to the Bonds); (v) securities or obligations (including time or demand deposits) pledged as security for payment of debt service on the Bonds by the Issuer or the Borrower; (vi) any other amounts used to pay debt service on the Bonds including capitalized interest; and (vii) other amounts (including any repayment of principal) received as a result of investing any of the foregoing.

"Gross Revenues" means all revenues, income, receipts and money of every nature in any form derived or received by the Borrower solely from or in connection with the Facility, including but not limited to, gross revenues derived from its operation and possession of and pertaining to such Facility, interest or earnings on investments, including earnings on investments on deposit in the funds and accounts of the Indenture which shall be treated in accordance with Section 602 of the Indenture, interest on any deposit accounts of the Borrower to the extent controlled by the Trustee under the Deposit Account Control Agreement, any revenues received from grant reimbursements related to the Project and any accounts receivable or rights the Borrower may have in accounts receivable related to the Project; provided however that Gross Revenues shall not include any revenue or income of the Borrower which is derived from its operations not relating to the Facility or its other assets or from unrestricted donations to the Borrower.

"Ground Lease" means the Ground Lease dated July 10, 2023, amended and restated as of January 15, 2025, from the Issuer to the Borrower under which the Project Site has been leased to the Borrower, as it may be amended or supplemented from time to time in compliance with the provisions hereof and the Indenture.

"Guaranty" means the Guaranty Agreement and Indemnity delivered by the Borrower to the Issuer in which the Borrower unconditionally guarantees the full performance and punctual payment when due of each and all indebtedness, obligation and liability of the Borrower under the Note, the Loan Agreement and the Mortgage.

"Indebtedness" means (i) all indebtedness (including the Loan) of the Borrower related to the Project, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (ii) all deferred indebtedness for the payment of the purchase price of properties or assets purchased, (iii) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions derivatives in the form of credit default swaps or total-rate-of return swaps or similar

instruments, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (iv) all indebtedness secured by mortgage, pledge, security interest, or lien existing on property owned which is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby shall have been assumed, and (v) all capitalized lease obligations (excluding obligations under operating leases), (i) through (v) all solely as it relates to the Project ; provided, however, that for the purpose of computing Indebtedness, there shall be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary money (or direct obligations of the United States of America not redeemable by the Issuer) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such money and such direct obligations of the United States of America so deposited shall not be included in any computation of the assets of the Borrower and the income derived from such money and such direct obligations of the United States of America so deposited shall not be included in any computation of the income of the Borrower, all solely as it relates to the Project.

"Indenture" means the Indenture of Trust between the Issuer and the Trustee, dated as of even date herewith, including any indenture supplemental thereto.

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States or the District of Columbia and not in the full-time employment of the Issuer or the Borrower.

"Insurance Fund" means the fund created in Section 501 of the Indenture and referred to in Section 7.01(b) hereof.

"Interest Payment Date" means July 1 and January 1 of each year, commencing July 1, 2025.

"Investment Grade" means "Baa3," "BBB-," "BBB-," or higher by Moody's, S&P or Fitch, respectively.

"Investor Letter" means an Investor Letter substantially in the form attached to the Indenture, to be delivered on or before the Closing Date by each beneficial owner of the Series 2025 Bonds.

"Issuance Costs" means

(i) the initial or acceptance fee of the Trustee, the fees and taxes for recording the Mortgage, financing statements, and any title curative documents that either the Trustee or Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the title of the Borrower to the Project or the lien or security interest created or granted by the Indenture or the Mortgage, and the reasonable fees and expenses in connection with any actions or proceedings that either the Trustee or Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Indenture or the Mortgage;

(ii) the costs of legal fees and expenses, underwriter's spread, underwriting fees, financing costs, financial advisor's fees, accounting fees and expenses, consulting fees, the Trustee's fees (including the fees of Trustee's counsel), paying agent and certifying and authenticating agent fees, publication costs, title insurance premiums, appraisal fees, surveys, market study report fees and printing and engraving costs incurred in connection with the authorization, sale, issuance, and carrying of the Bonds, and the preparation of this Loan Agreement, the Indenture, and all other documents in connection therewith; and

(iii) other costs in connection with the issuance of the Bonds permitted by the Act and the Supplemental Act to be paid or reimbursed from Bond proceeds.

"Issuance Costs Account" means that account of the Project Fund described in Section 501(c) of the Indenture.

"Issuance Costs Requisition" means a requisition to pay Issuance Costs, substantially in the form attached hereto as Exhibit C.

"Issuer" means the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado.

"Issuer Expenses" means those expenses incurred by the Issuer in the performance of its duties under the Bond Documents.

"Limited Offering Memorandum" means that certain limited offering memorandum of the Issuer dated May __, 2025.

"Line of Credit" means the two-year irrevocable line of credit extended by The Denver Foundation to the Borrower in the principal amount of \$2,500,000, in the form approved by the Underwriter as of the Closing Date, for the purpose of funding deposits to the Operating Expense Reserve Fund as provided in Section 4.05 hereof.

"Loan" means the loan made by the Issuer to the Borrower pursuant to Section 3.01 hereof, the repayment of which is evidenced by the Note.

"Loan Agreement" means the within Loan Agreement between the Issuer and the Borrower, as the same may be amended from time to time in accordance with the provisions hereof

"Loan Payments" means the payments of principal of, premium, if any, and interest on the Loan payable by the Borrower to the Issuer, pursuant to this Loan Agreement and evidenced by the Note.

"Loan Term" means the term of this Loan Agreement set forth in Section 5.01.

"Long-Term Indebtedness" means any Indebtedness, other than Short-Term Indebtedness.

"Majority Holder" means, so long as any Series 2025 Bonds remain Outstanding, the beneficial owners of at least 50% of the Outstanding Series 2025 Bonds.

"Moody's" means Moody's Investors Services, a corporation organized and existing under the laws of the State of Delaware.

"Mortgage" means the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), from the Borrower to the Trustee, granting a first mortgage lien on the Borrower's right, title and interest in the real property portion of the Project and granting a first lien security interest in all Fixtures and Equipment and personal property comprising the Project, and assigning and pledging the Borrower's interest in the Income (as defined therein) from the Project, for the use and benefit of the Issuer, as security for the payments due under this Loan Agreement and the Note in connection with the Series 2025 Bonds. The term Mortgage shall include any amendments thereto.

"Net Proceeds", when used with respect to any insurance or condemnation award or with respect to any other recovery on a contractual claim or claim for damage to or for taking of property, means the gross proceeds from the insurance or condemnation award or recovery with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any Extraordinary Expenses of the Trustee) incurred in the collection of such gross proceeds.

"Net Revenue Available For Fixed Charges" means, for any period, the excess of Gross Revenues per GAAP over Operating Expenses, but excluding non-cash charges such as amortization and depreciation and also interest cost for the purposes of this calculation.

"Note" means, the promissory note of the Borrower, dated May __, 2025, in the original principal amount of \$_____ made by the Borrower and payable to the Issuer, to evidence the Borrower's obligation to pay Loan Payments in order to repay the Loan relating to the Series 2025 Bonds, and any promissory note issued in substitution or exchange therefor, substantially in the form attached to this Loan Agreement in Exhibit B, and any Additional Notes made by the Borrower to evidence the Borrower's obligation to pay Loan Payments relating to Series 2025 Bonds.

"Operating Expense Fund" means the deposit account established by the Borrower with the Depository Bank upon issuance of the Bonds in accordance with Section 4.04, which shall be designated the Operating Expense Fund.

"Operating Expense Reserve Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Operating Expense Reserve Fund Requirement" means an amount calculated no later than June 30 of each Fiscal Year equal to twenty-five percent (25%) of annual Operating Expenses projected for the next succeeding Fiscal Year in the Annual Budget, provided however that for purposes of this calculation, Operating Expenses shall exclude direct material costs, factory consumables and contingency.

"Operating Expenses" means all expenses incurred, paid or budgeted to be paid in connection with the operation, maintenance and repair of the Project, including, but not limited to, administrative costs, insurance premiums, utilities and routine maintenance for any period, direct material costs, factory consumables and contingency expenses.

"Ordinary Services of the Trustee" and "Ordinary Expenses of the Trustee" mean those services rendered and those expenses incurred by the Trustee in the performance of its duties under the Indenture of the type ordinarily performed by corporate trustees under like indentures, including counsel fees and expenses.

"Outstanding Bonds" or "Bonds Outstanding" or "Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (i) Bonds theretofore canceled or required to be canceled by the Trustee;
- (ii) Bonds which are deemed to have been paid in accordance with Article VIII of the Indenture; and
- (iii) Bonds in substitution for which other Bonds have been authenticated and delivered under Section 205 of the Indenture.

provided that, in determining whether the Holders of the requisite percentage of Bonds have concurred in any demand, direction, request, notice, consent, waiver or other action under the Indenture, Bonds that are owned by the Borrower or any entity or person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower shall be disregarded and deemed not to be outstanding for the purpose of any such determination (unless all of the Bonds are so owned); provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only such Bonds of which the Trustee has actual knowledge are so owned shall be disregarded.

If the Indenture shall be discharged pursuant to Article VIII thereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Permitted Encumbrances" means, as of any particular time, with respect to the Project, (i) liens for ad valorem taxes, real estate taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with Section 6.03; (ii) liens and security interests created under the Bond Documents; (iii) presently existing utility, access, and other easements and rights of way, restrictions, encumbrances and exceptions permitted as exceptions to title in the Mortgage; (iv) inchoate mechanics' and materialmen's liens which arise by operation of law, but which have not been perfected by the required filing of record, for work done or materials delivered after the date of recording the Mortgage in connection with Additions or Alterations (provided that no such liens will be permitted which will be superior to the lien of the Mortgage); (v) the mechanics' and materialmen's liens permitted by Section 6.01; (vi) the easements permitted under Section 8.06; (vii) liens, security interests, or encumbrances permitted as permitted indebtedness under Section 8.14 of this Loan

Agreement; and (viii) purchase money security interests (including, without limitation, finance leases) in after-acquired property of the Borrower which becomes part of the Project securing Indebtedness of the Borrower permitted by Section 8.14 in a principal amount outstanding at any time of not more than 85% of the lesser of the purchase price thereof or the fair market value thereof calculated on a trade-in basis. For avoidance of doubt, there is no limitation on encumbering Borrower's assets that are not part of the Project.

"Permitted Investments" means any classes of securities or other investments permitted under State law.

"Person" means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, public bodies, limited liability companies and similar entities.

"Plans and Specifications" means the plans and specifications for the development and construction of the Project, prepared by Consulting Architect and approved by the Borrower and all amendments and modifications thereof.

"Pledged Revenues" shall mean (i) the Gross Revenues; (ii) any awards and recoveries received with respect to the Project including foreclosure, sale, and insurance and condemnation awards with respect to the Project; (iii) all other moneys with respect to the Project to which the Issuer may be entitled, including earnings thereon; and (iv) all revenues associated with the Direct Pay Investment Tax Credit, if awarded by the federal government pursuant to the Inflation Reduction Act which are available for eligible costs under such Act and are related to the Project.

"Project" means the Project Site, the Facility, and the Equipment all located within the boundaries of the Issuer.

"Project Costs" means (i) all costs of developing and constructing the Project, and (ii) all other costs to be paid from the proceeds of the Bonds as permitted by the Act exclusive of Issuance Costs.

"Project Documents" means the Construction Contract; the Plans and Specifications; the agreement with the Consulting Architect; the Construction Monitor Agreement; any necessary permits for construction of the Facility; contracts with any architects, engineers or consultants hired by the Borrower in connection with the Project; performance and payment bonds with respect to the Project; and any and all other documents executed by or furnished to the Borrower in connection with the acquisition, construction, equipping or installation of the Project.

"Project Fund" means the fund created in Section 501 of the Indenture and referred to in Section 4.02.

"Project Fund Requisition" means a requisition to pay Project Costs, substantially in the form attached hereto as Exhibit C.

"Project Site" means the real estate described in Exhibit A attached hereto which, by this reference thereto, is incorporated herein.

"Rating Agency" means Fitch, Moody's or S&P.

"Rebate Amount" means the rebateable arbitrage in connection with any issue which is payable to the United States Treasury pursuant to section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

"Rebate Fund" means the fund created in Section 501 of the Indenture.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R., Part 221.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Part 224.

"Regulations" means the Treasury Regulations promulgated under and pursuant to the Code.

"Repair and Replacement Reserve Fund" means the fund created in Section 501 of the Indenture.

"Repair and Replacement Reserve Fund Requirement" means an amount equal to \$184,000 commencing in the Fiscal Year ending June 30, 2027 and \$291,000 commencing in the Fiscal Year ending June 30, 2028. Commencing with the Fiscal Year ending June 30, 2029, and every three (3) years thereafter, the Repair and Replacement Reserve Fund Requirement will be adjusted to a fixed amount determined based on the report of a Financial Consultant retained by the Borrower for such purpose as described in Section 508 of the Indenture and Section 4.05 of this Loan Agreement.

"Revenue Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Security" means the Mortgage and any of the property and assets subject to the operation of the granting clauses contained in the Indenture that is part of the Trust Estate, the Mortgage, the Guaranty, the Deposit Account Control Agreement or the Collateral Assignment of Project Documents and any other property or assets that serves as collateral for the Bonds.

"Series 2025 Bonds" or "Bonds" means collectively the Series 2025A Bonds and the Series 2025B Bonds.

"Series 2025A Bonds" means the revenue bonds designated "City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A," dated as of the date of delivery, in the aggregate principal amount of \$_____, to be issued pursuant to the Indenture.

"Series 2025B Bonds" means the revenue bonds designated "City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B," dated as of the date of delivery, in the aggregate principal amount of \$ _____, to be issued pursuant to the Indenture.

"Short Term Indebtedness" means any Indebtedness incurred in connection with operation of the Facility maturing not more than 365 days after it is incurred or which is payable on demand, except for any such Indebtedness which is renewable or extendable at the sole option of the debtor to a date more than 365 days after it is incurred and any such Indebtedness, which, although payable within 365 days, constitute payments required to be made on account of Indebtedness expressed to mature more than 365 days after it was incurred; provided however that Short Term Indebtedness can only be entered into under the conditions set forth in Section 8.14.

"S&P" means S&P Global Ratings, a division of S&P Global Inc.

"State" means the State of Colorado.

"Substantial Completion" or "Substantially Complete" means the stage of progress of the Project when the Project or designated portion thereof is sufficiently complete in accordance with the Construction Contract so that the Borrower can occupy or utilize the Project for its intended use. The failure of local government to issue a final certificate of occupancy or to perform a final inspection due to factors beyond the control of Contractor shall not prevent the Project from being considered Substantially Complete.

"Substantial Completion Certificate" means a certificate issued by the Consulting Architect certifying that the Facility has been completed and is Substantially Complete in accordance with the Plans and Specifications.

"Supplemental Act" means the Colorado Supplemental Public Securities Act, Article 57, Title 11, Section 201 et seq., Colorado Revised statutes, as amended.

"Supplemental Debt Service Reserve Fund" means the Supplemental Debt Service Reserve Fund created by Section 501 of the Indenture.

"Supplemental Debt Service Reserve Fund Requirement" means \$1,000,000.

"Surplus Fund" means the Surplus Fund created by Section 501 of the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement between the Borrower and the Issuer dated as of May __, 2025 and executed in connection with the Series 2025A Bonds.

"Title Company" means the title insurance company issuing the lessee's and mortgagee's title policy pursuant to Section 3.05.

"Trust Estate" means any and all property subject to the operation of the granting clauses of the Indenture.

"Trustee" means the trustee and/or the co-trustee at the time serving as such under the Indenture. U.S. Bank Trust Company, National Association, located in Denver, Colorado is the initial Trustee.

"Unassigned Rights" means all of the rights of the Issuer to receive reimbursements and payments pursuant to Sections 4.02 (to the extent that the Issuer's fees are to be paid thereunder), 4.07, 4.12, 5.02(b), 6.08, 8.07 and 10.04, to be held harmless and indemnified pursuant to Sections 4.12, 7.05(a) and 8.07, to approve substitute property or improvements pursuant to Section 7.02, to receive documents and notices pursuant to Sections 6.09, 8.06, 8.12, 8.16 and 11.02 to make inspections and examinations pursuant to Sections 7.02, 8.02, 8.17 and 10.02(b), and to give its consents, approvals or waivers pursuant to Sections 3.05, 3.07(g), 6.06, 9.01, 10.01(g), and 10.05.

"Underwriter" means D.A. Davidson & Co., and its successors and assigns.

"Value" means that the value of any investments, which shall be determined as of the end of each month and shall be calculated as follows and in accordance with Section 604 of the Indenture:

(i) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average

(ii) of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(iii) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interests, and

(iv) As to any investment not specified above, the value thereof established by prior agreement between the Borrower and the Trustee.

Section 1.02 Construction of Certain Terms. For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) "This Loan Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more loan agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated "Articles", "Sections", and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words "herein", "hereof", and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

Section 1.03 Table of Contents; Titles and Headings. The table of contents, the titles of the Articles, and the headings of the Sections of this Loan Agreement are solely for convenience of reference, are not a part of this Loan Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.04 Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Loan Agreement shall include: (i) a statement that the Person or Persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer

or the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or the Borrower or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or the Borrower, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Loan Agreement, but different officers, counsel, or accountants may certify or opine to different matters, respectively.

[End of Article I]

ARTICLE II REPRESENTATIONS AND UNDERTAKINGS

Section 2.01 Representations by the Issuer. The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) Organization and Authority. The Issuer is a home-rule city and municipal corporation of the State of Colorado validly existing under the provisions of the Charter. The Issuer has all requisite power and authority under the Charter, the Act and the Supplemental Act (i) to issue the Bonds; (ii) to loan the proceeds of the sale of the Bonds to the Borrower to acquire and construct the Project in order to provide financing for manufacturing facilities, to finance the Project Costs, and to make deposits to the 2025A Debt Service Reserve Fund, the Bond Fund and the Project Fund; and (iii) to enter into, perform its obligations under, and exercise its rights under this Loan Agreement, the Indenture, the Guaranty and the Mortgage, if any, and to endorse the Note without recourse or warranty to the order of the Trustee. The Governing Body of the Issuer has expressly determined and hereby confirms that the issuance of the Bonds has and will accomplish a valid public purpose of the Issuer.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Loan Agreement or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Bond Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Issuer aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings.

(c) Issue, Sale, and Other Transactions Are Legal and Authorized. The issue and sale of the Bonds, the execution and delivery by the Issuer of the Bond Documents and the endorsement without recourse or warranty of the Note by the Issuer to the order of the Trustee and the compliance by the Issuer with all of the provisions of each thereof and of the Bonds (i) are within the purposes, powers, and authority of the Issuer; (ii) have been done in full compliance with the provisions of the Act and have been approved by the Governing Body and are legal and will not conflict with or constitute on the part of the Issuer a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Issuer under the provisions of, any charter instrument, bylaw, indenture, mortgage, Mortgage, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Issuer is a party or by which the Issuer or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties; and (iii) have been duly authorized by all necessary corporate action on the part of the Issuer.

(d) Governmental Consents. Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Bond Documents, the endorsement without recourse or warranty of the Note to the order of the Trustee, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect, other than the recording of the Mortgage, the filing of financing statements or instruments effective as financing statements perfecting the liens and security interests created by the Indenture, the Mortgage and the filing of Internal Revenue Service Form 8038 with the Internal Revenue Service.

(e) No Defaults. To the knowledge of the Issuer, no event has occurred and no condition exists which would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Issuer, the Issuer is not in default or violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) No Prior Pledge. Neither this Loan Agreement, the Note, the Guaranty or the Mortgage, nor any of the payments to be received by the Issuer under this Loan Agreement or the Note, have been or will be pledged or hypothecated in any manner or for any purpose or have been or will be the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as Security for the payment of the Bonds.

(g) Disclosure. The representations of the Issuer contained in this Loan Agreement and any certificate, document, written statement, or other instrument furnished to the Trustee or the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact relating to the Issuer and do not omit to state a material fact relating to the Issuer necessary in order to make the statements contained herein and therein relating to the Issuer not misleading. Nothing has come to the attention of the Issuer which would materially and adversely affect or in the future may (so far as the Issuer can now reasonably foresee) materially and adversely affect the acquisition, ownership, and operation of the Project by the Borrower or any other transactions contemplated by the Bond Documents which have not been set forth in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum relating to the Bonds or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Issuer prior to the date of delivery of said Preliminary Limited Offering Memorandum and Limited Offering Memorandum in connection with the transactions contemplated hereby.

(h) Compliance with Conditions Precedent to the Issuance of the Bonds. All acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution and delivery by the Issuer of the Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the

Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation, and the revenues, funds, property, and amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, as the same become due, have been calculated to be sufficient in amount for that purpose.

(i) Payment of Bonds. The Issuer will, solely from the Trust Estate, pay or cause to be paid the Bonds and interest thereon on each and all Bonds on the dates, at the places and in the manner provided therein, and there shall be no other recourse against any other assets of the Issuer.

(j) Performance of Covenants. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations, and provisions contained in the Bond Documents and in any and every Bond executed, authenticated, and delivered under the Indenture, and in all proceedings of the Issuer pertaining to the Bonds and the Bond Documents.

(k) Pledged Revenues. Except as otherwise provided in the Indenture and this Loan Agreement, the Issuer will not create or suffer to be created any debt, lien, or charge thereon, or make any pledge or assignment of or create any debt, lien, or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Revenues other than the pledge and assignment thereof under the Indenture and this Loan Agreement.

Section 2.02 Representations by the Borrower. The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Organization and Power. The Borrower is a Colorado nonprofit corporation, is validly organized and existing under the law of the State, and is not in violation of any provisions of its Certificate of Organization, or any laws of the State relevant to the transactions contemplated hereby or in connection with the issuance of the Bonds. The Borrower is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code, which income is not expected to result from the consummation of any transaction contemplated by this Loan Agreement; the Borrower is not a private foundation as described in Section 509(a) of the Code; and the facts and circumstances which formed the basis of the Borrower's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist.

(b) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Borrower, after making due inquiry with respect thereto, threatened against or affecting the Borrower in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the properties, activities, prospects, revenues, operations, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or the transactions contemplated by this Loan Agreement or which, in any way, would adversely

affect the validity or enforceability of the Bond Documents, the Borrower Documents or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Borrower aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings. The Borrower is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Borrower have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) Agreements Are Legal and Authorized. The execution and delivery by the Borrower of the Borrower Documents, the consummation of the transactions herein and therein contemplated, and the fulfillment of or the compliance with all of the provisions hereof and thereof (i) are within the power, legal right, and authority of the Borrower; (ii) are legal and will not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Borrower under the provisions of, any agreement, indenture, mortgage, Mortgage, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties; and (iii) have been duly authorized by all necessary and appropriate action on the part of the Borrower. The Borrower Documents are valid, legal, binding, and enforceable obligations of the Borrower. The representatives of the Borrower executing the Borrower Documents are fully authorized and empowered to execute the same for and on behalf of the Borrower.

(d) Governmental Consents. Neither the Borrower nor any of its activities or properties, nor any relationship between the Borrower and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the Borrower of its obligations under the Borrower Documents or the offer, issue, sale, or delivery by the Issuer of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of the Borrower Documents, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable, other than the recording of the Mortgage, the filing of financing statements or instruments effective as financing statements perfecting the liens and security interests created by the Indenture and the Mortgage, and the filing of Internal Revenue Service Form 8038 with the Internal Revenue Service. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of

governmental authorities as may be required on or prior to the date the Borrower is legally required to obtain the same.

(e) No Defaults. No event has occurred and no condition exists that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) Compliance with Law. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its activities, which violation or failure to obtain might materially and adversely affect the properties, activities, prospects, revenues, and conditions (financial or otherwise) of the Borrower, including, without limitation, all licenses, permits, and approvals (which are presently obtainable) required by any federal or State agency.

(g) Restrictions on the Borrower. The Borrower is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its activities, properties, assets, operations, or condition (financial or otherwise). The Borrower is not a party to any contract or agreement that restricts the right or ability of the Borrower to incur indebtedness for borrowed money or to enter into loan agreements.

(h) No Prior Pledge. The Borrower's right, title and interest in and to the Project, the Pledged Revenues, the Facility and Equipment is not and will not be mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been and will not be the subject of a grant of a lien or security interest by the Borrower other than as provided herein and in the Mortgage as security for its obligations under this Loan Agreement and the Note.

(i) Disclosure. The representations of the Borrower contained in this Loan Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower to the Issuer or the Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Issuer and to the Underwriter in writing that materially and adversely affects or in the future may (so far as the Borrower can now reasonably foresee) materially and adversely affect the acquisition or operation of the Project or the properties, activities, prospects, revenues, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by the Bond Documents which has not been set forth in the Preliminary Limited Offering Memorandum

or the Limited Offering Memorandum relating to the Bonds or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Borrower prior to the date of delivery of said Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in connection with the transactions contemplated hereby.

(j) Use of Proceeds. No part of the proceeds of the Bonds will be used directly or indirectly, for the purpose of purchasing or carrying, or for payment in full or in part of Indebtedness which was incurred for the purpose of purchasing or carrying, any "margin stock" as such term is defined in Regulation U. No part of the proceeds of the Bonds will be used for any purpose which violated Regulation X.

(k) Ownership Representations. The Borrower will be the sole owner of the Project. Based on current facts, estimates, and circumstances, it is expected that the Borrower's interest in the Project will not be sold or disposed of by the Borrower, in whole or in part, prior to the maturity of the Bonds, other than as permitted herein.

(l) Information Furnished. The information furnished by the Borrower and used by the Issuer in preparing Internal Revenue Service Form 8038, which it will file with the Internal Revenue Service, will be true and complete as of the date of filing said Form.

(m) Statutory Liens. There are no mechanics' or materialmen's liens or other statutory liens of record on the Project, and no excavation or work of any character, kind, or description has been or will be commenced nor any material of any description for any construction in connection with the Project delivered on or near the Project Site prior to the recording of the Mortgage and the perfection of the lien and security interest created by the Mortgage, except as the Trustee shall be advised in writing, and in the event the Trustee is so advised in writing of any work or deliveries, the Borrower will provide the Trustee with waivers of all liens with respect to such work or deliveries.

(n) Compliance. The Project complies or will comply with all presently applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Project.

(o) Utilities. All utility services and facilities necessary for the operation of the Project for its intended purposes are available at the Project Site.

(p) Condemnation. No condemnation or eminent domain proceeding has been commenced and is currently pending or, to the knowledge of the Borrower, threatened against the Project.

(q) Tax Compliance Agreement. The representations and warranties of the Borrower set forth in the Tax Compliance Agreement dated as of the date of issuance and delivery of the Series 2025A Bonds, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

(r) Financial Forecast. To the best knowledge of the Borrower, the assumptions of the Borrower underlying the prospective statements of revenues and expenses of the

Borrower for the Project for the fiscal periods ending June 30 of each year beginning with ____ and through ____, and the prospective statements of cash flows for each of such years then ending have been furnished to the Issuer and the Underwriter, are reasonable, and, as of the date of execution and delivery of this Loan Agreement, there have not been any material adverse changes of such assumptions.

(s) No Pension Plans. The Borrower does not maintain and has not maintained and is not a party to and has not been a party to any employee pension or benefit plan.

(t) No Discrimination. The Borrower shall not discriminate on the basis of race, creed, color, sex, marital status, national origin, religious belief, or any other category of discrimination not permitted by applicable law in connection with the lease, use, or occupancy of the Project or in connection with the employment or application for employment of Persons for the operation and management of the Project.

(u) No Federal Guarantee. The Borrower will not cause the Series 2025A Bonds to be treated as "federally guaranteed" obligations for purposes of section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations, or other Limited Offering Memorandums promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in section 149 of the Code. For purposes of this paragraph, the Bonds shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof; or (ii) a significant portion of the proceeds of the Bonds will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (B) invested directly or indirectly in federally insured deposits or accounts; and (iii) such guarantee is not described in section 149(b) of the Code.

(v) Nonsectarian. The Borrower agrees that no proceeds of the Series 2025A Bonds shall be used to acquire, construct, or install any facilities which are intended to be used primarily for sectarian purposes.

(w) Continued Existence. The Borrower shall do or cause to be done all things necessary to preserve, maintain, and keep in full force and effect its existence and comply with all laws applicable to it.

(x) Notices. The Borrower agrees to give prompt notice in writing to the Trustee of the occurrence or existence of any material litigation, labor dispute, or governmental proceeding or investigation affecting the Borrower which could reasonably be expected to interfere substantially with its normal operations or materially and adversely affect its financial condition.

(y) Ownership. As of the date of delivery of the Note, the Borrower will lawfully own and will lawfully be possessed of the right, title and interest described in the Mortgage and will have good and indefeasible title subject only to such encumbrances as are described in the mortgagee's title insurance policy issued in connection with the closing

of the Loan, and it will defend the title thereto and every part thereof against the claims and demands of all Persons whomsoever.

(z) Counterclaim. No counterclaim, offset, defense, or right of rescission exists that can be asserted and maintained by the Borrower against the Issuer or the Trustee.

(aa) Environmental Compliance. The Borrower complies in all material respects with Environmental Laws. The Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment, and except for such Hazardous Materials, toxic substances or wastes as occur, are handled and are disposed of in the ordinary course of business of the Borrower, no Hazardous Materials, toxic substances or wastes are located at, or have been removed from, the Borrower's properties. The use of the Project, as it is proposed to be operated by the Borrower, complies with all presently applicable zoning, development, pollution control, water conservation, environmental and other laws, regulations, rules, and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located.

(bb) Permits and Zoning. The Project currently has all permits, licenses and approvals able to be obtained at this time for the construction, development, use and operation of the Project, and, on or prior to completion and commencement of operation, as applicable, of the Project, the Borrower will promptly apply for or cause to be applied for, and secure or cause to be secured, any such necessary permits, licenses and approvals. The Project will comply with all applicable building and zoning laws and regulations, the use of the Project will not violate any zoning, building or other ordinance, regulation, law, restrictive, covenant or agreement applicable thereto.

(cc) Access to the Site. All easements, rights of way and other rights in, to, over and under such property as may be reasonably necessary for ingress and egress to the Project, for proper operation and utilization of the Project and for utilities required to serve the Project have been or will be acquired.

Section 2.03 Modification of Tax Covenants. Certain covenants and representations contained in this Loan Agreement are intended to assure compliance with the Code and any regulations promulgated by the U.S. Department of Treasury pursuant thereto. In the event that Regulations are hereafter promulgated which modify, or expand provisions of the Code, the Borrower will not be required to comply with any federal income tax covenant contained in this Loan Agreement to the extent such noncompliance with such federal income tax covenant after such modification or expansion, in the opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer, will not adversely affect the exclusion from gross income of interest on the Series 2025A Bonds for purposes of federal income taxation under section 103(a) of the Code. In the event that regulations are hereafter promulgated which impose additional requirements which are applicable to the Series 2025A Bonds, the Borrower and the Issuer agree to comply with such additional requirements to the extent necessary, in the opinion of Bond Counsel, to preserve the exclusion from gross income of interest on the Series 2025A Bonds for purposes of federal income taxation under section 103(a) of the Code.

[End of Article II]

ARTICLE III
LOAN TO BORROWER; SECURITY; TITLE

Section 3.01 The Loan and the Note. The Issuer hereby agrees to loan to the Borrower, and the Borrower hereby agrees to borrow from the Issuer, the proceeds of the sale of the Series 2025 Bonds for the purposes and in accordance with the terms and conditions of this Loan Agreement and the Indenture. The deposit of the proceeds of the sale of the Bonds as provided in Section 5.02 of the Indenture shall constitute the loan of such proceeds from the Issuer to the Borrower. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Sections 4.01, 4.02, 4.03, 4.04 and 4.05. The Borrower hereby agrees to repay the Loan as provided in Section 5.02. The Borrower's obligation to repay the Loan, together with premium, if any, and interest thereon, which is more fully described in Section 5.02, shall be evidenced by the Note, which the Borrower hereby agrees to execute and deliver to the Issuer.

Section 3.02 Security for Payments Under this Loan Agreement and the Note. As security for the payments required to be made by the Borrower to the Issuer under this Loan Agreement and the Note, the Borrower hereby pledges and grants to the Trustee, as assignee of the Issuer, all of the Borrower's right, title and interest, if any, in the Pledged Revenues. As additional security for the payments required to be made by the Borrower under this Loan Agreement, the Borrower shall, prior to or contemporaneously with the execution and delivery of this Loan Agreement, execute and deliver the Guaranty and the Mortgage.

Section 3.03 Security for Payments Under the Series 2025 Bonds; Perfection. Contemporaneously with the issuance of the Series 2025 Bonds, as security for the payment of the Bonds, the Issuer shall execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Loan Agreement (except the Unassigned Rights), the Note, the Guaranty and the Mortgage and, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, shall be assigned and shall be the subject of a grant of a security interest to the Trustee and shall be pledged as security for, among other things, the payment of the Series 2025 Bonds. Contemporaneously with the issuance of the Series 2025 Bonds, as security for the payment of the Series 2025 Bonds, the Issuer shall also endorse without recourse or warranty the Note to the order of the Trustee. Furthermore, the Borrower shall enter the Deposit Account Control Agreement and agrees that the Collections Fund and Operating Expense Fund shall be and remain subject to the Deposit Account Control Agreement for the benefit of the Trustee as provided therein. The Borrower hereby assents to such assignment and grant of a first priority lien and security interest in favor of the Series 2025 Bonds and hereby agrees that its obligations to make all payments under this Loan Agreement, from the Pledged Revenues and the other amounts pledged hereunder including amounts paid under the Guaranty, shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Issuer. The Borrower further agrees that all payments required to be made under this Loan Agreement shall be paid directly to the Trustee for the account of the Issuer. The Trustee shall have all rights and remedies herein accorded to the Issuer (except for Unassigned Rights), and any reference herein to the rights and remedies of the Issuer shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants,

and agreements of the Borrower herein contained. Upon reasonable and timely written notice from the Trustee or the Issuer as to the required form, substance, timing, and place for filing, refiling, recording, or re-recording, or for taking possession of any collateral, the Borrower shall file, refile, record, or re-record all financing statements, continuation statements, documents, and notices or deliver possession of any instrument or cash necessary to perfect and maintain any lien or security interest created by the Mortgage, or the Indenture for the benefit of the Issuer or the Trustee as a first and preferred pledge, lien, encumbrance, and security interest in and to the Pledged Revenues, the Project, the Borrower's interest in the Project Site and the payments and amounts to be received and held under this Loan Agreement, the Note, the Guaranty and the Mortgage. The Issuer and the Trustee agree that they will cooperate fully and will take any action reasonably required to assist the Borrower in meeting the provisions of this Section 3.03. The Borrower shall promptly furnish a certificate or other evidence of any such filing and recording to the Trustee. The Borrower hereby covenants and agrees well and truly to abide by, perform and be governed and restricted by each and all of the matters provided for by the Indenture and so incorporated herein to the same extent and with the same force and effect as if each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements so incorporated hereby by reference were set out and repeated herein at length. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Loan Agreement as being applied to the Trustee as though fully set forth herein.

Section 3.04 Warranty of Leasehold Interest. The Borrower warrants that (a) it has acquired the title to the Project Site; (b) it is the legal and equitable owner of all Equipment and the Facility and has good and indefeasible title to the Equipment; and (c) the Project is and will be free of all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.05 Title Insurance. The Borrower shall, prior to or simultaneously with the issuance of the Bonds, furnish title insurance with respect to its leasehold interest in the Project Site in the form issued by a title insurance company acceptable to the Underwriter in the face amount of at least \$_____ and shall furnish the original mortgagee's title policy to the Trustee as named insured. The mortgagee's title policy shall insure that the named insured have a valid first leasehold interest in the real property described in Exhibit A to this Loan Agreement subject only to "Permitted Encumbrances" as defined in this Loan Agreement. Such policy shall be issued on the standard ALTA form of mortgagee's policy of title insurance, in form and substance satisfactory to, and with such endorsements as required by the Issuer and the Borrower. Upon completion of the Project, the Borrower shall obtain a date down endorsement of the title insurance policy obtained at the time of issuance of the Bonds in accordance with this Section 3.05 and an as built survey.

Section 3.06 Borrower's Covenants Regarding Leasehold Interest and Ground Lease. The Borrower agrees to protect, preserve, and defend its interest in the Project and its leasehold interest in the Project Site, to appear and defend said interest in the Project and leasehold interest in the Project Site in any action or proceeding affecting or purporting to affect the Project, the lien of the Mortgage thereon, or any of the rights of the Trustee thereunder, and to pay on demand all costs and expenses incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, as described in Section 10.04 of this Loan Agreement, whether any such action or proceeding progresses to judgment and whether brought by or against

the Trustee. The Trustee shall be reimbursed for any such costs and expenses in accordance with the provisions of Section 6.08. If the Borrower does not take the action contemplated herein, the Trustee or the Issuer may, but shall not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums shall be an advance payable in accordance with Section 6.08 of this Loan Agreement. The Borrower further warrants and represents, the following with respect to the Project and the work to be undertaken:

(a) The real property on which the Project is located is zoned and platted under a classification that will permit operation and use of the Project, and the improvements thereto, as a manufacturing facility of the size and type of the Project and that such use is permitted without the necessity for special variances or exceptions.

(b) The property on which the Project is located complies or upon completion of construction will comply with all applicable governmental codes, regulations, laws, rules, and requirements.

(c) The Project Site has access to a dedicated public road and to the best of Borrower's knowledge there is no action threatened that would curtail such access.

(d) The Project Site does not lie within a flood prone area, and all utility services necessary to service the property are available and meet all operating requirements.

(e) At the time of issuance of the Bonds and as of each requisition from the Project Fund, there will be no liens, encumbrances, or matters affecting the leasehold interest of Borrower in the real property on which the Project is located of which Borrower has actual or constructive knowledge other than those matters which are defined as being Permitted Encumbrances.

(f) The Project can be acquired, improved and rehabilitated for the amount that remains in the Project Fund as of the date hereof.

(g) The Borrower received a Phase I environmental assessment of and has had the real property and improvements which are to form the Project examined for compliance with environmental laws, rules, and ordinances and for the presence of asbestos and, based on such examinations, warrants that the Project will comply with all environmental laws, rules and ordinances and there will not be any asbestos present on the Project and all disposal of any substances will be done strictly according to applicable laws. The Borrower has obtained a Soil Disturbance Permit for the Project Site which is a remediated Department of Energy site under supervision of the Colorado Department of Public Health and Environment.

(h) Draws from the Project Fund shall only be made at such times and in such amounts as are authorized by the Loan Agreement and each draw request shall constitute the certification by the Borrower of its fulfillment of all conditions precedent to receipt of

such disbursement including the continued truth and accuracy of the foregoing warranties and representations and all backup documentation required to be furnished with such requisition is also true and correct.

(i) The Borrower shall comply in all respects with the Ground Lease and shall not agree to amendments to the Ground Lease without written consent by the Trustee given in the manner applicable to amendments to the Bond Documents (other than the Indenture) in Article XIII of the Indenture.

Section 3.07 Additional Matters Related to Construction of the Project.

(a) Completion of Project. The Borrower agrees to cause the Contractor to complete the Project substantially in accordance with the Plans and Specifications. The Borrower covenants to complete the Project on or before the Completion Date.

(b) No Waiver. The Borrower agrees that the payment by the Trustee of any Project Fund Requisition or Issuance Costs Requisition shall not constitute a waiver of any of the conditions to the Trustee's payment of any other Project Fund Requisition or Issuance Costs Requisition, nor shall any payment have the effect of precluding the Borrower's failure to comply with any of such conditions to be an Event of Default.

(c) RESERVED.

(d) Permitted Changes. The Borrower may make changes in the Project if the Borrower delivers to the Issuer and the Trustee an amended description of the Project which specifically identifies the proposed additions, deletions or changes to the Project; provided however that, without following such procedure, the Borrower may cause the Contractor to make changes to the Project so long as such changes do not diminish the size, function or quality of the Project as described in the Plans and Specifications.

(e) Construction; Commencement and Completion. The Borrower will cause the Contractor to construct the Facility in a good and workmanlike manner, within the perimeter boundaries of the Project Site and within all applicable building and setback lines in accordance with all governmental requirements and the Plans and Specifications. The Borrower will cause the Contractor to construct the Facility with diligence and continuity to the extent that delays are not caused by events beyond the reasonable control of the Borrower or the Contractor and will complete the same in reasonable accordance with the Plans and Specifications such that the completion of the Facility occurs on or before the Completion Date, free and clear of liens or claims for liens for material supplied and for labor and services performed in connection with the construction of the Facility.

(f) Defects and Variances. The Borrower will, upon demand of the Consulting Architect and at the Borrower's sole expense, correct any structural defect in the Facility or any material variance from the Plans and Specifications not approved in writing as set forth in subparagraph (d).

(g) Storage of Materials. The Borrower will cause the Contractor to cause all materials supplied for, or intended to be utilized in, the construction of any part of the

Facility, but not affixed to or incorporated into the Facility or the Project Site, to be stored on the Project Site or at such other location with adequate safeguards to prevent loss, theft, damage or commingling with other materials or projects.

(h) Third Party Beneficiary. The Borrower agrees that the Trustee is a third party beneficiary of the covenants and agreements of Borrower contained in this Loan Agreement. The Borrower agrees that it will perform covenants and agreements contained in this Loan Agreement which relate to the Trustee as if such covenants and agreements had been made directly between the Borrower and the Trustee.

(i) Completion Certificate. Upon Completion of the Facility the Borrower will prepare a Completion Certificate to be signed by the Borrower Representative and delivered to the Trustee.

(j) Project Documents. The Borrower hereby grants a first priority security interest to the Trustee in all Project Documents and has collaterally assigned all Project Documents to the Trustee pursuant to the Collateral Assignment of Project Documents. Promptly upon entering in to each Project Document after the date hereof, the Borrower shall obtain the consent of the Project Document counterparty in substantially the form attached to the Collateral Assignment of Project Documents.

(k) Construction Letters of Credit. In the event of a default by the Contractor under the Construction Contract, the Borrower will immediately notify the Trustee in writing and provide written direction to make a draw or draws under the Construction Letters of Credit, to the extent still in effect, which direction shall include the amount of such draw and shall instruct the Trustee to deposit such amounts received under the Construction Letters of Credit to the Project Fund as provided in Section 502(e) of the Indenture.

[End of Article III]

ARTICLE IV
ISSUANCE OF THE SERIES 2025 BONDS; FUNDS

Section 4.01 Agreement to Issue the Series 2025 Bonds; Application of Proceeds and Other Legally Available Funds.

(a) In order to provide funds for the purposes herein specified, the Issuer agrees that it will sell and cause to be delivered to the Persons designated by the Underwriter the Series 2025 Bonds in the aggregate principal amount of \$_____ and will thereupon from the proceeds thereof: (i) deposit in the Project Fund the amounts specified in Section 502 of the Indenture; (ii) deposit in the Capitalized Interest Account of the Bond Fund the amount specified in Section 502 of the Indenture; and (iii) deposit in the 2025A Debt Service Reserve Fund the amount specified in Section 502 of the Indenture.

(b) The Borrower agrees that it will draw on the Line of Credit, or provide other funds as necessary and applicable, for the purpose of funding deposits to the Operating Expense Reserve Fund as provided in Sections 4.05 and 8.05 hereof.

Section 4.02 Project Fund. The Trustee is authorized and directed in the Indenture to use the money in the Project Fund to pay Project Costs and Issuance Costs, provided however that no money in the Project Fund shall be disbursed to pay Project Costs until the Trustee receives a certificate of the Borrower to the effect that all permits, licenses and other governmental approvals necessary for the construction of the Project have been obtained. On the Closing Date, the Borrower agrees that the money held in the Project Fund shall be disbursed by the Trustee to pay Issuance Costs upon receipt of a requisition executed by the Authorized Borrower Representative setting forth the nature of the costs to be paid and the name of the payee and certifying that the amounts being paid are properly includable within the definition of Issuance Costs. Upon the date which is six months after the execution and delivery of this Loan Agreement, the Borrower shall direct the Trustee to transfer all money remaining in the Issuance Cost Account, if any, to the Construction Account of the Project Fund unless the Borrower provides a certificate to the Trustee within such six month period specifying any expenses that are unpaid and the date on which they will be paid. The money held in the Construction Account of the Project Fund shall be disbursed by the Trustee to pay Project Costs for the acquisition and construction of the Project as set forth in Exhibit C in accordance with the following procedures:

(i) On the Closing Date, and thereafter not less than five banking days before the date on which the Borrower desires a disbursement but not more frequently than once monthly, the Borrower shall submit to the Trustee and Land Title Guarantee Company in accordance with the Draw Agreement a Project Fund Requisition substantially in the form attached as Exhibit C executed by the Authorized Borrower Representative and approved by the Construction Monitor setting forth the nature of the cost to be paid and the name of the payee and certifying that the amounts being paid are properly includable within the definition of Project Costs.

(ii) The completed construction on the Project shall be reviewed (at the time each Project Fund Requisition is submitted) by the Contractor and the

Consulting Architect and the Construction Monitor shall certify to the Trustee as to (A) the cost of completed construction, (B) the percentage of completion, and (C) compliance with the Plans and Specifications therefor.

(iii) In connection with each disbursement from the Project Fund pursuant to a Project Fund Requisition (but excluding requisitions for furniture, fixtures, or equipment) in the form of Exhibit C, an amount equal to five percent (5%) of the cost of construction of the Facility to be disbursed pursuant to such requisition shall, at the written request of the Borrower, be retained by the Trustee in the Project Fund as retainage and shall be disbursed by the Trustee under Section 503(c) of the Indenture only when all of the items set forth below shall have occurred:

(A) Completion Certificate. The Trustee shall have received a Substantial Completion Certificate executed by the Consulting Architect stating that the Project has been completed in substantial accordance with the Plans and Specifications.

(B) Certificates of Occupancy. The applicable governmental authority shall have issued all certificates of occupancy for the Facility.

(C) Payment in Full. The Trustee shall have received a certificate of the Authorized Borrower Representative certifying that payment in full has been made for all obligations incurred in connection with the construction and completion of the Facility, including any off-site utilities and streets as required by any governmental authority, except for the retainage.

(iv) The Consulting Architect shall determine the "maximum allowable disbursement" which shall be the cost of completed construction to date (as determined by the Consulting Architect on the basis of its review of the Application and cost breakdown).

(v) The disbursement to be made by the Trustee shall be the "maximum allowable disbursement" as determined under (iv) above less: (A) the percentage of the cost of completed construction specified in the Construction Contract to be retained (hereafter referred to as the "Retainage") and (B) the amounts previously disbursed by the Trustee from the Project Fund to pay for completed construction cost on the Project. The Retainage (but in no event more than the balance in the Construction Account of the Project Fund less amounts retained or set aside to meet costs not then due and payable or which are being contested) under the Construction Contract and the final disbursement from the Construction Account of the Project Fund shall be disbursed by the Trustee only after (A) such contract shall have been performed to the satisfaction of the Borrower, as evidenced by the signature of the Consulting Architect and Construction Monitor on the final Application and Certificate for Payment (B) the Consulting Architect shall have received from the

Contractor under such construction contract an affidavit to the effect that such Contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, (C) the Borrower or Contractor shall have exhibited to the Consulting Architect the final certificates of approval from the various governmental authorities having jurisdiction over construction and operation of the Project, if required by such authorities, including a final certificate of occupancy or a temporary certificate of occupancy for the Facility, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated, along with a certificate of the Borrower that the same constitute all the certificates of approval necessary for operation of the Project, and (D) the Borrower shall have delivered to the Trustee a Substantial Completion Certificate listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Consulting Architect stating that, except for amounts retained by the Trustee for costs of the construction not then due and payable, (i) construction of the Project has been completed substantially in accordance with the Plans and Specifications therefore, and all labor, services, materials, and supplies used in such construction and rehabilitation have been paid or provided for, and (ii) all other facilities necessary in connection with the construction of the Project have been constructed, acquired, and installed substantially in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for. The Consulting Architect shall certify the matters covered by (B) and (C) above. It shall be the duty of the Borrower to cause the certificate contemplated by this paragraph to be furnished as soon as the construction of the Project shall have been completed. The Trustee shall have no duty or obligation to determine whether the Project has been completed or whether any request for disbursement from the Construction Account of the Project Fund constitutes the final disbursement.

(vi) The Borrower covenants and agrees that, upon the request of the Trustee from time to time, it shall furnish the Trustee with evidence which is reasonably satisfactory to the Trustee (including, but not limited to, certificates and affidavits of the Borrower and/or the Consulting Architect or any Contractor or such other Person as the Trustee may reasonably require) showing (A) the value of construction existing at that time, (B) that all outstanding claims for labor, materials, fixtures, furnishings, equipment, and other work have been paid or provided for in accordance with the requirements of this Loan Agreement, (C) that there are no liens outstanding or unpaid prior to the Indenture or the Mortgage securing the Bondholders other than Permitted Encumbrances, (D) that the Borrower has substantially complied with all of the Borrower's obligations hereunder and under the Indenture, and (E) that all construction has been done substantially in accordance with the Plans and Specifications therefor. The Trustee shall have no duty or obligation to request any such evidence.

(vii) The Borrower shall not request and the Trustee shall not make any disbursement from the Project Fund unless each and all of the following conditions precedent shall have been met and complied with in full: (A) at the time of each

disbursement the Trustee shall not have or be deemed to have notice of an Event of Default, as provided in Section 1001(h) of the Indenture; and (B) at the time each disbursement is made pursuant to this Section 4.02 as a reimbursement to the Borrower, the Borrower shall cause the Contractor to deliver to the Trustee evidence of contemporaneous or prior payment by the Borrower to the Contractor or other Person of the amount then and theretofore approved for payment.

(viii) The Borrower shall not request and the Trustee shall not make any disbursement from the Project Fund unless each requisition is substantially in the form attached hereto as Exhibit C executed by the Borrower's Authorized Representative, together such certificates and affidavits of the Borrower and/or the Consulting Architect or any Contractor or such other Persons as the Trustee may reasonably require under Section 4.02(v). The Trustee shall not be deemed, by virtue of its disbursement pursuant to any requisition, to have made any representation to any person with respect to the validity of any costs thereof, or the satisfaction of any conditions under this Agreement with respect to the funding of any requisitions.

(ix) Each Application and Certificate for Payment shall constitute a representation by the Borrower that the money therein referred to have been or are to be used for one of the purposes set forth in Section 4.01 or Section 4.02 of this Loan Agreement and that none of the items for which payment is requested has formed the basis for any payment previously made from the Project Fund, and the Trustee shall be entitled to rely thereon and shall be held harmless by the Borrower for all liability in connection therewith.

(x) Except for liens constituting Permitted Encumbrances, if any notice of lien shall be filed against the Project or any part thereof or if any interim title examination discloses any intervening lien or encumbrance, the Trustee may suspend further disbursements from the Project Fund until such lien or encumbrance shall have been discharged of record or proceedings to contest such lien pursuant to Section 6.01 shall have been instituted.

Section 4.03 Collections Fund; No Commingling of Funds. The Borrower shall establish and maintain with the Depository Bank a deposit account which shall be designated as the Collections Fund. The Borrower covenants to deposit all Gross Revenues into the Collections Fund upon receipt thereof, and to transfer no less frequently than weekly all such amounts in the Collections Fund into the Revenue Fund under the Indenture. The Borrower shall cause the Collections Fund to be subject to a Deposit Account Control Agreement at all times. The Collections Fund shall become subject to the exclusive control of the Trustee as secured party under the Deposit Account Control Agreement upon delivery of a notice pursuant to Section 8.16(d). The Borrower shall not commingle Gross Revenues with any of its funds that are not part of the Gross Revenues.

Section 4.04 Operating Expense Fund. (a) The Borrower shall establish and maintain with the Depository Bank a deposit account which shall be designated as the Operating Expense Fund.

(b) The Borrower may request the Trustee to transfer amounts on deposit in the Operating Expense Reserve Fund to the Borrower for deposit to the Operating Expense Fund as provided in Section 4.05. Amounts in the Revenue Fund shall be transferred by the Trustee to the Borrower for deposit to the Operating Expense Fund as provided in Section 504 of the Indenture.

(c) The Borrower agrees to use all amounts on deposit in the Operating Expense Fund from time to time solely for Operating Expenses and working capital in connection with the Project.

(d) The Borrower shall cause the Operating Expense Fund to be subject to a Deposit Control Agreement at all times.

Section 4.05 Operating Expense Reserve Fund. (a) On or before the Substantial Completion of the Project, the Borrower shall transfer an aggregate amount of \$2,500,000 to the Trustee for deposit in the Operating Expense Reserve Fund. The Borrower shall draw funds under the Line of Credit for deposit to the Operating Expense Reserve Fund as provided in Section 8.05 hereof; provided however that if for any reason funds in an aggregate amount of \$2,500,000 are not available from such draws under the Line of Credit, the Borrower shall use other funds in order to make the transfer as required to the Trustee under this Section 4.05.

(b) In accordance with Section 509 of the Indenture, the Trustee shall transfer amounts from the Operating Expense Reserve Fund to the Borrower upon request by the Borrower in writing on the Closing Date, as applicable, and thereafter up to a maximum of one time each month, and all such amounts received by the Borrower shall be deposited to the Operating Expense Fund to pay for (i) Operating Expenses for the subsequent month in an amount as set forth in the Annual Budget, (ii) Operating Expenses for any other month so long as amounts necessary to make payments due in such month from the Bond Fund are on deposit in the Bond Fund, (iii) variances in Operating Expenses from those set forth in the Annual Budget and for working capital in connection with the Project so long as all amounts due in the Bond Fund for the current month have been deposited and/or (iv) debt service payments in accordance with Section 509 of the Indenture. For the avoidance of doubt, no written direction of the Borrower is required for the Trustee to apply funds for purposes of making payments described in (iv) above. Notwithstanding the foregoing, if an Event of Default shall then be continuing, money held in the Operating Expense Reserve Fund shall only be disbursed by the Trustee at the written direction of the Majority Holders.

Section 4.06 Repair and Replacement Reserve Fund. The Borrower hereby agrees to requisition the Trustee to make the deposits to the Repair and Replacement Reserve Fund described in Section 504(b) of the Indenture. The Issuer shall in the Indenture authorize and direct the Trustee to pay from moneys on deposit in the Repair and Replacement Reserve Fund, as long as no Event of Default hereunder has occurred and is continuing, the extraordinary maintenance, and the repair, replacement and other costs related to the Project which the Borrower is obligated to pay pursuant to Section 6.01; the extraordinary modification costs related to the Project which the Borrower is permitted to pay pursuant to Section 6.01; the extraordinary taxes, and other governmental charges, related to the Project which the Borrower is obligated to pay pursuant to Section 6.03; any extraordinary insurance premiums related to the Project which the Borrower is obligated to pay pursuant to Section 6.04; the extraordinary current operating costs of the Project;

and any other Project Costs that are capitalizable under generally accepted accounting principles. The amounts held in the Repair and Replacement Reserve Fund shall be disbursed by the Trustee to pay amounts set forth above upon receipt of a requisition, substantially in the form attached hereto as Exhibit D prepared by the Authorized Borrower Representative setting forth the nature of the amounts to be paid and the name of the payee and certifying the extraordinary nature of the expenditure and that the amounts being paid are permitted by this Section. Interest earned upon the investment of amounts held in the Repair and Replacement Reserve Fund shall be deposited in the Bond Fund as described in Section 602(e) of the Indenture. No later than July 1, 2028, and every three (3) years thereafter in accordance with Section 508 of the Indenture, the Borrower shall engage a Financial Consultant to review the Project and prepare a report which shall contain recommendations to the Borrower for any adjustment to the Repair and Replacement Reserve Fund Requirement. The fee of such Financial Consultant shall be paid from Project revenues and shall be deemed an Operating Expense. The Trustee shall receive written notification from the Borrower of any change to the Repair and Replacement Reserve Requirement and such change shall not be effective until the Trustee has been so notified.

Section 4.07 Obligation of the Parties to Cooperate in Furnishing Documents; Trustee Reliance. Upon payment of any expenses of the Issuer incurred in connection therewith, the Issuer agrees to cooperate with the Borrower in furnishing to the Trustee the documents referred to in Sections 4.02, 4.05 and 4.06 that are required to effect payments out of the Project Fund, the Operating Expense Reserve Fund, and the Repair and Replacement Reserve Fund, and the Issuer agrees to cause such orders to be directed to the Trustee as may be necessary to effect payments out of the Project Fund, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund in accordance with Sections 4.02, 4.05 and 4.06. Such obligation of the Issuer is subject to any provisions of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the money in the Project Fund, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund available for payment under the terms of the Indenture. In making any such payment from the Project Fund and the Repair and Replacement Reserve Fund, the Trustee may rely on any such orders and certifications delivered to it pursuant to Sections 4.02, 4.05 and 4.06.

Section 4.08 Use of Funds from the Surplus Fund. The Borrower agrees that amounts on deposit in the Surplus Fund shall be used for the purposes set forth in Section 510 of the Indenture, including payment of principal and interest on the Series 2025A Bonds as provided therein, and authorizes the Trustee to make such transfers as provided in Section 510 of the Indenture.

Section 4.09 Authorized Borrower and Issuer Representatives and Successors. The Borrower and the Issuer, respectively, shall designate, in the manner prescribed in Section 1.01, the Authorized Borrower Representative and the Authorized Issuer Representative. In the event that any individual so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Loan Agreement, a successor shall be appointed in the same manner.

Section 4.10 Investment of Funds and Accounts. Subject to Article VI of the Indenture and Section 4.11, any money held as a part of the Revenue Fund, Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, or as reserves in

connection with contested liens or any other special trust funds shall be invested or reinvested by the Trustee in Permitted Investments as directed by the Borrower. The Trustee may make any and all such investments through its own bond or investment department, and failing any specific written direction from the Borrower, the Trustee shall have no obligation to ensure that funds are invested.

The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Bond Fund and the accounts therein, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, or the trust account described in the preceding paragraph, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited as provided in Section 602 of the Indenture, and any losses resulting from such investments shall be charged to such fund or account therein and paid by the Borrower.

The Trustee may credit the funds and accounts hereunder with amounts expected to be received from the sale or redemption of, or the earnings on, the investments in such funds and accounts, prior to actual receipt of final payment thereof, and may advance funds to purchase directed investments in anticipation of receipt of such final payments. Any such credit or advance shall be conditional upon actual receipt by the Trustee of final payment and may be reversed if final payment is not actually received in full. The Borrower acknowledges that the legal obligation to pay the purchase price of any investment arises immediately at the time of the purchase. Nothing in this Loan Agreement or the Indenture shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

Section 4.11 Special Investment Covenants. The Issuer and the Borrower each covenant that it will not directly or indirectly use or permit the use of any proceeds (as defined in the Regulations) of the Series 2025A Bonds or any other funds of the Issuer or the Borrower, or take or omit to take any action, or direct the Trustee to invest any funds held by it, in such manner as will, or allow any "related person" (as defined in section 144(a)(3) of the Code) to enter into any arrangement, formal or informal, as will cause any Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, to be "federally guaranteed", as such term is used and defined in section 149(b) of the Code, or to be "arbitrage bonds" within the meaning of section 148 of the Code, and any Regulations proposed or promulgated in connection therewith. To that end, the Issuer and the Borrower shall comply with all requirements of section 149(b) and section 148 of the Code to the extent applicable to any Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes. In the event that at any time the Issuer or the Borrower is of the opinion. that for purposes of this Section 4.10 it is necessary to dispose of any investment or to restrict or limit the yield on any investment held under the Bond Documents or otherwise, the Issuer or the Borrower, as the case may be, shall so instruct the Trustee in writing.

Section 4.12 Calculation and Payment of Rebate Amount. When funds which are subject to rebate under the Code exist, the Borrower agrees to appoint and pay an Arbitrage Calculator to calculate and determine the Rebate Amount, if any, as required by section 148(f) of the Code (or any successor section) and any Regulations proposed or promulgated in connection therewith within time to meet any deadlines promulgated thereby. All calculations and determinations made by an Arbitrage Calculator shall be accompanied by the opinion of an Arbitrage Calculator that

such calculations and determinations have been made in accordance with the requirements of section 148(f) of the Code and shall be provided to the Trustee within ten days after completed. The Borrower agrees to pay to the Trustee for deposit in the Rebate Fund for payment to the United States of America for and on behalf of and at the written direction of the Issuer the amount determined by the Arbitrage Calculator to be due to the United States of America before the due date specified by the Arbitrage Calculator. In the event the Borrower fails to make the aforesaid payment in a timely fashion, the Trustee, on behalf of the Issuer, shall be entitled to withdraw money on deposit in the Bond Fund, the Revenue Fund, the Debt Service Reserve Funds, the Project Fund, the Operating Expense Reserve Fund, the Rebate Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund or any other fund held by the Trustee under the Indenture and pay the same to the United States of America on behalf of the Issuer, and the Borrower shall be immediately obligated to make up any resulting deficiency in any fund held by the Trustee under the Indenture. In the event the money in the Bond Fund, the Revenue Fund, the Project Fund, the Operating Expense Reserve Fund, the Rebate Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Debt Service Reserve Funds, or any other fund held by the Trustee under the Indenture are insufficient to make the payment to the United States of America determined to be due by the Arbitrage Calculator, the Borrower shall be immediately obligated to pay such deficiency to the Trustee for deposit in the Rebate Fund for payment to the United States of America for and on behalf of the Issuer. The Borrower agrees to hold the Issuer and the Trustee harmless against and to indemnify the Issuer and the Trustee against all liability they may incur in connection with their obligations under Sections 410, 517 and 604 of the Indenture. The Borrower acknowledges having read Sections 410, 517 and 604 of the Indenture and agrees to perform all duties imposed upon it or the Issuer by such Sections. Insofar as said Sections impose duties and responsibilities upon the Borrower, they are specifically incorporated herein by reference. The obligations created by this Section 4.12 shall survive the termination of the Loan Term. This Section 4.12 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder. The requirements of this Section 4.12 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 (or any successor section) applicable to the Series 2025A Bonds.

[End of Article IV]

ARTICLE V
LOAN PROVISIONS; NATURE OF OBLIGATIONS OF BORROWER

Section 5.01 Term of Loan Agreement. This Loan Agreement shall become effective upon its delivery and shall be in full force and effect until payment of all obligations hereunder, subject to the provisions of this Loan Agreement permitting earlier termination (including particularly Articles X and XI), or if all the Loan Payments and other amounts payable pursuant to Section 5.02 have not been paid or retired (or provision for such payment has not been made as provided in the Indenture), until such date as such payment or provision shall have been made (the "Loan Term"); provided, however, that the covenants and obligations expressed herein to so survive shall survive the termination of this Loan Agreement. Upon termination of the Loan Term as provided above, the Issuer and the Trustee shall deliver, or cause to be delivered, to the Borrower the canceled Note (to the extent not already canceled due to prior payment and release) and shall release the liens and security interests of the Mortgage.

Section 5.02 Loan Payments and Other Amounts Payable.

(a) Loan Payments. Until the principal of, premium, if any, and interest on the Series 2025 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower shall deposit all Gross Revenues in the Collections Fund as provided in Section 4.03, and shall transfer no less frequently than weekly all such amounts in the Collections Fund into the Revenue Fund. Moneys held in the Revenue Fund shall be applied to repay the Loan and to make deposits to the funds and accounts held under the Indenture pursuant to and in the manner set forth in Section 504 of the Indenture.

Upon payment in full, in accordance with the Indenture, of the Loan Payments, whether at maturity or by redemption or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower.

(b) Additional Loan Payments. The Borrower agrees to cause to be paid by requisition to the Trustee from amounts on deposit in the Revenue Fund until the principal of, premium, if any, and interest on the Bonds shall have been fully paid (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and the Ordinary Expenses of the Trustee incurred under the Indenture or other Bond Document, as and when the same become due, (ii) reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for the necessary Extraordinary Services of the Trustee rendered by it and Extraordinary Expenses of the Trustee incurred by it under the Indenture or other Bond Document, as and when the same become due; provided, that the Borrower may, without creating a default hereunder, after first depositing such sums with the Trustee, contest in good faith the necessity for any such Extraordinary

Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses.

In addition the Borrower agrees that during the Loan Term it shall instruct the Trustee to reimburse the Issuer for all expenses reasonably incurred by the Issuer hereunder in connection with the Project, including but not limited to annual audit fee of the Issuer and the reasonable fees and expenses of counsel for the Issuer or the Trustee in connection with the filing of financing and continuation statements in the event the Borrower fails to do so pursuant to Section 12.03 of this Loan Agreement or other matters for which such fees are reasonably incurred.

The Borrower also agrees that during the Loan Term the Borrower will requisition for payment the Arbitrage Calculator Fee at such time as the foregoing fee becomes due and payable.

Such Additional Loan Payments shall be billed to the Borrower by the Issuer and the Arbitrage Calculator (which parties shall send a copy of such bill to the Trustee) or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by such party for one or more of the above items. Amounts so billed shall be paid from the Expense Fund within 30 days after receipt of the bill by the Borrower.

In the event the Borrower shall fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid plus, to the extent permitted by law, interest at the rate of 10% per annum.

Section 5.03 Place of Loan Payments. The deposits of Gross Revenues provided for in Section 5.02 shall be paid in lawful money of the United States of America directly to the Trustee.

Section 5.04 Demand under Guaranty. The Borrower agrees that a demand may be made for payment under the Guaranty, and agrees to make any such payment in the event the amounts to be paid under Section 5.02 are not otherwise paid when due.

[End of Article V]

ARTICLE VI MAINTENANCE, TAXES, AND INSURANCE

Section 6.01 Maintenance and Modification of Project by the Borrower. The Borrower agrees that during the Loan Term it shall, from Gross Revenues or other amounts available in the funds and accounts held under the Indenture or the Deposit Account Control Agreement (i) keep the Project in as reasonably safe condition as its operations shall permit, (ii) keep the Facility, the Buildings, all other improvements forming a part of the Project and the Equipment in good repair and in good operating condition, making from time to time, subject to the provisions of Section 6.02, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and maintain the Equipment in accordance with the manufacturer's then currently published standard maintenance contract and recommendations. Subject to the provisions of Section 8.13, the Borrower may, also at its own expense, from time to time make any Additions or Alterations to the Project it may deem desirable for its business purposes that do not, in the opinion of a Consulting Architect filed with the Trustee, adversely affect the operation or value of the Project. Additions or Alterations to the Project so made by the Borrower shall be on the Project Site, shall become a part of the Project, and shall become subject to the liens of the Mortgage. The Borrower further agrees that at all times during the construction of the Project it shall cause the Contractor to maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance to the full insurable value of the Project. The Borrower shall not permit any mechanics' or material men's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any construction of the Project so made by it, provided that it shall not constitute an Event of Default hereunder upon such lien being filed, if the Borrower shall promptly notify the Trustee of any such liens, and the Borrower in good faith promptly contests such liens; in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided the Borrower shall furnish the Trustee with a bond equal to at least twice the amount so contested or an opinion of Independent Counsel stating that by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof or shall promptly cause the lien to be paid or transferred from the Project to other security as permitted by State law or shall pay the amount of the contested items into a reserve held by the Trustee. The reserve may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The reserve shall be returned to the Borrower if the lien is successfully contested. The Issuer shall cooperate fully with the Borrower in any such contest. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, to satisfy and discharge the lien, to cause the lien to be transferred from the Project to other security as permitted by State law, or to pay twice the amount of the unpaid items into a reserve, the Issuer or the Trustee may, but shall be under no

obligation to, cause the lien to be transferred from the Project to other security as permitted by State law, and all amounts so paid by the Issuer or the Trustee shall be treated as an advance to the Borrower repayable in accordance with Section 6.08 of this Loan Agreement. The Borrower shall not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower shall have first procured and paid for all requisite municipal and other governmental permits, licenses and authorizations. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of this Article VI.

Section 6.02 Removal of Equipment. If no Event of Default under this Loan Agreement shall have happened and be continuing, in any instance where the Borrower in its discretion determines that any items of Equipment or parts thereof have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or parts thereof from the Project Site and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Borrower shall:

(a) substitute (by direct payment of the cost thereof) and install anywhere in the Facility or on the Project Site items of replacement equipment or related property having equal or greater value or utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, provided such removal and substitution shall not impair the nature of the Project, all of which replacement equipment or related property shall be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances) and shall become the property of the Borrower, shall become a part of the Equipment financed pursuant to this Loan Agreement, shall become subject to the security interest of the Mortgage, and shall be held by the Borrower on the same terms and conditions as the items originally constituting Equipment, or

(b) not make any such substitution and installation, unless in the case of: (i) the sale of any such Equipment, (ii) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment to be financed hereby or to become subject to the security interest of the Mortgage, or (iii) any other disposition thereof, the Borrower shall pay to the Trustee the proceeds of such sale or disposition or an amount equal to the credit received upon such trade-in for deposit into the 2025A Debt Service Reserve Fund if the balance in said fund is less than the 2025A Debt Service Reserve Requirement, and if the balance in the 2025A Debt Service Reserve Fund equals or exceeds the 2025A Debt Service Reserve Requirement, for deposit into the Unrestricted Redemption Account of the Bond Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to the Borrower or an Affiliate, the Borrower shall pay to the Trustee an amount equal to the greater of the amounts and credits received therefor or the fair market value thereof at the time of such sale, trade-in, or other disposition for deposit into the 2025A Debt Service Reserve Fund if the balance in said fund is less than the 2025A Debt Service Reserve Requirement, and if the balance in the

2025A Debt Service Reserve Fund equals or exceeds the 2025A Debt Service Reserve Requirement, for deposit into the Unrestricted Redemption Account of the Bond Fund.

Except to the extent that amounts are deposited into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund as provided in the preceding subsection (b), the removal from the Project of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Borrower to any abatement or diminution of the amounts payable under Section 5.02.

In the event that prior to such removal and disposition of items of Equipment from the Facility and the Project Site, the Borrower has acquired and installed machinery, furnishings, equipment, or related property with its own funds which become part of the Equipment and subject to the security interest of the Mortgage and which have equal or greater utility, but not necessarily the same functions, as the Equipment to be removed, the Borrower may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment to the Trustee for deposit into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund (as directing in writing by the Borrower).

The Borrower shall promptly report to the Trustee each such removal, substitution, sale, or other disposition and shall pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund promptly after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund on account of all such sales, trade-ins, or other dispositions not previously reported in the aggregate has a value of at least \$100,000 in any calendar year. The Borrower shall not remove, or permit the removal of, any material portion of the Equipment from the Facility or the Project Site except in accordance with the provisions of this Section 6.02. The Trustee shall be fully protected in relying upon any such report without independent inquiry or investigation.

Upon compliance with this Section, the Issuer agrees to deliver any releases and which are deemed necessary by the Borrower with respect to the removal of such Equipment from the security interest of the Mortgage. The Borrower shall execute and deliver to the Issuer and the Trustee such documents as they may from time to time require to confirm the security interest of the Mortgage with respect to any items of equipment and other personal property which under the provisions of this Section are to become a part of the Equipment and shall pay all costs (including attorneys' fees) incurred in connection therewith.

Section 6.03 Taxes, Other Governmental Charges, and Utility Charges. The Borrower shall pay, as the same become due, (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment, furnishings, or other property installed by the Borrower thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the revenues and receipts of the Borrower from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien and security interest of the Mortgage or a charge on

the revenues and receipts therefrom prior to or on a parity with the charge and security interest thereon and the pledge or assignment thereof to be created and made in the Mortgage and including all ad valorem taxes or payments in lieu of such taxes lawfully assessed upon the Borrower's rights in and to the Project, (ii) all utility and other charges incurred in the ownership, operation, maintenance, use, occupancy, and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the Loan Term.

If the Borrower shall first notify the Trustee of its intention so to do, the Borrower may, at its own expense and in its own name and behalf and in good faith, contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided the Borrower shall furnish the Trustee with a bond equal to at least twice the amount so contested or an opinion of Independent Counsel stating that by nonpayment of any such items the lien and security interest of the Mortgage will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, such taxes, assessments, or charges shall be promptly satisfied and discharged by payment thereof or by payment of the amount so contested into a reserve held by the Trustee. The reserve may be used by the Trustee to satisfy the taxes, assessments, or charges if action is taken to enforce the lien and such action is not stayed. The reserve shall be returned to the Borrower if the taxes, assessments, or charges are successfully contested. In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an advance repayable in accordance with Section 6.08 of this Loan Agreement.

Section 6.04 Insurance Required. Throughout the Loan Term, the Borrower shall keep the Project continuously insured against such risks as are customarily insured against with respect to facilities of like size and type, paying as the same become due all premiums in respect thereto, including but not limited to:

- (a) insurance upon the repair or replacement basis in an amount of not less than 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations but without deduction for depreciation) of the Project following completion of the Project (with the co-insurance percentage not to exceed 80% and reasonable deductible provisions) against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke and such other risks as are now or hereafter included in the uniform standard extended coverage endorsement in common use for similar structures (including vandalism and malicious mischief) and builders risk/completed value forms property insurance during construction of the Project;

(b) comprehensive general liability insurance providing insurance (with reasonable deductible provisions) to the extent of not less than \$2,000,000 per occurrence against liability for personal and bodily injury including death resulting therefrom and \$150,000 per occurrence for damage to property, including loss of use thereof, occurring on or in any way related to the Project or any part thereof or the operation thereof, with excess coverage or "umbrella" insurance for claims under such coverage in the aggregate of not less than \$2,000,000 for any one occurrence;

(c) if and only if automobiles are owned by the Borrower, automobile liability insurance providing insurance (with reasonable deductible provisions) to the extent of not less than \$300,000 per occurrence against liability for personal injury, including death resulting therefrom, and \$100,000 per occurrence for damage to property, with excess coverage or "umbrella" insurance for claims under such coverage in the aggregate of not less than \$1,000,000 for any one occurrence;

(d) if necessary, insurance under the Federal Flood Insurance Program shall be maintained at all times within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Act of 1973, as amended, if the Project is eligible under such program;

(e) workers' compensation coverage, or other provision therefor, as required by the laws of the State; and

(f) commencing at the time of Substantial Completion of the Project, business interruption or use and occupancy insurance on the Project in an amount sufficient to enable the Borrower to make, from the proceeds of such insurance, all required Loan Payments during the time, up to not less than twelve (12) months, if the Borrower shall experience a substantial loss in Gross Revenues as a result of loss of use caused by the risks covered by the insurance required under subsection (a).

Section 6.05 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.04(a), (d) and (f) hereof shall be paid and applied as provided in Article VII or Section 11.02 as applicable, and the Net Proceeds of insurance carried pursuant to the provisions of Sections 6.04(b), (c), and (e) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.06 Additional Provisions Respecting Insurance. All insurance required by Section 6.04 shall be taken out and maintained in generally recognized responsible insurance companies qualified to do business in the State and rated at least "A" by A.M. Best or Standard & Poor's, selected by the Borrower. All policies evidencing such insurance shall provide for payment to the Issuer, the Borrower and the Trustee as their respective interests may appear, the policies required by Section 6.04(b), (c) and (e) shall name the Trustee as additional insured, and the policies required by Section 6.04(a), (d) and (f) shall name the Trustee as mortgagee and loss payee providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee under such policies and shall require that all Net Proceeds of insurance if in excess of \$150,000 for loss or damage covered thereby be paid to the Trustee and applied pursuant to Section

7.01; provided, however, that all claims regardless of amount may be adjusted by the Borrower with the insurers, subject to prior written approval of the Issuer as to any settlement of any claim in excess of \$150,000, which approval shall not be unreasonably withheld. Within 120 days after the end of each Fiscal Year, the Borrower shall provide the Trustee with a written certification (which may be combined with the certificate required in Section 8.16) that the Borrower is in compliance with the insurance requirements hereunder, and the Trustee shall be fully protected in relying on such written certification. In lieu of separate policies, the Borrower may maintain one or more blanket policies of insurance having the coverage required by Section 6.04. All such policies shall provide that such insurance may not be modified adversely to the interests of the Issuer or the Trustee or canceled by the Issuer thereof before the Bonds have been fully paid without at least 30 days' notice to the Borrower, the Issuer, and the Trustee.

Section 6.07 Review of Insurance Coverage. On or before the execution and delivery of this Loan Agreement, and at all times during the Loan Term, the Borrower shall maintain the insurance coverage required by the terms of this Loan Agreement. The Borrower shall procure a thirty-party review of its insurance requirements not less than every five years along with a written recommendation, if any, for increasing any of the insurance or coverages herein above required, and shall furnish a copy of such review to the Trustee. If any such review contains reasonable recommendations for increasing any of such insurance or coverages, the Borrower shall promptly increase such insurance or coverages in accordance with the recommendations. The Trustee shall have no duty or obligation to review any such report or to determine whether any of the recommendations in such report have been implemented by the Borrower.

Section 6.08 Advances by the Issuer or the Trustee. If the Borrower shall fail to maintain the insurance coverages required by this Loan Agreement or shall fail to pay the taxes and other charges required to be paid by this Loan Agreement or shall fail to keep the Project in as reasonably safe condition as its operation will permit or shall fail to keep the Facility and the Equipment in good repair and good operating condition, the Issuer or the Trustee may (but shall be under no obligation to), after notifying the Borrower of its intention to do so, take out the required policies of insurance and pay the premiums on the same or pay the taxes or other charges or make the required repairs, renewals, and replacements, and all amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower to the one making the advancement, which amounts, together with interest thereon from the date of payment at the rate of 10% per annum, the Borrower agrees to pay on demand. Any remedy herein vested in the Issuer or the Trustee for the collection of amounts due under Section 5.02 shall also be available to the Issuer and the Trustee for the collection of all such amounts so advanced. The Trustee shall be under no obligation to make any such payment unless it is required to do so by the owners of at least 25% in the aggregate principal amount of all Bonds then Outstanding and is provided with adequate funds paid in cash to the Trustee (from a source or sources approved by the Trustee in its sole discretion) for the purpose of such payment.

Section 6.09 Mechanic's Liens. The Borrower shall not suffer or permit any mechanics' or other liens to be filed or exist against the Project, nor against any Loan Payment paid or payable hereunder, by reason of work, labor, services, or materials supplied or claimed to have been supplied to the Borrower or anyone holding the Project or any part thereof through or under the Borrower. If any such mechanic's liens shall at any time be filed, the Borrower shall within 90 days after notice of the filing thereof, cause the same to be discharged of record by payment,

deposit, bond, order of a court of competent jurisdiction, or otherwise. The Borrower shall have the right to contest the validity of the amount of any such lien by appropriate proceedings timely instituted, provided that the Borrower (a) gives the Issuer and the Trustee written notice of its intention so to do and (b) diligently prosecutes each such contest. If the Issuer or the Trustee shall notify the Borrower that, in the opinion of Independent Counsel, by nonpayment of the claim the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture, the Borrower shall promptly pay all such unpaid items and cause them to be satisfied and discharged. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of the claim the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture.

[End of Article VI]

ARTICLE VII
DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 7.01 Damage and Destruction.

(a) Unless the Project shall be damaged to the extent prescribed by, and the Borrower shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to, the provisions of Section 11.02(a), if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Project is destroyed or is damaged (in whole or in part) by fire or other casualty to such extent that the Net Proceeds recovered under the insurance policies required to be carried pursuant to Section 6.04(a), (d), (f) and (g) resulting from such destruction or damage are not greater than \$150,000, the Borrower (i) shall promptly repair, rebuild, restore, or re-equip the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the value or the character of the Project and (ii) shall apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such recovery.

(b) Unless the Project shall be destroyed or damaged to the extent prescribed by, and the Borrower shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to, the provisions of Section 11.02(a), if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Project is destroyed or is damaged (in whole or in part) by fire or other casualty to such extent that the Net Proceeds recovered under the insurance policies required to be carried pursuant to Section 6.04(a), (d), (f) and (g) resulting from such destruction or damage are in excess of \$150,000, the Borrower shall promptly give written notice thereof to the Trustee. All such Net Proceeds of insurance shall be paid to and held by the Trustee in a separate trust account to be known as the "Insurance Fund", whereupon the Borrower shall proceed promptly, but only after the requirements of Section 7.01(c) are met, to repair, rebuild, restore, or re-equip the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the nature of the Project, whereupon the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding, or restoration, either on completion thereof or as the work progresses substantially in accordance with the procedures set forth in Section 7.05.

(c) Before the Trustee applies any Net Proceeds of insurance pursuant to Section 7.01(b) to pay the costs of repairing, rebuilding, restoring, or re-equipping the Project, the Borrower shall furnish to the Trustee (i) a certificate of a Consulting Architect (A) to the effect that the Project can be reasonably restored within a period of twelve consecutive months to substantially the condition thereof immediately preceding such damage or destruction, (B) setting forth the estimated cost of the proposed repair, rebuilding, restoration, or re-equipping of the Project, including an allowance for

contingencies, and the estimated date of completion of such repair, rebuilding, restoration, or re-equipping, and (C) to the effect that all amounts necessary to accomplish the proposed repair, rebuilding, restoration, and re-equipping are on deposit in the Insurance Fund held under the Indenture, (ii) the Borrower's prospective basic financial statements for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed and for the Fiscal Year immediately following the Fiscal Year in which such repair, rebuilding, restoration, and re-equipping is expected to be completed, which give effect to the repair, rebuilding, restoration, and re-equipping and which shall be (A) accompanied by a certificate of the Borrower to the effect that the assumptions underlying such prospective financial statements are reasonable, (B) prepared in accordance with generally accepted accounting principles applied on a consistent basis, and (C) accompanied by a certificate of the Borrower to the effect that: (1) the forecasted Fixed Charges Coverage Ratio for the Fiscal Year immediately following the Fiscal Year in which such repair, rebuilding, restoration, and re-equipping is expected to be completed will be not less than 1.20:1.00 and (2) the forecasted Revenue Available for Fixed Charges for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed shall be sufficient to pay the Fixed Charges for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed, and (iii) a certificate of the Borrower to the effect that all permits, licenses, accreditation, and other governmental approvals necessary for operation of the Project are in full force and effect.

(d) In the event the Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding, restoration, or re-equipping, the Borrower shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(e) The Borrower shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer, the Trustee, or the owners of the Bonds or any abatement or diminution of the amounts payable under Section 5.02.

(f) Any balance of such Net Proceeds of insurance remaining after application pursuant to subsections (a) or (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be paid into the Unrestricted Redemption Account of the Bond Fund and used to redeem Bonds, at the earliest date Bonds are redeemable without premium, or if the Bonds are not redeemable without premium to pay principal of and interest on the Bonds as the same becomes due. If the Bonds have been fully paid (or provision therefor has been made in accordance with the Indenture), any balance of such Net Proceeds remaining after application pursuant to subsections (a) or (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be paid to the Borrower.

Section 7.02 Condemnation. Unless title to, or temporary use of, all or substantially all, or any material portion, of the Project shall have been taken by condemnation and the Borrower shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to the provisions of Section 11.02(b), in the event that title to or the temporary use of the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any

governmental body or by any Person acting under governmental authority, the Borrower shall be obligated to continue to make the payments specified in Section 5.02. Except for Net Proceeds received by the Borrower pursuant to Section 7.03, the Issuer, the Borrower, and the Trustee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to and held by the Trustee in a separate trust account to be known as the "Condemnation Fund", to be applied in one or more of the following ways as shall be directed in writing by the Borrower:

(a) If the requirements of Section 7.02(d) are met, to the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain, substantially in accordance with the procedures set forth in Section 7.05.

(b) If the requirements of Section 7.02(d) are met, to the acquisition of other suitable land and the acquisition, by construction or otherwise, in the name of the Borrower, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower's operations at the Project as conducted prior to such taking (which improvements shall be deemed a part of the Project without the payment of any loan payments other than as herein provided to the same extent as if such improvements were specifically described herein and financed pursuant to this Loan Agreement); provided, that such improvements and properties shall be acquired by the Borrower, in the name of the Borrower, subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Mortgage, other than Permitted Encumbrances. Such improvements and properties must be approved in writing by the Authorized Issuer Representative, which approval shall not be unreasonably withheld. The Borrower and the Issuer shall enter into amendments to this Loan Agreement to identify such improvements and properties as part of the Project and shall enter into amendments to the Mortgage to subject such improvements and properties to the lien and the security interest created by the Mortgage, and the Issuer shall enter into a supplemental indenture assigning and pledging, and granting a security interest in, the foregoing amendments to the Trustee.

(c) To the redemption of the principal of any of the Bonds together with accrued interest thereon to the date of redemption, which shall be not more than 180 days after said event; provided, that no part of any such condemnation award may be applied to such redemption unless (i) all of the Bonds are to be redeemed in accordance with the Indenture and the requirements of Section 11.02(b) have been met or (ii) in the event that less than all of the Bonds are to be redeemed, in which event the requirements of Section 11.02(b) are not required to be met, the Borrower shall furnish to the Issuer and the Trustee a certificate of a Consulting Architect stating (A) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Borrower's use or occupancy of the Project or (B) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings or (C) that improvements have been acquired which are suitable for the Borrower's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

(d) Before the Trustee applies any Net Proceeds of any condemnation award pursuant to Section 7.02(a) or (b) to pay the costs of restoring or replacing the Project, the Borrower shall furnish to the Trustee (i) a certificate of a Consulting Architect (A) to the effect that the Project can be reasonably restored or replaced within a period of ten consecutive months to substantially the condition thereof immediately preceding such condemnation, (B) setting forth the estimated cost of the proposed restoration or replacement of the Project, including an allowance for contingencies, and the estimated date of the completion of such restoration or replacement, and (C) to the effect that all amounts necessary to accomplish the proposed restoration and replacement are on deposit in the Condemnation Fund held under the Indenture, (ii) the Borrower's prospective basic financial statements for each Fiscal Year until such restoration and replacement is expected to be completed and for the Fiscal Year immediately following the Fiscal Year in which such restoration and replacement is expected to be completed, which give effect to the restoration and replacement and which shall be (A) accompanied by a certificate of the chief financial officer of the Borrower to the effect that the assumptions underlying such prospective financial statements are reasonable, (B) prepared in accordance with generally accepted accounting principles applied on a consistent basis, and (C) accompanied by a certificate of the chief financial officer of the Borrower to the effect that: (1) the forecasted Fixed Charges Coverage Ratio for the Fiscal Year immediately following the Fiscal Year in which such restoration and replacement is expected to be completed will be not less than 1.20:1.00 and (2) the forecasted Revenue Available for Fixed Charges for each Fiscal Year until such restoration and replacement is expected to be completed shall be sufficient to pay the Fixed Charges for each Fiscal Year until such restoration and replacement is expected to be completed, and (iii) a certificate of the Borrower to the effect that all permits, licenses, accreditation, and other governmental approvals necessary for operation of the Project are in full force and effect.

(e) Any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after application pursuant to subsections (a), (b), and (c) of this Section 7.02 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (d) of this Section 7.02 shall be paid into the Unrestricted Redemption Account of the Bond Fund to redeem Bonds or to pay principal of and interest on the Bonds as the same becomes due, or, if no Bonds then remain Outstanding, to the Borrower.

Unless the Borrower shall be obligated to prepay, or shall have elected to exercise its option to prepay, the Loan in full pursuant to the provisions of Section 11.02(b) within 60 days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Borrower shall direct the Issuer and the Trustee in writing as to which of the ways specified in this Section the Borrower elects to have the condemnation award applied.

Section 7.03 Condemnation of Borrower-Owned Property. The Borrower shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or for taking of its own property not included in the Project.

Section 7.04 Investment of Net Proceeds. Any money held by the Trustee in the Insurance Fund or the Condemnation Fund under the provisions of Section 7.01 or 7.02,

respectively, shall, at the written request of the Borrower, be invested or reinvested by the Trustee, as specified by the Authorized Borrower Representative in such request, in such Permitted Investments as described in the Indenture. Neither the Issuer nor the Trustee shall be liable or responsible for any loss resulting from any such investment. Such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Insurance Fund or Condemnation Fund, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting therefrom shall be charged against such fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments whenever the cash held in the Insurance Fund or the Condemnation Fund is insufficient to pay a requisition for payment from such fund when presented. Neither the Trustee nor the Issuer shall be made liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized.

Section 7.05 Disbursements of Net Proceeds.

(a) Each payment from the Insurance Fund or the Condemnation Fund shall be made by the Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Borrower, to the general deposit account of the Borrower, upon receipt by the Trustee of an application for payment in compliance with the requirements of this Section and the Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Borrower hereby covenants and agrees to indemnify and save harmless the Issuer and the Trustee, and its officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment.

(b) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the applicable conditions for disbursements set forth in this Section 7.05, the Issuer will cause the Trustee to disburse sums in the Insurance Fund and the Condemnation Fund to the Borrower or to the appropriate payee for "non-construction costs and fees", as hereinafter defined, in one or more disbursements in accordance with the following procedures:

(i) Not less than ten banking days before the date on which the Borrower desires a disbursement, but not more frequently than monthly, the Borrower shall submit to the Trustee a disbursement request, accompanied by an itemization of non-construction costs and fees, and the accuracy of such cost and fee itemization shall be certified by the Borrower. The disbursement request must be signed by the Authorized Borrower Representative.

(ii) For purposes of this Section 7.05, the term "non-construction costs and fees" shall include all costs and fees properly incurred and payable prior to and during the construction period in connection with the reconstruction of the Project, the acquisition of replacement property, and the performance of all transactions contemplated by this Loan Agreement, the Indenture, and all other documents executed in connection with the issuance of the Series 2025 Bonds other than the costs and fees which are properly payable to the appropriate contractors pursuant to construction contracts.

(iii) A disbursement request for non-construction costs and fees submitted in accordance with the foregoing procedure need not comply with and shall not be subject to the requirements of paragraphs (c), (e), (f), or (k) of this Section 7.05.

(c) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the conditions for disbursements set forth in this Section 7.05, the Issuer will cause the Trustee to disburse sums in the Insurance Fund and the Condemnation Fund to the Borrower or to the Contractor under the Construction Contract for "construction costs and fees" as hereinafter defined in several disbursements in accordance with the following procedures:

(i) Not less than ten banking days before the date on which the Borrower desires a disbursement, but not more frequently than monthly, the Borrower shall submit to the Trustee an application for payment in the form of American Institute of Architects Document G702 (the "Application and Certificate for Payment"). The Application and Certificate for Payment must be signed by the Consulting Architect. The cost breakdown included in the Application and Certificate for Payment shall show the percentage of completion of each line item on the Borrower's detailed estimate of Project costs as submitted to the Trustee, and the accuracy of the cost breakdown shall be certified by the Consulting Architect and the appropriate contractor under the construction contracts, or, as to any items not within the scope of a general contract, by the contractors directly responsible to the Borrower for such items.

(ii) The completed reconstruction on the Project shall be reviewed (at the time each Application and Certificate for Payment is submitted) by the Contractor, and the Consulting Architect shall certify to the Trustee as to (A) the cost of completed reconstruction, (B) the percentage of completion, and (C) compliance with the plans and specifications therefor.

(iii) The Consulting Architect shall determine the "maximum allowable disbursement" by adding to the cost of completed reconstruction to date (as determined by the Consulting Architect on the basis of its review of the Application and Certificate of Payment and cost breakdown) any allowable non-construction disbursements related to the Project.

(iv) Subject to the requirements of paragraph (j) of this Section 7.05, the disbursement to be made by the Trustee shall be the "maximum allowable disbursement" as determined under (iii) above less: (A) the percentage of the cost of completed reconstruction specified in the construction contracts to be retained (hereinafter referred to as the "Retainage") and (B) the amounts previously disbursed by the Trustee. The Retainage (but in no event more than the balance in the Insurance Fund or the Condemnation Fund less amounts retained or set aside to meet costs not then due and payable or which are being contested) under the general construction contract or under any other construction contract shall be disbursed by the Trustee only after (A) such contract shall have been performed to the

satisfaction of the Borrower, as evidenced by the signature of the Authorized Borrower Representative on the final Application and Certificate for Payment, (B) the certificate and report or endorsement of the title insurance required by subsection (g)(iii) of this Section 7.05, (C) the Trustee shall have received from the Contractor under such Construction Contract an affidavit to the effect that such contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, (D) the Borrower or Contractor shall have exhibited to the Trustee the final certificates of approval from the various governmental authorities having jurisdiction over the reconstruction and operation of the Project, if required by such authorities, including a final certificate of occupancy or a temporary certificate of occupancy for the Facility, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated along with a certificate of the Borrower that the same constitute all the certificates of approval necessary for operation of the Project, and (E) the Borrower shall have delivered to the Trustee a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Consulting Architect stating that, except for amounts retained by the Trustee for costs of the reconstruction not then due and payable, (i) reconstruction of the Project has been completed substantially in accordance with the plans and specifications therefor, and all labor, services, materials, and supplies used in such reconstruction have been paid or provided for, (ii) all other facilities necessary in connection with the reconstruction of the Project have been constructed, acquired, and installed substantially in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for, (iii) according to the "as built" survey of the Project Site or a certificate of the surveyor, the reconstructed Facility does not encroach on any other property or violate any setback or sideline requirements applicable to the Project Site, and (iv) a certificate of occupancy for the Project has been issued by appropriate local governmental authorities, if required by such authorities. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. The Consulting Architect shall certify the matter covered by (i) and (ii) above. It shall be the duty of the Borrower to cause the certificate contemplated by this subsection (c)(iv) to be furnished as soon as the reconstruction of the Project shall have been completed.

(v) For purposes of this Section 7.05, the term "construction costs and fees" shall include all costs and fees properly incurred and payable to the appropriate contractors pursuant to the construction contracts.

(vi) Nothing contained in subsection (b) herein shall be construed as preventing the Trustee from disbursing sums in the Insurance Fund or the Condemnation Fund to the appropriate payee for non-construction costs and fees if the request for a disbursement is submitted to the Trustee in accordance with the requirements of subsection (c) herein, provided, however, that the Trustee may not disburse sums in the Insurance Fund or the Condemnation Fund to the appropriate

payee for construction costs and fees except pursuant to the submission of a request for a disbursement in accordance with the requirements of said subsection (c).

(vii) Notwithstanding any other term or provision set forth herein, the Trustee shall not be required to disburse more than once each month, and the Trustee shall limit the total amount disbursed from the Insurance Fund or the Condemnation Fund at any time to an amount which, when deducted from the total amount in the Insurance Fund or the Condemnation Fund, leaves a balance to be disbursed which is equal to the cost of completion of the reconstruction of the Project (including all remaining non-construction expenses) plus the Retainage.

(d) Notwithstanding any other terms and provisions set forth herein, the Trustee may, in its discretion, make all disbursements or any disbursement directly to the Borrower, or to subcontractors, laborers, materialmen, or Persons furnishing labor, services, or materials used or to be used on or in the reconstruction of the Project (including authorized extras) or to any combination of them. Any such disbursement shall be deemed to have been made to the Borrower or for its account.

(e) The execution of each Application and Certificate for Payment submitted for disbursements relating to construction costs and fees by the Borrower shall constitute the certification, warranty, and agreement of the Borrower as follows:

(i) the Project is free and clear of all liens and encumbrances except Permitted Encumbrances;

(ii) all evidence, statements, and other writings required to be furnished under the terms of this Loan Agreement and the Indenture are true and omit no material fact, the omission of which may make them misleading;

(iii) all money previously disbursed have been used solely to pay for costs allowed by the Loan Agreement, and the Borrower has written evidence to support this item of warranty;

(iv) all bills for labor, materials, and fixtures used, or on hand and to be used, in the reconstruction of the Project have been paid, and no one is asserting a lien with respect thereto, except Permitted Encumbrances;

(v) all conditions precedent to the disbursement have been fulfilled by Borrower; and

(vi) all warranties of Borrower hereunder shall be and remain true and correct.

(f) The Borrower covenants and agrees that, upon the request of the Trustee from time to time, it shall furnish the Trustee with evidence which is reasonably satisfactory to the Trustee (including, but not limited to, certificates and affidavits of the Borrower and/or the Consulting Architect or any contractor or such other Person as the Trustee may reasonably require) showing (i) the value of reconstruction existing at that

time, (ii) that all outstanding claims for labor, materials, fixtures, furnishings, equipment, and other work have been paid or provided for in accordance with the requirements of this Loan Agreement, (iii) that there are no liens outstanding or unpaid prior to the Indenture or the Mortgage securing the Bondholders other than Permitted Encumbrances, (iv) that the Borrower has substantially complied with all of the Borrower's obligations hereunder and under the Indenture, and (v) that all reconstruction has been done in accordance with the plans and specifications therefor. The Trustee shall have no duty or obligation to request any such evidence.

(g) The Trustee shall not make any disbursement from the Insurance Fund or the Condemnation Fund unless each and all of the conditions precedent set forth below shall have been met and complied with in full:

(i) if the disbursement is for "construction costs and fees", the Borrower shall have furnished to the Trustee a certificate of the Authorized Borrower Representative stating that the Builder's Risk - Completed Value Form insurance required by Section 6.01 is in full force and effect;

(ii) at the time of each disbursement the Trustee shall not have or be deemed to have notice of an Event of Default, as provided in Section 1001(h) of the Indenture;

(iii) at the time of each disbursement the Borrower shall deliver to the Trustee a certificate and report of title or endorsement of the title insurer that the Mortgage is a valid first lien on the Project and improvements thereon, free and clear of all prior liens, encumbrances, and exceptions of title except Permitted Encumbrances; and

(iv) at the time each disbursement is made pursuant to this Section 7.05 as a reimbursement to the Borrower, the Borrower shall deliver to the Trustee evidence of contemporaneous or prior payment by the Borrower to the appropriate contractor or supplier under the construction contracts or other Person of the amount then and theretofore approved for payment.

(h) Each Application and Certificate for Payment shall constitute a representation by the Borrower that the money therein referred to have been or are to be used for one of the purposes set forth in Section 7.01 or Section 7.02 of this Loan Agreement and that none of the items for which payment is requested has formed the basis for any payment previously made from the Insurance Fund or the Condemnation Fund, and the Trustee shall be entitled to rely thereon and shall be held harmless by the Borrower for all liability in connection therewith.

(i) All disbursements shall be made as soon as practicable after receipt by the Trustee a properly completed of the Application and Certificate for Payment and shall be made at the office of the Trustee or at such other place as the Trustee may designate. If sufficient liquid funds are not available to the Trustee at the time of presentment of an Application and Certificate for Payment due to the particular

form of Insurance Fund or Condemnation Fund investments or a lack of funds, payment of such Application and Certificate for Payment shall be delayed until liquid funds or additional funds sufficient to satisfy the requirements of this Section 7.05 are received by the Trustee.

(i) Except for liens constituting Permitted Encumbrances, if any notice of lien shall be filed against the Project or any part thereof or if any interim title examination discloses any intervening lien or encumbrance, the Trustee may suspend further disbursements from the Insurance Fund or the Condemnation Fund until such lien or encumbrance shall have been discharged of record or proceedings to contest such lien pursuant to Section 6.01 shall have been instituted.

(j) The Trustee shall not make any disbursements from the Insurance Fund or the Condemnation Fund for Equipment or any other personal property with respect to which a security interest under the Uniform Commercial Code of the State may be perfected unless the Trustee shall have first received the following:

(i) an opinion of Independent Counsel (which specifies the filings made) to the effect that all steps requisite to the perfection of the security interest of the Trustee in and to such Equipment and other property have been duly taken and that the official records disclose no security interests in such Equipment and other property which take priority over the security interest of the Trustee;

(ii) copies of the financing statements and any other document filed in favor of the Trustee with the Recorder of Deeds of Garfield County, Colorado, and the Office of the Secretary of State of the State covering the Equipment and personal property with respect to which a disbursement is requested; and

(iii) copies of the bills of sale evidencing that title to such Equipment and other property has been taken in the name of the Borrower.

[End of Article VII]

ARTICLE VIII ADDITIONAL COVENANTS

Section 8.01 No Warranty of Condition or Suitability by the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, DESIGN OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS.

Section 8.02 Access to Project Site and Records. The Borrower agrees that the Issuer and the Trustee and such of their duly authorized representatives and agents shall have the right, upon reasonable prior notice, to enter the Project at all reasonable times during the Loan Term for the purpose of (i) examining and inspecting the same, including any reconstruction thereof, (ii) performing such work in and about the Project made necessary by reason of an Event of Default, and (iii) upon an Event of Default, exhibiting the Project to prospective purchasers, lessees, or mortgagees. The Issuer and the Trustee shall also have the right at all reasonable times to examine the books and records of the Borrower insofar as such books and records relate to the repair and maintenance of the Project or insofar as necessary to ascertain compliance with this Loan Agreement.

Section 8.03 Borrower to Maintain its Existence. The Borrower agrees that while this Loan Agreement is in effect it shall maintain its legal existence as a Colorado nonprofit corporation, shall not incorporate or merge into another Person or permit one or more other Persons to consolidate with or merge into it, and shall not dissolve or otherwise dispose of all or substantially all of its assets. The Borrower shall preserve and keep in full force and effect all licenses, accreditation, and permits necessary to the proper conduct of its business.

Section 8.04 Qualification in the State. The Borrower warrants that it is and while this Loan Agreement is in effect it will continue to be organized under the laws of the State and authorized to conduct its business hereunder.

Section 8.05 Line of Credit. The Borrower shall enter into the Line of Credit on or before the Closing Date. The Borrower agrees to make draws on the Line of Credit, from time to time and no later than the earlier of the Substantial Completion of the Project or the termination date of the Line of Credit, totaling the full amount available under the Line of Credit. The Borrower further agrees that any and all amounts drawn by it under the Line of Credit shall be transferred immediately to the Trustee for deposit in the Operating Expense Reserve Fund. The Borrower shall not take any action which results in the Line of Credit not being in full force and effect, and shall not modify, amend or terminate the Line of Credit except upon the written consent of the Trustee.

Section 8.06 Granting of Easements. If no Event of Default under this Loan Agreement shall then be continuing, the Borrower may at any time or times grant easements, licenses, rights of way (including the dedication of public highways), and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Mortgage, or the Borrower may release existing easements, licenses, rights of way, and other rights or privileges with or without consideration, and the Issuer agrees that it shall cause and direct the

Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege upon receipt by the Issuer and the Trustee of (i) a copy of the instrument of grant or release, (ii) a written application signed by the Authorized Borrower Representative requesting such instrument, and (iii) a certificate executed by the Authorized Borrower Representative stating (A) that such grant or release is not detrimental to the proper conduct of the activities of the Borrower and (B) that such grant or release will not impair the effective use or interfere with the operation of the Project as a residential development and will not weaken, diminish, or impair the security intended to be given by or under the Mortgage. Any money consideration received in connection with the granting or release of an easement pursuant to this Section 8.06 shall be deposited in the Unrestricted Redemption Account of the Bond Fund and used to redeem Bonds or to pay principal of the Bonds as the same becomes due. Any other consideration received shall be subject to the lien of the Indenture. No grant or release effected under the provisions of this Section shall entitle the Borrower to any abatement or diminution of the amounts payable under Section 5.02.

Section 8.07 Indemnity.

(a) The Borrower shall and agrees to indemnify and save the Issuer and the Trustee, and their directors, officers, members, and employees harmless against and from all claims by or on behalf of any Person arising from the conduct or management of or from any work or thing done on the Project and against and from all claims arising from (i) any condition of or operation of the Project, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under the Bond Documents, (iii) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees, or licensees, (iv) any act or negligence of any assignee or lessee of the Borrower or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Borrower, or (v) any act in connection with the offering for sale, issuance, delivery, disclosure relating to, or payment of the Bonds; provided, however, this indemnity shall not apply to any willful misconduct or intentional misconduct of the Issuer or any willful misconduct or intentional misconduct of the Trustee; PROVIDED FURTHER, THAT THIS INDEMNITY DOES COVER GROSS NEGLIGENCE OF THE ISSUER AND THE TRUSTEE. The Borrower shall indemnify and save the Issuer and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid from (i), (ii), (iii), (iv) or (v) of this Section 8.07(a), or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04, and upon notice from the Issuer or the Trustee, the Borrower shall defend them or either of them in any such action or proceeding.

(b) The Borrower agrees that it will indemnify and hold the Trustee harmless from any and all liability, cost, or expense incurred without gross negligence or bad faith in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document believed by it to be valid, genuine, and sufficient. Anything in this Loan Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, loss profits), even if the Trustee has been advised of such loss or damage and regardless of the form of action.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required of the Issuer or the Trustee hereunder or under the Mortgage or the Trustee under the Indenture, by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Borrower, or (v) any other costs, fees, or expenses incurred by the Issuer, the City, the State or the Trustee with respect to the Project or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer or the Trustee should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer and the Trustee against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04, and upon notice from the Issuer or the Trustee, the Borrower shall defend the Issuer and the Trustee in any such action or proceeding. The indemnity contained in this Section 8.07(c) shall not apply to any acts of gross negligence or willful misconduct or intentional misconduct of the Trustee or to any acts of willful misconduct, bad faith or fraud of the Issuer.

(d) Nothing contained in this Section 8.07 shall require the Borrower to indemnify the Issuer or the Trustee or their officers, directors, members, or employees for any claim or liability which the Borrower was not given any opportunity to contest or for any settlement of any such action effected without the Borrower's consent. The indemnity of the Issuer and the Trustee and their officers, directors, members, and employees contained in this Section 8.07 shall survive the termination of this Loan Agreement.

(e) The Borrower covenants that: (a) no substances, including without limitation, asbestos or any substance containing asbestos, deemed hazardous under any Hazardous Material Law (defined below), the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum distillates, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definitions of "hazardous waste," "hazardous materials," "hazardous substances," "toxic waste," "toxic materials" or "toxic substances" (collectively "Hazardous Materials") under any law ("Hazardous Material Law") relating to environmental conditions or industrial hygiene, including, without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the Clean Water Act of 1972, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, decrees now or hereafter promulgated thereunder, shall hereafter be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, released or otherwise placed in, on or under all or any part of the Mortgage Trust Estate as defined in the Mortgage; (b) no activity shall hereafter be undertaken on all or any part

of the Mortgage Trust Estate which would cause (i) all or any part of the Mortgage Trust Estate to become a treatment, storage or disposal facility for hazardous waste or hazardous material within the meaning of, or otherwise bring all or any part of or any interest in the Mortgage Trust Estate within the ambit of, RCRA or any other Hazardous Material Law, (ii) a release or threatened release of any Hazardous Material from the Mortgage Trust Estate within the meaning of, or otherwise bring all or any part of the Mortgage Trust Estate within the ambit of, CERCLA or SARA or any other Hazardous Material Law, or (iii) the discharge of Hazardous Material into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Material which would require a permit under any Hazardous Material Law; (c) no activity shall be undertaken on or with respect to all or any part of the Mortgage Trust Estate which would cause a violation or support a claim under RCRA, CERCLA, SARA or any other Hazardous Material Law; and (d) no underground storage tanks or underground deposits shall be located on all or any part of the Mortgage Trust Estate. The Borrower shall immediately advise the Trustee and the Issuer in writing of (a) any governmental or regulatory actions instituted or threatened under any Hazardous Material Law affecting all or any part of or any interest in the Mortgage Trust Estate, (b) all claims made or threatened by any third party against the Borrower or the Mortgage Trust Estate relating to damage, contribution, cost recovery, compensation, or loss or injury resulting from any Hazardous Material, (c) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgage Trust Estate that could cause the Mortgage Trust Estate to be classified in a manner which may support a claim under any Hazardous Material Law, and (d) the discovery of any occurrence or condition on any part of the Mortgage Trust Estate or any real property adjoining or in the vicinity of the Mortgage Trust Estate which could subject the Borrower or any part of the Mortgage Trust Estate to any limitations or restrictions on the ownership, occupancy, transferability or use thereof. The Trustee or the Issuer may elect (but shall not be obligated) to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims or responses under any Hazardous Material Law and to have its reasonable attorneys' fees relating to such participation paid by the Borrower. At its sole cost and expense, the Borrower agrees to promptly and completely cure and remedy every existing and future violation of a Hazardous Material Law occurring on or with respect to any part of the Mortgage Trust Estate and to promptly remove all Hazardous Materials now or hereafter in, on or under all or any part of the Mortgage Trust Estate and to dispose of the same as required by Hazardous Material Law(s). The Trustee or the Issuer (by its officers, employees and agents) at any time and from time to time may contract for the services of persons or entities (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on all or any part of the Mortgage Trust Estate to determine the existence of any environmental condition which under any Hazardous Material Law might result in any liability, cost or expense to the owner, occupier or operator of any of the Mortgage Trust Estate. The Site Reviewers are authorized to enter upon all or any part of the Mortgage Trust Estate to conduct Site Assessments. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on any of the Mortgage Trust Estate and such other tests on or of any of the Mortgage Trust Estate as the Site Reviewers, the Trustee or the Issuer may deem necessary. The Borrower agrees to supply to the Site Reviewers, the Trustee and the Issuer such

historical and operational information in its possession or which it can reasonably obtain possession of regarding the Mortgage Trust Estate as may be reasonably requested to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The results of Site Assessments shall be furnished to the Borrower, the Issuer and the Trustee upon request. The cost of performing Site Assessments shall be paid by the Borrower. The Borrower shall indemnify, defend, and hold harmless the Trustee and the Issuer and their directors, officers, employees, agents, successors and assigns from and against (a) any loss, liability, demand, damage, cost, expense, claim, action or cause of action arising from the imposition or recording of a lien, the incurring of costs of required repairs, remediation, clean up or detoxification and removal under any Hazardous Material Law (including other associated costs, interest, fees, and penalties) with respect to all or any part of the Mortgage Trust Estate or liability to any third party in connection with any violation of a Hazardous Material Law; (b) any other loss, liability, damage, cost, expense, or claim (including, without limitation, reasonable attorneys' fees and disbursements and expenses, and costs and expenses reasonably incurred in investigating, preparing, settling or defending against any litigation or claim, action, suit, proceeding or demand of any kind or character, including, without limitation, those arising by reason of any action taken by the Trustee under the Indenture, which is not caused by its own gross negligence or willful misconduct), which may be incurred by or asserted against the Trustee or the Issuer and their directors, officers, employees, successors or assigns, directly or indirectly, arising from the presence on or under, or the discharge, emission or release from any of the Mortgage Trust Estate into or upon the land, atmosphere, or any watercourse, body of surface or subsurface water or wetland, arising from the installation, use, generation, manufacture, treatment, handling, refining, production, processing, storage, removal, remediation clean up or disposal of any Hazardous Material whether or not caused by the Borrower; (c) loss of value of any of the Mortgage Trust Estate as a result of any such lien, remediation clean up, detoxification, loss, liability, damage, expense or claim or a failure or defect in title occasioned by any Hazardous Material or Hazardous Material Law; and (d) all foreseeable and unforeseeable incidental and consequential damages. The Borrower shall defend such claim, and the Trustee or the Issuer, as the case may be, shall cooperate in the defense at the expense of the Borrower. The Trustee and the Issuer may have separate counsel and the Borrower shall pay the fees and expenses of such counsel.

(f) The Borrower shall indemnify, defend, and hold harmless the Trustee and the Issuer and their directors, officers, employees, agents, successors and assigns from and against any loss, liability, demand, damage, cost, expense, claim, cause or cause of action (including, without limitation, reasonable attorneys' fees and expenses) arising out of or in connection with the issuance and sale of the Bonds, including, without limitation, any loss, liability, damage, cost, expense, or claim arising out of or related to an actual or alleged untrue statement of a material fact relating to the Borrower or the Project contained in any offering document or materials used in the sale of the Bonds, or otherwise made in connection with the issuance and sale of the Bonds, or an actual or alleged omission of material fact relating to the Borrower or the Project necessary in order to make any statements contained in the Limited Offering Memorandum or otherwise made in connection with the issuance and sale of the Bonds, in light of the circumstances in which such statements were made, not misleading.

(g) Obligations of the Borrower to indemnify the Trustee and its officers, directors or employees shall have the same priority as ordinary expenses of the Trustee under Section 504 of the Indenture and shall survive the expiration or termination of this Loan Agreement and the resignation or removal of the Trustee.

Section 8.08 RESERVED.

Section 8.09 Tax Exempt Status of the Series 2025A Bonds. The Borrower covenants that it will not take or omit to take any action nor permit any action to be taken or omitted which would cause the interest on any Series 2025A Bonds, the interest on which is excluded from gross income of the owners thereof for federal income tax purposes, to become included in gross income of any owner thereof.

The Borrower further covenants and agrees that it shall comply and shall comply with the representations and certifications it made in its Tax Compliance Agreement dated the date of issuance and delivery of the Series 2025A Bonds and that it shall take no action nor omit to take any action which would cause such representations and certifications to be untrue.

Section 8.10 No Competition. The Borrower shall not construct or operate any facilities competing with the Facility unless an Independent Consultant has delivered a certification or report concluding that such new facility will not adversely affect the ability of the Borrower to meet the Fixed Charges Coverage Ratio covenant and other financial covenants required herein.

Section 8.11 RESERVED.

Section 8.12 Licenses and Qualifications. The Borrower shall do all things necessary to obtain, maintain, and renew, from time to time, as necessary, all permits, licenses, and other governmental approvals necessary for operation of the Project. The Borrower hereby agrees to give prompt notice to the Issuer and the Trustee of the modification or loss of any such permit, license, or other governmental approval, which notice shall set forth the reasons for such loss.

Section 8.13 Operation of Project and Safety Code. The Borrower warrants that throughout the Loan Term it shall operate the Project as a housing manufacturing facility or cause the same to be operated as a housing manufacturing facility and shall continue to maintain the Project in compliance with all applicable life and safety codes and all applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of the United States of America, the State, and any political subdivision or agency thereof having jurisdiction over the Project.

Section 8.14 Permitted Indebtedness. The Borrower covenants and agrees that, until all of its Indebtedness and obligations due under Section 5.02 for Loan Payments have been fully paid or provided for, the Borrower shall not, directly or indirectly, incur, assume, or guarantee any Indebtedness, whether secured or unsecured, other than (a) Additional Bonds, (b) the Line of Credit, (c) the Guaranty, (d) Indebtedness consented to in writing by the Majority Holder, or (e) Short Term Indebtedness upon satisfaction of the following conditions: (i) the prior Fiscal Year's audit indicates the Fixed Charges Coverage Ratio was at least 1.20:1.00 for such Fiscal Year, (ii) a Financial Consultant provides a report indicating the Short Term Indebtedness will not prevent the Fixed Charges Coverage Ratio from being at least 1.20:1.00 in future Fiscal Years,

(iii) collateral for the Short Term Indebtedness will be only inventory pledged on a basis subordinate to the Series 2025 Bonds and (iv) the principal amount of such outstanding Short Term Indebtedness in the aggregate is equal to or less than \$1,000,000; provided to the extent the Borrower incurs Short Term Indebtedness secured by inventory of the Project, the Borrower, the Trustee and the lender of such Short Term Indebtedness shall enter into an intercreditor agreement setting forth the relative priority of liens and interest in the Security and such inventory, including the Trustee having a subordinate lien on inventory securing such Short Term Indebtedness.

Section 8.15 No Self-Dealing. The Borrower may not enter into any service contract relating to the Project with any Person who is a related party to or an Affiliate of the Borrower unless such service contract provides for compensation to such Person that would be equal to or less than the reasonable, customary and ordinary compensation that would be paid under a similar service contract with a Person who was not a related party to or an Affiliate of the Borrower.

Section 8.16 Annual Budget and Rate Covenant; Annual Financial Statements and Certifications.

(a) No later than 60 days prior to the first day of each Fiscal Year, the Borrower shall prepare an Annual Budget of anticipated Gross Revenues and Operating Expenses for the succeeding Fiscal Year, and shall submit a copy of the Annual Budget to the Trustee and the Issuer. The Annual Budget must comply with the requirements specified in the definition of the term Annual Budget in Section 1.01. The Annual Budget shall continue in effect until such time as a new Budget or amended Annual Budget is submitted to the Trustee. The Annual Budget shall include provision for payment by the Borrower of the costs, fees, and expenses payable or incurred by reason of the Loan under the Loan Agreement and the Indenture, including all compensation for the expenses of the Trustee, including any paying agents and the reasonable expenses of the Issuer.

(b) Commencing in Fiscal Year 2028, the Borrower specifically covenants hereunder to budget for and thereafter maintain a Fixed Charges Coverage Ratio of not less than 1.20:1.00 calculated annually. In the event that the Borrower fails to maintain the Fixed Charges Coverage Ratio as set forth above for a Fiscal Year as certified in accordance with the Continuing Disclosure Agreement pursuant to Section 8.18, the Borrower covenants to engage a Financial Consultant to conduct an investigation of the Project and to make recommendations to the Borrower on remedies to achieve the required Fixed Charges Coverage Ratio. The fees and reasonable expenses of the Financial Consultant shall be paid by the Borrower. The Borrower shall (i) take all actions within its control to comply with the Financial Consultant's recommendations, other than to the extent that any of the Financial Consultant's recommendations conflict with law or existing contracts with non-affiliates, or the Borrower shall in good faith determine by authorized action that such recommendations are unreasonable, impractical or unfeasible; and (ii) follow the recommendations of the Financial Consultant.

(c) Within 120 days after the end of each Fiscal Year, the Borrower shall provide to the Trustee a copy of the basic financial statements of the Borrower prepared by the Borrower's accountant, together with the certifications, as provided in the Continuing Disclosure Agreement. If the certifications provided in connection with the financial

statements for such Fiscal Year state that (1) the Borrower is not in default under any provision of the Loan Agreement and has fully complied with all of the provisions thereof, and (2) the Fixed Charges Coverage Ratio of the Borrower for such Fiscal Year met or exceeded 1.20:1.00, then at the time such financial statements are provided by the Borrower to the Trustee, the Borrower shall notify the Trustee that the conditions for release of the amount in the Surplus Fund under Section 510 have been met for such Fiscal Year.

(d) At any time that a Fixed Charges Coverage Ratio of 1.20:1.00 or greater has not been maintained for two consecutive Fiscal Years as certified by the Borrower, the Trustee shall provide to the Depository Bank a notice of exclusive control and the Trustee shall take exclusive control of the Collections Fund and Operating Expense Fund as provided in the Depository Account Control Agreement; provided however that, in the event the Fixed Charges Coverage Ratio meets or exceeds 1.20:1.00 for any subsequent Fiscal Year, the Trustee will withdraw the notice of exclusive control in accordance with the provisions of the Depository Account Control Agreement.

Section 8.17 Right of Access. The Borrower agrees that subject to reasonable security and safety regulations and to reasonable requirements as to notice, the Issuer and the Trustee, and their or any of their respective duly authorized agents, shall have the right at all reasonable times to enter upon the Project Site and to examine and inspect the Project. The Borrower further agrees that the Issuer, the Trustee, and their duly authorized agents shall have such rights of access to the Project Site and the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by the Borrower to perform its obligations hereunder.

Section 8.18 Continuing Disclosure Agreement. The Borrower shall enter into the Continuing Disclosure Agreement on the Closing Date and, while any of the Bonds are Outstanding, agrees to make the filings as required by such Continuing Disclosure Agreement. A failure to comply with the reporting requirements of the Continuing Disclosure Agreement shall not constitute a default or Event of Default under the Loan Agreement or any other Bond Document or Borrower Document.

Section 8.19 Prohibited Uses. No portion of the proceeds of the Series 2025A Bonds will be used to finance or refinance any facility, place or building used or to be used (i) to the extent such prohibition is not prohibited by law, primarily for sectarian instruction or study or as a place for devotional activities or religious worship; or (ii) by any Person that is not an organization described in Section 501(c)(3) of the Code or by a Code Section 501(c)(3) organization, including the Borrower, in an "unrelated trade or business" (as such term is defined in Section 513 of the Code), in such manner or to such extent as would result in any of the Series 2025A Bonds being treated as an obligation not described in Section 103(a) of the Code. The covenant in clause (i) of this Section shall survive payment in full or defeasance of the Series 2025A Bonds.

[End of Article VIII]

ARTICLE IX
ASSIGNMENT, LEASING, ENCUMBERING, AND SELLING;
REDEMPTION; LOAN PREPAYMENTS AND ABATEMENT;
INSTALLATION OF BORROWER'S OWN MACHINERY
AND EQUIPMENT

Section 9.01 Assignment, Leasing, and Selling. Except as provided in the Bond Documents, the rights and obligations of the Borrower under this Loan Agreement may not be assigned and delegated, and the Project may not be leased (other than in accordance with the Bond Documents) or sold, as a whole or in part, by the Borrower without obtaining the consent of the Majority Holder.

Section 9.02 Restrictions on Encumbrance of the Project by the Borrower. The Borrower agrees that it shall not permit any part of the Project or the Project Site or the Gross Revenues, including accounts receivable, to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, except for Permitted Encumbrances or except as otherwise permitted under this Loan Agreement.

Section 9.03 Redemption of Series 2025 Bonds. The Issuer, at the written request of the Borrower at any time and if the Series 2025 Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Indenture to effect redemption or purchase of all or part of the then Outstanding Bonds, as may be specified by the Borrower, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

Section 9.04 Prepayment of Loan. There is expressly reserved to the Borrower the right, and the Borrower is authorized and permitted, at any time it may choose, to prepay all or any part of the Loan Payments and other amounts payable under Section 5.02, and the Issuer agrees that the Trustee may accept such prepayments of Loan Payments and other amounts when the same are tendered by the Borrower in accordance with the Indenture and Article XI. All Loan Payments and other amounts so prepaid shall at the written direction of the Borrower be credited toward the Loan Payments and other amounts specified in Section 5.02, in the order of their due dates, or applied to the retirement of Series 2025 Bonds prior to maturity (either by redemption or purchase) in accordance with the Indenture. The Borrower shall also have the right to surrender Series 2025 Bonds acquired by it in any manner whatsoever to the Trustee for cancellation, and such Series 2025 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired and shall be allocated as credits to Loan Payments as provided in the Indenture.

Section 9.05 Reference to Series 2025 Bonds Ineffective After Bonds Paid. Upon payment in full of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture) and all fees and charges of the Trustee, all references in this Loan Agreement to the Series 2025 Bonds and the Trustee shall be ineffective, and neither the Trustee nor the owners of any of the Series 2025 Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested. For purposes of this Loan Agreement the Series 2025 Bonds shall be deemed fully paid:

(a) if there is no default under Section 8.09 and there is on deposit in the Bond Fund a total amount sufficient to pay the principal of all the then Outstanding Series 2025 Bonds plus the interest due thereon until and at their respective maturities and provision for payment of all Trustee's and paying agents' fees, accrued and to accrue, has been made in a manner satisfactory to the Trustee and such paying agents, or

(b) if there have been irrevocably deposited with the Trustee as more fully provided in the Indenture (i) under circumstances which do not render interest on any Series 2025A Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, includable therein, money or direct obligations of the United States of America which when due will provide money sufficient to pay, redeem, and retire all the then Outstanding Series 2025A Bonds (including, without limitation, principal, premium, interest to maturity or earlier applicable redemption date, as the case may be, expenses of redemption, and Trustee's and paying agents' fees and expenses), and (ii) evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been duly given by the Issuer or the Trustee has been irrevocably authorized to give such redemption notices.

[End of Article IX]

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Loan Agreement, any one or more of the following events:

(a) The Borrower's failure to pay the amounts required to be paid pursuant to the Note under Section 5.02 of this Loan Agreement at the times specified therein.

(b) The Borrower's breach in any material respect of any representation or warranty contained in this Loan Agreement, the Guaranty, the Mortgage or any other Bond Document or the Borrower's failure to observe, perform, or comply with any covenant, condition, or agreement in this Loan Agreement, the Guaranty, the Mortgage or any other Bond Document or Borrower Document on the part of the Borrower to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of 30 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Borrower by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration. In the case of any such breach or default which cannot with due diligence be cured within such 30 day period but can be wholly cured within a period of time not materially detrimental to the rights of the Issuer and the Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the breach or default is corrected in accordance with and subject to any directions or limitations of time established by the Issuer. The Borrower shall within the applicable period furnish to the Trustee and the Issuer a certificate certifying that such breach or default is such that it cannot with due diligence be cured within such 30 day period but can be wholly cured within a period of time not materially detrimental to the rights of the Issuer and the Trustee and that corrective action has been instituted and is being diligently pursued and will be diligently pursued until the breach or default is corrected. The Borrower shall notify the Trustee and the Issuer by certificate when such breach or default has been corrected. The Trustee shall be entitled to rely upon any such certificate given pursuant to this paragraph.

(c) The Borrower shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of the Project, (ii) fail to promptly lift or bond (if legally permissible) any execution, garnishment, or attachment of such consequence as will impair the ability of the Borrower to carry on its operations at the Project, (iii) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect), (iv) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (v) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law or any similar law in effect in a foreign jurisdiction, or (iv) take any action for the purpose of effecting any of the foregoing.

(d) A proceeding or case shall be commenced, without the application of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Borrower, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the Borrower or of all or any substantial part of the assets of it or of the Project, or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect for a period of 60 days, whether consecutive or not.

(e) The occurrence and continuance of an Event of Default under any of the Bond Documents or any Borrower Document.

(f) The failure by the Borrower promptly to satisfy or cause to be set aside any execution, garnishment, or attachment of such consequence as in the opinion of Independent Counsel will materially impair its ability to carry out its obligations under this Loan Agreement.

(g) The Borrower fails to engage the Financial Consultant when required by Sections 8.11 or 8.16 hereof or to follow the lawful recommendations of the Financial Consultant in accordance with Sections 8.11 or 8.16; or if the Fixed Charge Coverage Ratio is less than 1.0.

(h) This Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this Loan Agreement by reason of any changes in the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment, or order of any court or administrative body (whether state or Federal) entered after the contest thereof by the Issuer or the Borrower in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the Issuer.

(i) The Borrower or its permitted successors or assigns shall cease to exist.

(j) Any foreclosure of, or ousting of the Borrower from possession of, the Project or any portion thereof under any indenture of mortgage, Mortgage or any other security interest given by the Borrower, or for any other reason, unless the new owner of the Project or portion thereof is approved by the Issuer; provided, however, that if such new owner fails to comply strictly with all the terms of the Bond Documents which would be applicable to the Borrower if it were still the owner of the Project or portion thereof, regardless of the fact that such new owner is not a party to such documents, then there shall nevertheless have occurred an Event of Default hereunder.

(k) A Construction Default shall have occurred.

Section 10.02 Remedies on Default. Whenever any Event of Default referred to in Section 10.01 shall have happened and be continuing, the Issuer, to the extent permitted by law, may take any one or more of the following remedial steps:

(a) The Trustee shall have the right to pursue all remedies specified in Section 902 of the Indenture and any available remedy under the Guaranty and the Mortgage, and to take all other actions set forth in Article IX of the Indenture or in the Guaranty or the Mortgage upon the occurrence of any Event of Default hereunder, including accelerating all amounts due hereunder. Upon a declaration of acceleration by the Trustee following an Event of Default (whether or not the Series 2025 Bond principal has been accelerated), all amounts payable hereunder and under the Note shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or elsewhere to the contrary notwithstanding. Upon a declaration by the Trustee under Section 902 of the Indenture, all unpaid installments of Loan Payments and other amounts payable hereunder shall become immediately due and payable. The term "all unpaid installments of Loan Payments and other amounts payable hereunder" shall mean the amount set forth in Section 10.02(d).

(b) The Issuer and the Trustee shall have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower related to the Project.

(c) The Trustee shall from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the Loan Payments and other amounts payable by the Borrower hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Loan Agreement, subject to Article IX of the Indenture.

(d) At any time after the expiration of the Loan Term pursuant to subsection (a) hereof, whether or not the Issuer shall have collected any current damages, the Issuer shall, at its option, be entitled to recover from the Borrower, and the Borrower shall pay to the Issuer on demand, as and for liquidated and agreed final damages for the Borrower's default and in lieu of all current damages beyond the date of such demand, an amount equal to all unpaid installments of Loan Payments and other amounts payable as hereinafter defined if any Bonds are then outstanding and unpaid, and if any statute or rule of law shall validly limit the amount of such liquidated final damages to less than the amount agreed upon, the Issuer shall be entitled to the maximum amount allowable under such statute or rule of law. The term "all unpaid installments of Loan Payments and other amounts payable" shall mean an amount equal to the entire principal amount of the then Outstanding Bonds, together with any applicable redemption premiums and all interest accrued or to accrue on and prior to the next succeeding redemption date or dates on which the Bonds can be redeemed after giving notice to the owners thereof as required by the Indenture (less money available for such purpose then held by the Trustee) and plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee and any paying agents of the Bonds which are then due or will become due prior

to the time that the Bonds are paid in full and the trust established by the Indenture is terminated.

(e) The Trustee may, on behalf of the Issuer, pursue all remedies available at law or in equity.

(f) The Issuer and/or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Loan Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement, the Note, the Guaranty, the Mortgage and the Deposit Account Control Agreement.

(g) The Issuer or the Trustee, upon any Default under the Note, the Mortgage, or this Loan Agreement, as a matter of right, without notice and without giving bond to the Borrower or anyone claiming under it, may have a receiver appointed of all the rents, issues, and profits pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the protection, possession, control, management, and operating of the Project, and the Borrower hereby irrevocably consents to such appointment.

(h) Upon the happening and continuance of an Event of Default, it shall be lawful, subject to the rights of occupants if the occupants are not in default, for the Issuer or the Trustee on behalf of the Issuer, by such officer or agent as it may appoint, to take possession of all or any part of the Project together with the books, papers, and accounts of the Borrower pertaining thereto, and including the rights and the position of the Borrower under any leases, and to hold, operate, and manage the same, and from time to time to make all needful repairs and improvements as by the Issuer shall be deemed wise; and the Issuer may, subject to any leases, lease dwelling units in the Project in the name and for the account of the Borrower and collect, receive, and sequester the rents, revenues, and other income, charges, and moneys, therefrom, and out of the same and any moneys received from any receiver of any part thereof, after deducting all proper costs and expenses of so taking, holding, and managing the same, including reasonable compensation to the Issuer, its agents and counsel, pay and/or set up proper reserves for the payment of any or all of the following in such order and amounts as the Trustee, in the Trustee's sole discretion, may elect: the payment of any sums due under any proper lien, taxes, water and sewer charges, insurance premiums, and all other carrying charges, and to the maintenance, repair, or restoration of the Project, and on account and in reduction of all amounts due under the Indenture. In the event that all Defaults have been made good and the Issuer shall have surrendered possession to the Borrower, its successors or assigns, the right of entry provided in this Section shall again exist upon any subsequent Event of Default.

Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of principal of and interest and any premium on the Series 2025 Bonds collected pursuant to action taken under this Section shall be paid into the Revenue Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Series 2025 Bonds have been paid and discharged in accordance with the provisions of the

Indenture, shall be paid as provided in Article VIII of the Indenture for transfers of remaining amounts in the funds created in the Indenture.

No action taken pursuant to this Section shall relieve the Borrower from its obligations pursuant to Section 5.02 and Section 10.02(a), all of which shall survive any such action, and the Issuer or the Trustee may take whatever action at law or in equity as may appear necessary and desirable to collect the Loan Payments and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement, or covenant of the Borrower hereunder.

Section 10.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 10.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it shall on demand therefor pay to the Issuer or the Trustee the reasonable fees of such attorneys and such other expenses so incurred by the Issuer and/or the Trustee. Any attorneys' fees required to be paid by the Borrower under this Loan Agreement shall include attorneys' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals.

Section 10.05 Waiver of Events of Default. The Issuer or the Trustee may waive any Event of Default hereunder and its consequences or rescind any declaration of acceleration of payments of the Loan Payments and other amounts due hereunder. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or the Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Issuer or the Trustee, then and in every such case the Issuer, the Trustee and the Borrower shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to or affect any subsequent or other Event of Default or impair or exhaust any right, power, or remedy consequent thereon.

Section 10.06 Waiver of Stay or Extension Laws. To the extent permitted by law, the Borrower covenants not to plead, or in any manner claim the advantage of, any stay or extension law, now or at any time hereafter in force, which may affect the covenants or the performance of this Loan Agreement, the Note, the Guaranty or the Mortgage, and to the extent permitted by law, the Borrower hereby expressly waives all benefit or advantage of any such law, and covenants that

it will not hinder, delay, or impede the execution of any power herein granted to the Issuer or the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

[End of Article X]

ARTICLE XI
OPTIONS IN FAVOR OF BORROWER

Section 11.01 General Options to Terminate Loan Agreement. The Borrower shall have, and is hereby granted, the following options to terminate the Loan Term:

(a) at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Borrower may terminate the Loan Term by (i) paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, redemption premium, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption, and Trustee's and paying agents' fees and expenses), (ii) in the case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, (iii) paying to the Issuer any and all sums then due to the Issuer under this Loan Agreement, and (iv) otherwise complying with the provisions of Article VIII of the Indenture, and

(b) upon full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the Issuer and the Trustee under this Loan Agreement, the other Bond Documents prior to the end of the Loan Term, the Borrower may terminate the Loan Term by giving the Issuer notice in writing of such termination which shall forthwith become effective.

Section 11.02 Option and Obligation to Prepay Loan in Certain Events. The Borrower shall have, and is hereby granted, the option to prepay the Loan in whole and not in part prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if any of the following shall have occurred:

(a) the Project shall have been damaged or destroyed by fire or other casualty to such extent that, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, (i) the Project cannot be reasonably restored within a period of six consecutive months to substantially the condition thereof immediately preceding such damage or destruction or (ii) the Borrower is thereby prevented from carrying on its normal operations at the Project for a period of six consecutive months or (iii) the cost of reconstruction would exceed the total amount of Net Proceeds of insurance carried thereon; or

(b) title to, or the temporary use of, a substantial portion of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or person, firm, or corporation acting under governmental authority and such a taking or takings result, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, in the Borrower being thereby prevented from carrying on its normal operations therein for a period of six consecutive months.

Notwithstanding the foregoing, the Borrower shall have the obligation to prepay the Loan in whole and not in part prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if the events stated in subsection (a) or (b) of this Section shall have occurred, unless the Borrower shall furnish to the Trustee the items required by Section 7.01(c) or Section 7.02(d), whichever is applicable.

In the case of the above events stated in subsection (a) of this Section, the Borrower, if it is obligated to prepay the Loan or if it exercises its option to prepay the Loan, must prepay the Loan in whole and not in part within 180 days after such event. In the case of the above events stated in subsection (b) of this Section, the Borrower, if it is obligated to prepay the Loan or if it exercises its option to prepay the Loan, must prepay the Loan, in whole or in part within 180 days after such event. If the Borrower is obligated to prepay the Loan or exercises its option to prepay the Loan pursuant to subsection (a) or (b) of this Section, any Net Proceeds of insurance or of any condemnation award shall be paid into the Unrestricted Redemption Account of the Bond Fund.

To exercise such option, the Borrower shall, within 60 days following the event authorizing the exercise of such option, give written notice of the exercise of such option to the Issuer and to the Trustee, if any of the Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of tender of such prepayment price, which date shall not be less than 45 nor more than 120 days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The prepayment price payable by the Borrower in the event it is obligated to prepay the Loan or in the event of its exercise of the option granted in the circumstances described in subsections (a) or (b) of this Section shall be the sum of the following:

(1) an amount of money which, when added to the amount then on deposit and available in the Bond Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Operating Expense Reserve Fund and the Administrative Expense Fund, will be sufficient to retire and redeem all the then Outstanding Bonds on the applicable redemption date provided by the Indenture, including without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus

(2) an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) an amount of money equal to the Issuer's expenses under this Loan Agreement accrued and to accrue until such final payment and redemption of the Bonds.

Section 11.03 No Obligation to Prepay Loan. The Borrower shall be under no obligation to prepay the Loan except as herein expressly required or provided.

Section 11.04 Option to Prepay the Loan and Redeem Bonds at Prior Optional Redemption Dates. The Borrower shall also have the option to prepay Loan Payments related to the Bonds and other amounts payable under this Loan Agreement in such manner and amounts as

will enable the Issuer to redeem the Bonds prior to maturity, in whole or in part on the dates and at the prices and subject to other requirements of Section 303 of the Indenture. Bonds redeemed pursuant to this Section shall be redeemed in accordance with the procedures set forth in Article III of the Indenture or applicable Supplemental Indenture. The Loan Payments and other amounts payable by the Borrower in the event of its exercise of the option granted under this Section shall be (i), in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, if any, as provided in Section 303 of the Indenture, and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in Article VIII of the Indenture and the applicable redemption premium, if any, as provided in Section 303 of the Indenture.

Section 11.05 Relative Position of Options and the Indenture. The options granted by Section 11.01 and Section 11.02 may be exercised whether or not the Borrower is in Default hereunder, provided that no such Default will result in nonfulfillment of any condition to the right of the Borrower to prepay the Loan by making the payments required hereunder.

[End of Article XI]

ARTICLE XII MISCELLANEOUS

Section 12.01 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by telecommunication as permitted by express provisions of this Loan Agreement, addressed as follows:

If to the Issuer:	City of Rifle 202 Railroad Avenue Rifle, Colorado 81650 Attention: Mayor
If to the Borrower:	Habitat for Humanity of the Roaring Fork Valley, Inc. 53 Calaway Court Glenwood Springs, Colorado 81601 Attention: President/CEO and COO
If to the Trustee:	U.S. Bank Trust Company, National Association 950 17th Street Denver, Colorado 80202 Attention: Jennifer Petrino, Vice President
If to the Underwriter:	D.A. Davidson & Co. 1550 Market Street, Suite 300 Denver, Colorado 80202 Attention: Alexandra Iseman

A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Underwriter. Any party named in this Section 12.01 may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent. The Borrower agrees to the provisions of Section 1001(s) of the Indenture, with respect to the use of Electronic Means, and Section 1304 of the Indenture, with respect to the use of electronic signatures.

Section 12.02 Recording and Filing. The Mortgage or appropriate notices thereof shall be recorded in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Issuer created by the Mortgage in the Equipment, the inventory, and other personal property comprising part of the Project and the accounts, chattel paper, documents, instruments, and general intangibles arising in any manner from the Borrower's ownership and operation of the Project and the security interest of the Trustee created by the Indenture in the Issuer's right, title, and interest in this Loan Agreement, the Note, the Guaranty and the Mortgage and in the revenues and amounts to be received and held hereunder and thereunder shall be perfected by the filing of financing statements or instruments effective as financing statements which fully comply with the State Uniform Commercial Code-Secured Transactions or by the taking of possession of appropriate collateral. The parties further agree that

all necessary continuation statements shall be filed within the time prescribed by the State Uniform Commercial Code-Secured Transactions, and the appropriate parties shall maintain possession of appropriate collateral in order to continue the security interests identified in this Section 12.02, to the end that the rights of the owners of the Bonds and the Trustee in the Project and other collateral shall be fully preserved as against third party creditors of, or purchasers for value in good faith from, the Issuer or the Borrower.

Section 12.03 Maintenance of Security Interests. Annually, within 30 days after the end of each Fiscal Year, and so long as the Bonds have not been discharged under the Indenture, the Borrower shall file with the Trustee a certificate describing, as of the last day of the immediately preceding Fiscal Year, each item of tangible personal property not described in a previous similar certificate, which has been added to the Project, whether as a substitution, replacement, or addition, and whether or not, when added, it became real property, if the aggregate cost of such items in the preceding Fiscal Year exceeds \$25,000. The Borrower shall deliver possession of all instruments or cash deemed necessary or advisable by Independent Counsel for perfection of and continuance of the perfection of the security interests in such property. At the expense of the Borrower, the Issuer and the Trustee shall deliver all instruments, including financing statements, required of it in the opinion of such Independent Counsel, and the Borrower shall file all such instruments, or cause them to be filed, and the Borrower shall continue the security interests of all such instruments by appropriate refilings, or cause them to be so continued, and shall maintain possession of all appropriate instruments in accordance with Section 3.03 until all Bonds have been discharged under the Indenture.

Section 12.04 Construction and Binding Effect. This Loan Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, and their respective successors and assigns subject, however, to the limitations contained in Sections 8.03 and 9.01. The Issuer and Borrower specifically intend and agree to limit contractually the amount of interest payable under this Loan Agreement, the Note, the other Bond Documents, and all other instruments and agreements related hereto and thereto to the maximum amount of interest lawfully permitted to be charged under applicable law. Therefore, none of the terms of this Loan Agreement, the Note, the other Bond Documents, and any instrument pertaining to or relating hereto and thereto, shall ever be construed to create a contract to pay interest at a rate in excess of the maximum rate permitted to be charged under applicable law, and neither Borrower nor any other party liable or to become liable hereunder, or under the Note, the other Bond Documents, or under any other instruments and agreements related hereto and thereto, shall ever be liable for interest in excess of the amount determined at such maximum rate, and the provisions of this paragraph shall control over all other provisions of this Loan Agreement, the Note, or the other Bond Documents, or of any other instrument pertaining to or relating to the transactions herein and therein contemplated. If any amount of interest taken or received by Issuer shall be in excess of said maximum amount of interest which, under applicable law, could lawfully have been collected by the Issuer incident to such transactions, then such excess shall be deemed to have been the result of a mathematical error by all parties hereto and shall, at the election of Issuer, either be applied as credit against the then unpaid principal amount of the Loan or refunded promptly to the party paying such amount. All amounts paid or agreed to be paid in connection with such transactions which would under applicable law be deemed "interest" shall, to the extent permitted by such applicable law, be amortized, prorated, allocated, and spread throughout the stated term

of the Loan. "Applicable law" as used in this paragraph means that law in effect from time to time which lawfully permits the charging and collection of the highest permissible lawful, nonusurious rate of interest on the transactions herein contemplated, including laws of the State of Colorado and of the United States of America; and "maximum rate" as used in this paragraph means, with respect to each portion of the obligations referred to herein, the maximum lawful, nonusurious rate of interest (if any) which under applicable law the Issuer is permitted to charge from time to time with respect to such portion of such obligations.

Section 12.05 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.06 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, or other funds provided for herein upon expiration or sooner termination of the Loan Term, as provided in this Loan Agreement, after payment in full of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the fees, charges, and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Borrower.

Section 12.07 Fees Paid by the Borrower. The Borrower shall pay or cause to be paid all fees and expenses relating to this Loan Agreement, including but not limited to, the expense of examination of title, premiums of mortgagee's title insurance in such amount and form as may be satisfactory to the Trustee, costs of all supplemental examinations and certifications of title, the recording fee upon the Mortgage, expenses of any present or future assignment or assignments of collateral security, if any, required by the Trustee, and attorneys' fees. In case the Trustee pays or advances any money for fees, surveys, recording, recording tax, examination of title, mortgagee's title insurance policies, preparation of documents, any expenses incurred in the completion of this transaction, the payment of any insurance premiums, encumbrance, tax, assessment, or other charge or lien upon the Project, or any other amounts necessary for the payment of the cost of improvements, the same shall be advances payable in accordance with Section 6.08 of this Loan Agreement.

Section 12.08 No Agency Relationships. The Issuer, the Bondholders and the Trustee do not assume the duties of the contractor or architect of any construction or any Additions or Alterations and shall be under no obligation to construct or supervise the construction of the Project or any Additions or Alterations or to make any inspections of the improvements related thereto, and it is further understood and agreed that any inspection by the Issuer or the Trustee or their agents of any construction or any Additions or Alterations, whether paid for by the Borrower or its successors in title, is for the sole purpose of protecting the security of the Bondholders, and the Borrower shall not be entitled to claim any loss or damage against the Issuer or the Trustee or their agents or employees for the failure of the Issuer's or the Trustee's agents or employees to properly discharge their responsibilities to the Issuer or the Trustee.

Section 12.09 [RESERVED].

Section 12.10 Amendments, Changes, and Modifications. Neither this Loan Agreement nor the Indenture may be amended, changed, modified, altered, or terminated, except as provided in the Indenture.

Section 12.11 Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.12 Law Governing Construction of this Loan Agreement. This Loan Agreement is prepared and entered into with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 12.13 Subordination to Indenture. This Loan Agreement and the rights and privileges hereunder of the Borrower are specifically made subject and subordinate to the rights and privileges of the Trustee and the owners of the Bonds appertaining thereto set forth in the Indenture.

[End of Article XII

IN WITNESS WHEREOF, the Issuer has executed this Loan Agreement by causing its name to be hereunto subscribed by its Mayor and attested by its City Clerk; and the Borrower has executed this Loan Agreement by causing its name to be hereunto subscribed by its Chief Executive Officer; all being done as of the day and year first above written.

CITY OF RIFLE, COLORADO

By: _____
Mayor

Attest:

City Clerk

HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY, INC.

By: _____
Chief Executive Officer

EXHIBIT A

Description of Project Site

LEASE PARCEL PROPERTY DESCRIPTION

A PARCEL OF LAND FOR THE PURPOSE OF A LEASE AREA, BEING A PORTION OF THAT PARCEL DESCRIBED IN QUITCLAIM DEED RECORDED JUNE 9, 2004 AS RECEPTION NO. 653729 IN THE GARFIELD COUNTY, COLORADO CLERK AND RECORDER'S RECORDS, SITUATE IN THE S1/2S1/2NE1/4 AND IN THE SE1/4 SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO. ALL BEARINGS RELATIVE TO A BEARING OF S00°42'53"E ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 18, BETWEEN THE NORTH 1/4 CORNER, A FOUND 3" BRASS CAP ON 2-1/2" PIPE STAMPED "1/4 S7 S18 1981 ELDORADO ENGINEERING LS 14060" AND THE SOUTH 1/4 CORNER, A FOUND 3 1/4" ALUMINUM CAP ON #6 REBAR STAMPED "1/4 S18 S19 LS 37075 2006". SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID RECEPTION NO. 653729; WHENCE SAID NORTH 1/4 CORNER SECTION 18 BEARS N00°42'53"W 2112.15 FEET; THENCE ALONG THE WEST LINE OF SAID RECEPTION NO. 653729, ALSO BEING THE SAID NORTH-SOUTH CENTERLINE S00°42'53"E 260.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WEST LINE AND NORTH-SOUTH CENTERLINE S00°42'53"E 660.03 FEET; THENCE DEPARTING SAID WEST LINE AND NORTH-SOUTH CENTERLINE N89°51'31"E 666.06 FEET; THENCE N00°42'53"W 660.03 FEET; THENCE S89°51'31"W 666.06 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL OF LAND CONTAINING 10.092 ACRES MORE OR LESS.

EXHIBIT B

Form of Note

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE TRANSFERABILITY OF THIS NOTE IS RESTRICTED BY THE DOCUMENTS REFERRED TO HEREIN.

PROMISSORY NOTE

Amount: _____

Dated: May __, 2025

HABITAT ROARING FORK VALLEY, INC. (the "Maker"), a Colorado nonprofit corporation, for value received, hereby promises to pay to the order of the CITY OF RIFLE, COLORADO (the "Payee"), a home-rule city and municipal corporation of the State of Colorado, at the corporate trust office of U.S. Bank Trust Company, National Association, as Trustee (the "Trustee") in Denver, Colorado, in lawful money of the United States of America, the principal sum of

DOLLARS

together with interest at the same rate of interest as the Bonds (defined below) bear per annum, from the date of initial delivery of the Bonds, computed on the basis of a 360 day year of twelve 30-day months.

Interest due hereon shall be payable semi-annually, commencing July 1, 2025 and on each July 1 and January 1 thereafter until this Note is fully paid in accordance with Section 5.02 of the Agreement (described below).

The principal amount hereof is payable as described in Section 5.02 of the Agreement in installments on the 25th day of each month thereafter until July 1, ____, when the unpaid balance hereof shall be due and payable, it being the intent to have money available at least five days before payments on the Bonds the principal of which must be paid in accordance with Schedule 1 attached hereto and made part hereof for all purposes.

If the prescribed date of payment of any of the principal of, penalty, and liquidated damages, if any, or interest herein is a Saturday, a Sunday, or a day on which banks are authorized by law to close, such payment shall be due on the next succeeding business day. This Note has been issued by the Maker pursuant to a certain Loan Agreement (the "Agreement"), dated as of May 1, 2025, by and between the Maker and the Payee for the purpose of (i) the acquisition, construction, equipping and installation of a 66,000 square feet modular housing manufacturing facility located on 10.5 acres leased by the Payee to the Maker within the boundaries of the Payee; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds (defined below); (iii) the payment of certain capitalized interest on the Bonds; and (iv) the payment of the costs of issuance of the Bonds (the "Project"). Pursuant to the powers granted to the Payee and under an

Indenture of Trust by and between the Payee and the Trustee (the "Indenture"), the Payee, as "Issuer," authorized and issued its Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Series 2025A Bonds"), in an aggregate principal amount of \$ _____, and its Revenue Bonds Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B (the "Taxable Series 2025B Bonds"), in an aggregate principal amount of \$ _____ (the Series 2025A Bonds and the Taxable Series 2025B Bonds are herein collectively referred to as the "Bonds"). The Bonds are in like principal amount and bearing the same interest rate as this Note, in order to obtain a portion of the funds needed for the aforesaid purposes.

This Note is issued for the purpose of evidencing the Maker's obligation to repay such loan, and all amounts due and payable hereon, have been and are intended to be irrevocably assigned and endorsed (without recourse or warranty) by the Payee to the Trustee as partial security for the Bonds, under and subject to the terms and provisions of the Agreement. The terms of the Agreement also require the payment by the Maker from time to time of certain amounts to be deposited in certain Funds and Accounts established with the Trustee pursuant to the Indenture.

Notwithstanding any other provisions hereof, the principal of, and interest, on this Note, shall be payable at such times and in such amounts as will cause the Trustee to have available when due such amounts as are required to pay the principal of and interest on the Bonds, and other payments required by the Agreement.

This Note may be prepaid in order to accomplish redemptions as described in the Bonds.

This Note, and the payment hereof, will be secured by a Guaranty delivered by the Borrower (the "Guaranty") and by the terms, provisions, and lien of a certain Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), dated as of the date hereof, from the Maker to the Payee, for itself and its successors and assigns (collectively, referred to as "holder"), of this Note, encumbering certain property and improvements (collectively the "Facility") situated in Rifle, Colorado (the "Mortgage"), to which reference is hereby made for a description of the security and the rights of the holder of this Note and the obligations of the Maker with respect thereto. If, for any reason, the interest paid on this Note, together with any other costs or consideration deemed to constitute interest under applicable law, shall exceed the maximum amount permitted by applicable law, the holder of this Note shall refund to the Maker, or, at the holder's option, credit against the principal of this Note, the portion of such interest as shall be necessary to cause the non-usurious amount of interest permitted by law. All sums paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the indebtedness evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of this Note.

If default is made in the payment of any installment of interest on or principal of this Note and this Note is placed in the hands of an attorney for collection, or if suit is filed hereon, or proceedings are had in bankruptcy, probate, receivership, reorganization, arrangement, or other judicial proceedings for the establishment or collection of any amounts called for hereunder, or any amount payable or to be payable hereunder is collected throughout any such proceedings, the Maker agrees to pay to the holder of this Note all reasonable attorneys fees and related expenses.

All past due installments of principal or interest on this Note shall bear interest from, and after maturity until paid at the highest lawful rate permitted by law.

By its acceptance of this Note, the holder, as owner and holder of this Note, and the Mortgage and the Guaranty securing this Note agrees that, notwithstanding any provisions herein or in the Mortgage or the Guaranty to the contrary, in the event the holder hereof shall at any time take action to enforce the collection of indebtedness evidenced hereby or any other obligation of the Maker hereunder or under the Mortgage, the Guaranty or any other instrument executed in connection with or to additionally secure the indebtedness evidenced hereby, such holder may proceed to enforce the Mortgage and the Guaranty.

The Maker and all endorsers, guarantors, and sureties of this Note and all other persons liable or to become liable on this Note severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate, and notice of acceleration of the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, partial payments, releases, or substitutions of security, in whole or in part, with or without notice, before or after maturity.

This Note is subject to the terms and provisions of the Agreement, the Mortgage and the Guaranty, to which reference is hereby made, and under the circumstances provided therein, in addition to the foregoing, the due dates hereof may be accelerated and made immediately due and payable by any holder hereof or by the Trustee.

When payment or provision therefor has been made in respect of the principal of (whether at maturity or upon redemption or acceleration), premium, if any, or interest on all the Bonds in accordance with the Indenture, this Note shall be canceled and returned to the Maker. Subject to the foregoing, all payments shall be in the full amount required under this Note. The obligations of the Maker to make the payments required in the Agreement and to perform and observe any and all of the other covenants and agreements on its part contained therein shall be a nonrecourse obligation of the Maker payable from Pledged Revenues (as defined in the Agreement); provided, however, that the foregoing shall not affect the right of the Payee, its successors and assigns, to take all acts necessary to exhaust its rights against the Project for satisfaction of the indebtedness evidenced hereby. The obligations of the Maker to make the payments required hereunder shall be absolute and unconditional without defense or set-off by reason of any default by the Payee under the Indenture or under any other agreement between the Maker and the Payee or for any other reason, including without limitation any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Facility, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Colorado, or any political subdivision of either, or any failure of the Payee to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the payments hereunder. In case any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid or illegal or unenforceable provision has never been contained herein.

This Note has been issued, executed, and delivered in the State of Colorado and shall be construed in accordance with and governed by the laws of said State, except to the extent that the laws of the United States may prevail.

HABITAT ROARING FORK VALLEY, INC.

By: _____
Title: _____

ENDORSEMENT, dated May __, 2025, to the Note, dated May __, 2025 in the principal amount of \$_____, made by Habitat Roaring Fork Valley, Inc. and payable to the order of the City of Rifle, Colorado. Pay to the order of U.S. Bank Trust Company, National Association, as Trustee, without recourse or any warranties, express or implied, by or upon the undersigned.

CITY OF RIFLE, COLORADO

By: _____
Title: _____

ATTEST:

By: _____
Title: _____

SCHEDULE 1

Maturity Schedule

BOND	CUSIP	PRINCIPAL AMOUNT	MATURITY	INTEREST
			DATE	RATE

EXHIBIT C

Form of Project Fund Requisition

Certificate and Requisition for Payment (Project Fund)

Date: _____, 20____

Draw Request # _____

Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") hereby requests, pursuant to the Loan Agreement, dated as of May 1, 2025 (the "Loan Agreement"), by and between the Borrower and the City of Rifle, Colorado (the "Issuer") that the following amounts be disbursed to the following parties for the account of the Borrower from the _____ Account of the Project

(complete with either Construction Account or Issuance Account)

Fund created under the Trust Indenture, dated as of May 1, 2025, between the Issuer and U.S. Bank Trust Company, National Association (the "Trustee"):

Name of Payee

Amount Requested

The nature and purpose of the disbursement for which payment is requested is described below (or on an attached sheet if additional space is required):

The undersigned does hereby certify to the Trustee that, as of the date hereof, (1) all conditions to payment have been fulfilled and Borrower is entitled to receive the sums requested, (2) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed and there is no existing breach thereof, (3) the above-listed items are properly included within the definition _____ included within the Loan Agreement and is a proper charge against the

(complete with either "Project Costs" or "Issuance Costs")

costs of the Project for a purpose to which the Bond Proceeds may be applied, with invoices for such costs attached hereto, and has not been the basis for any previous disbursement, (4) the value of the work completed is as set forth in this requisition, (5) the work and materials covered by this requisition conform to the requirements of the Loan Agreement, (6) such payment, when added to all other disbursements previously made, will not result in a violation of the restrictions on use of Bond Proceeds specified in the Loan Agreement, (7) the construction of the Project has been performed in a good and workmanlike manner, (8) all required insurance has been obtained by the Contractor as required by the Construction Contract and is in effect, (9) all requirements under the Draw Agreement to submit a project fund requisition have been met, and (10) he or she has no knowledge of an occurrence of an "Event of Default".

HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY, INC.

By: _____
Authorized Borrower Representative

[APPROVED:
EV STUDIO LLC, as Construction Monitor

By: _____
Authorized Officer]

[For Construction Account Requisitions only]

EXHIBIT D

Form of Repair and Replacement Reserve Fund Requisition

Certificate and Requisition for Payment (Repair and Replacement Reserve Fund)

Date:

Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") hereby requests, pursuant to the Loan Agreement, dated as of May 1, 2025 (the "Loan Agreement"), by and between the Borrower and the City of Rifle, Colorado (the "Issuer") that the following amounts be disbursed to the following parties for the account of the Borrower from the Repair and Replacement Reserve Fund created under the Trust Indenture, dated as of May 1, 2025, between Issuer and U.S. Bank Trust Company, National Association (the "Trustee"):

Name of Payee	Nature of Disbursement	Amount
---------------	------------------------	--------

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) all conditions to payment have been fulfilled and Borrower is entitled to receive the sums requested, (2) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed and there is no existing breach thereof, and (3) the above-listed items are authorized disbursements from the Repair and Replacement Reserve Fund pursuant to Section 4.05 of the Loan Agreement and, as of the date hereof, are properly payable therefrom pursuant to Section 4.05 of the Loan Agreement and are extraordinary in nature. All capitalized terms not otherwise defined herein shall have the same meaning as designated in the Loan Agreement referred to above.

Habitat for Humanity of the Roaring Fork Valley,
Inc.

By: _____
Authorized Borrower Representative

**AMENDED AND RESTATED PRELIMINARY LIMITED OFFERING MEMORANDUM
DATED APRIL 2, 2025**

**NEW ISSUE
BOOK-ENTRY-ONLY**

**NO RATING
SEE “NO RATINGS” HEREIN**

*In the opinion of Bond Counsel to the Issuer, to be delivered upon the issuance of the Series 2025A Bonds, under existing law and assuming compliance by the Issuer and the Borrower with requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be met subsequent to the issuance of the Series 2025A Bonds, with which the Issuer and the Borrower have certified, represented and covenanted their compliance, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. **Interest on the Series 2025B Bonds is not excluded from gross income for federal income tax purposes.** Also, in the opinion of Bond Counsel to the Issuer, to be delivered upon the issuance of the Series 2025 Bonds, under existing law, interest on the Series 2025 Bonds is not subject to income taxation by the State of Colorado. See “TAX MATTERS” for a more detailed description.*



**CITY OF RIFLE, COLORADO
REVENUE BONDS
(HABITAT ROARING FORK VALLEY, INC. MODULAR HOUSING PRODUCTION
FACILITY, SERVICE AREAS IN ASPEN, GLENWOOD SPRINGS AND RIFLE, COLORADO)**

**\$22,585,000*
SERIES 2025A**

**\$825,000*
TAXABLE, SERIES 2025B**

Dated: Date of Delivery

Due: July 1, as shown on inside cover

The City of Rifle, Colorado, will issue its \$22,585,000* Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the “**Series 2025A Bonds**”) and its \$825,000* Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “**Series 2025B Bonds**”) and, together with the Series 2025A Bonds, the “**Series 2025 Bonds**”) pursuant to an Indenture of Trust, dated as of April 1, 2025 (the “**Indenture**”), by and between the City of Rifle, Colorado (the “**Issuer**”) and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). The Issuer will lend the proceeds of the Series 2025 Bonds to Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the “**Borrower**”), pursuant to a Loan Agreement, dated as of April 1, 2025 (the “**Loan Agreement**”), by and between the Issuer and the Borrower.

The Series 2025 Bonds will be limited obligations of the Issuer and, as and to the extent set forth in the Indenture, will be payable from and secured by all the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), (b) the Promissory Note (the “**Note**”) of the Borrower, (c) the Collateral Assignment of Project Documents, (d) the Gross Revenues, (e) all the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Series 2025 Bonds and all money held by the Trustee in the funds created under the Indenture (except the Rebate Fund), (f) all the right, title, and interest of the Issuer in and to all money and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of the Indenture, (g) all the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing and (h) all the right, title, and interest of the Issuer in and to the Guaranty Agreement and Indemnity from the Borrower to the Issuer dated as of April 1, 2025 (the “**Guaranty**”) and amounts paid pursuant thereto (the “**Trust Estate**”). The obligations of the Borrower under the Loan Agreement, and the payment of the Series 2025 Bonds also will be secured by the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) and amounts in the Collections Fund and Operating Expense Fund held by the Borrower which funds are subject to a Deposit Account Control Agreement with U.S. Bank National Association.

The proceeds of the Series 2025 Bonds will be used for the purposes of: (i) the acquisition, construction, equipping and installation of an approximately 66,000 square feet modular housing manufacturing facility (the “**Plant**”) to be located within the boundaries of the Issuer on approximately 10.5 acres (the “**Project Site**”) leased by the Issuer to the Borrower pursuant to the Ground Lease (as defined below); (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025 Bonds; and (iv) the payment of the costs of issuance of the Series 2025 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS AND PLAN OF FINANCE.”

The Series 2025 Bonds will bear interest from the date of their initial delivery at the interest rates set forth on the inside cover, payable on each January 1 and July 1, commencing July 1, 2025*. The Series 2025 Bonds will be issued in Authorized Denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000.

The Series 2025 Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Series 2025 Bonds. Individual purchases will be made in book-entry form only. Purchasers of the Series 2025 Bonds will not receive physical certificates representing their beneficial ownership interests in the Series 2025 Bonds purchased. So long as the Series 2025 Bonds are registered in the name of Cede & Co., all payments with respect to principal of and interest on the Series 2025 Bonds will be made by the Trustee to DTC, which is obligated in turn to remit such payments to its Direct Participants for subsequent disbursement to the beneficial owners of the Series 2025 Bonds as described herein. See “APPENDIX L—BOOK-ENTRY ONLY SYSTEM.”

The Series 2025 Bonds are subject to redemption prior to maturity, as described herein. See “THE SERIES 2025 BONDS—Redemption.”

THE SERIES 2025 BONDS ARE TO BE OFFERED AND SOLD (INCLUDING IN CERTAIN SECONDARY MARKET TRANSACTIONS) ONLY TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS (AS SUCH TERMS ARE DEFINED UNDER “TRANSFER RESTRICTIONS”). THE SERIES 2025 BONDS AND BENEFICIAL INTERESTS THEREIN MAY BE TRANSFERRED, UPON SATISFACTION OF CERTAIN CONDITIONS, ONLY TO CERTAIN QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS. INITIAL PURCHASERS OF THE SERIES 2025 BONDS WILL BE REQUIRED TO DELIVER AN INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX M. SEE “THE SERIES 2025 BONDS—LIMITATION ON PURCHASE AND TRANSFER OF THE SERIES 2025 BONDS,” “TRANSFER RESTRICTIONS” AND “APPENDIX M—FORM OF INVESTOR LETTER.”

NONE OF THE ISSUER, THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE PREMIUM, IF ANY, OR THE INTEREST ON THE SERIES 2025 BONDS EXCEPT THE LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM REVENUES AND OTHER FUNDS PROVIDED IN THE INDENTURE AND AVAILABLE UNDER THE TRUST ESTATE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF COLORADO OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025 BONDS.

INVESTMENT IN THE SERIES 2025 BONDS INVOLVES A HIGH DEGREE OF RISK, IS SPECULATIVE IN NATURE AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO ARE ABLE TO EVALUATE AND UNDERSTAND SUCH RISK AND WHO CAN AFFORD TO ASSUME SUCH RISK. NO FINANCIAL STATEMENTS OR OPERATING DATA ARE CURRENTLY AVAILABLE FOR THE PLANT. SEE “RISK FACTORS” HEREIN. ANY PROSPECTIVE INVESTOR CONSIDERING INVESTING IN THE SERIES 2025 BONDS SHOULD CAREFULLY EXAMINE THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS ARE SHOWN ON INSIDE COVER.

The Series 2025 Bonds are offered by the Underwriter when, as and if issued by the Issuer and accepted by the Underwriter, subject to the approval of legality and certain other legal matters by Hogan Lovells US LLP, Bond Counsel, Denver, Colorado, and subject to certain other conditions. Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, Denver, Colorado. Certain legal matters will be passed upon for the Issuer by its counsel, Karp Neu Hanlon, P.C., Glenwood Springs, Colorado. Certain legal matters will be passed upon for the Borrower by its counsel, Fennemore Craig, P.C., Denver, Colorado. It is expected that the Series 2025 Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about [____], 2025.



D | A DAVIDSON
D.A. Davidson & Co. member SIPC

Dated: [____], 2025.

* Preliminary; subject to change.

**CITY OF RIFLE, COLORADO
REVENUE BONDS
(HABITAT ROARING FORK VALLEY, INC. MODULAR HOUSING PRODUCTION
FACILITY, SERVICE AREAS IN ASPEN, GLENWOOD SPRINGS AND RIFLE, COLORADO)**

MATURITY SCHEDULE*

SERIES 2025A*

\$22,585,000* _____% **Term Bond Due July 1, 2047*** **Yield** _____% **CUSIP® NUMBER¹** _____

TAXABLE SERIES 2025B*

\$825,000* _____% **Bond Due July 1, 2028*** **Yield** _____% **CUSIP® NUMBER¹** _____

* Preliminary; subject to change.

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¹ None of the Issuer, the Trustee or the Underwriter takes any responsibility for the accuracy of the CUSIP® numbers, which are included solely for the convenience of the registered owners and the Beneficial Owners of the Series 2025 Bonds.

CITY OF RIFLE, COLORADO

REVENUE BONDS

**(HABITAT ROARING FORK VALLEY, INC. MODULAR HOUSING PRODUCTION
FACILITY, SERVICE AREAS IN ASPEN AND GLENWOOD SPRINGS, COLORADO)**

Habitat for Humanity Roaring Fork Valley, Inc. Board of Directors

Danielle Howard, Chairperson	John Blair, Board Member
Jamie Steiner, Vice Chairperson	Allyson Decatur, Board Member
Scott McHale, Chair – Development	David Behrhorst, Board Member
Alex Revilla, Secretary, Restore Advisory Committee Chair	Anthony Sherman, Board Member
Jorge Rojas-Lopez, Treasurer, Finance Committee Chair	Gyles Thornely, Board Member
Kevin Seward, Chair, Modular Production Committee	

Borrower's Counsel

Fennemore Craig, P.C.
Denver, Colorado

Bond Counsel

Hogan Lovells US LLP
Denver, Colorado

Underwriter

D. A. Davidson & Co.
Denver, Colorado

Underwriter's Counsel

Ballard Spahr LLP
Denver, Colorado

Trustee

U.S. Bank Trust Company, National Association
St. Paul, Minnesota

This Limited Offering Memorandum does not constitute an offer to sell the Series 2025 Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by the Issuer, the Borrower or the Underwriter to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2025 Bonds and, if given or made, such information or representations must not be relied upon.

The information set forth herein under the captions “INTRODUCTION—The Issuer,” “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION—The Issuer” has been obtained from the Issuer. All other information set forth herein has been obtained from the Borrower and other sources that are believed to be current and reliable. The accuracy or completeness of any information other than that contained under the captions “INTRODUCTION—The Issuer,” “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION—The Issuer” is not guaranteed by, and is not to be construed as a representation by, the Issuer.

Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Borrower since the date hereof. References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum, including Appendix A hereto and the Financial Projections contained in “BORROWER’S PROJECTIONS,” constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results,

performance or achievements expressed or implied by such forward-looking statements. Neither the Issuer nor the Borrower plans to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

NOTICE TO INVESTORS

The Series 2025 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers and Accredited Investors (as defined under “TRANSFER RESTRICTIONS” herein). The Indenture under which the Series 2025 Bonds will be issued will contain provisions limiting transfers of the Series 2025 Bonds to Qualified Institutional Buyers and Accredited Investors. In addition, the face of each Series 2025 Bond will contain a legend to the effect that such Series 2025 Bond can only be owned by Qualified Institutional Buyers and Accredited Investors. Each initial purchaser will be required to deliver an Investor Letter substantially in the form of Appendix M hereto.

The Series 2025 Bonds will be issued in minimum denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 and in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

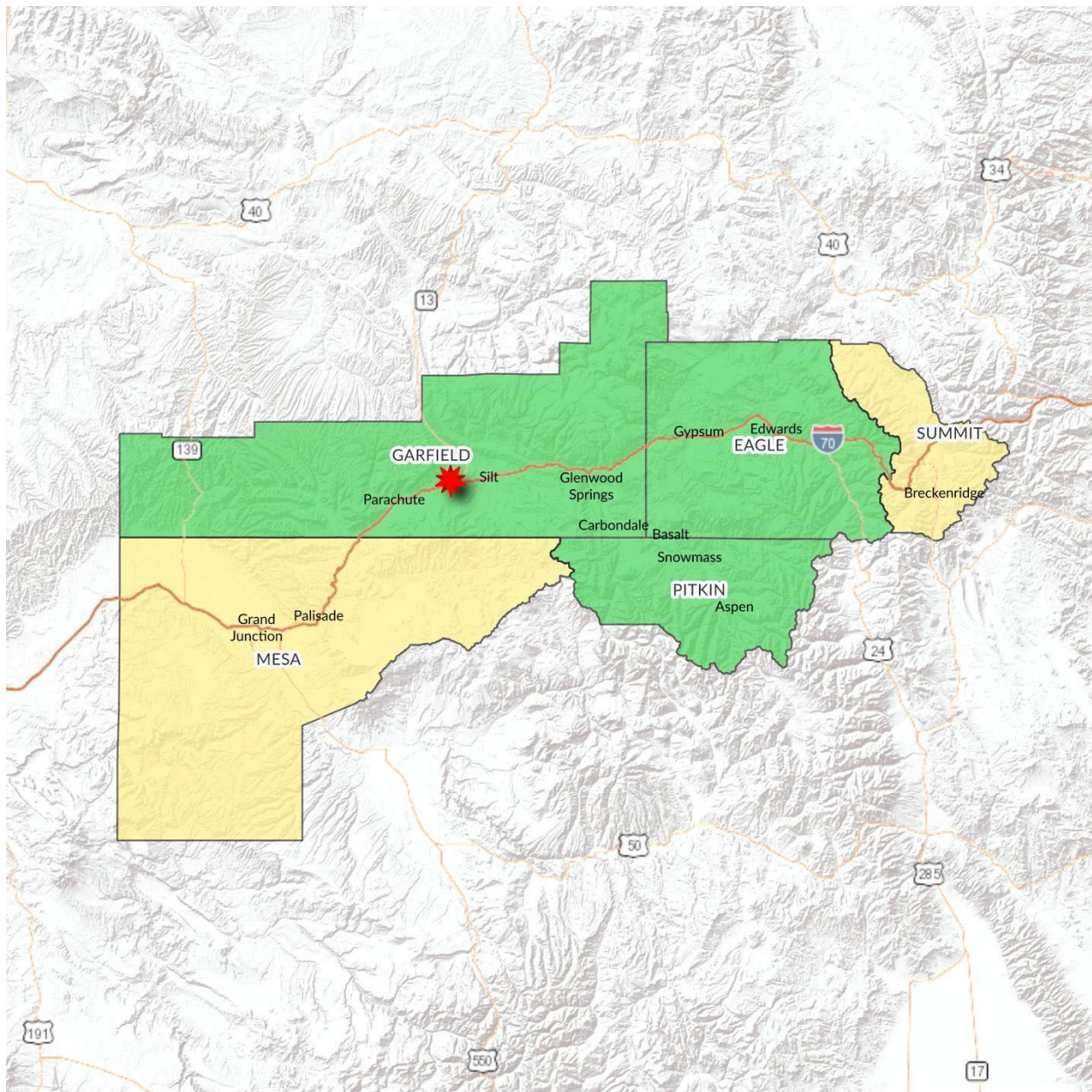
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PLANT IN RIFLE, COLORADO AND PRIMARY AND SECONDARY MARKET COUNTIES



Legend



Proposed Plant



Primary Market Area



Secondary Market Area

Source: Market Study

PROJECT RENDERINGS/PHOTOS

Plant



Modular Units Product Offerings (Typical)



The image above sets forth a representation of three different typical modular housing configurations, consisting of a six home condominium with eight units, a four home condominium with 12 units and a two home townhome with six units. The appearance of the modular units to be produced at the Plant by the Borrower may differ from those shown in the image above.

Representative Renderings and Photos of Modular Units¹



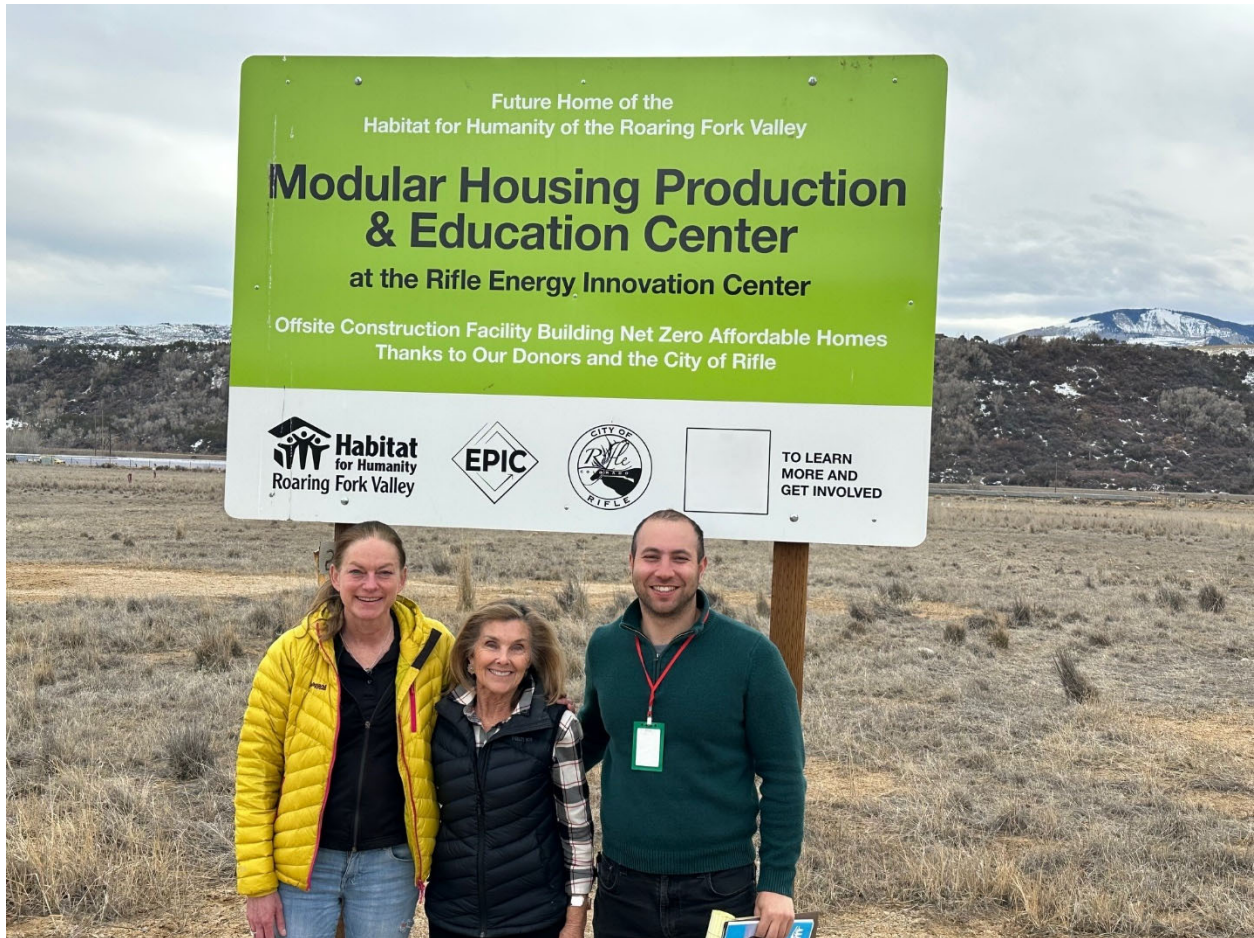
¹ The appearance of the modular units to be produced at the Plant by the Borrower may differ from those shown in the images above.

Habitat for Humanity Town Homes Located at Basalt Vista in Basalt, Colorado¹



¹ The appearance of the units to be produced at the Plant by the Borrower may differ from those shown the images above.

Project Site/Construction Photos¹



¹ Construction photos as of February 18, 2025.







LIMITED OFFERING MEMORANDUM

CITY OF RIFLE, COLORADO REVENUE BONDS (HABITAT ROARING FORK VALLEY, INC. MODULAR HOUSING PRODUCTION FACILITY, SERVICE AREAS IN ASPEN, GLENWOOD SPRINGS AND RIFLE, COLORADO)

\$22,585,000*
SERIES 2025A

\$825,000*
TAXABLE, SERIES 2025B

INTRODUCTION

The purpose of this Limited Offering Memorandum is to provide certain information concerning the issuance and sale by the City of Rifle (the “**Issuer**”) of its \$22,585,000* Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the “**Series 2025A Bonds**”) and its \$825,000* Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “**Series 2025B Bonds**”) and, together with the Series 2025A Bonds, the “**Series 2025 Bonds**”) The Series 2025 Bonds will be issued pursuant to an Indenture of Trust, dated as of April 1, 2025 (the “**Indenture**”), by and between the Issuer and U.S. Bank Trust Company, National Association, solely in its capacity as trustee (the “**Trustee**”). The offering of the Series 2025 Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Series 2025 Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used but not defined in this Limited Offering Memorandum have the meanings described in “APPENDIX F—FORM OF THE INDENTURE” and “APPENDIX G—FORM OF THE LOAN AGREEMENT.”

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Limited Offering Memorandum. No person is authorized to detach this Introduction from this Limited Offering Memorandum or otherwise use it without the entire Limited Offering Memorandum.

The Issuer

The Issuer is located approximately 185 miles west of Denver, 30 miles west of Glenwood Springs, Colorado and 61 miles east of Grand Junction, Colorado, on Interstate Highway 70. The Issuer currently has an estimated population of 10,563 persons in 2023 and covers approximately 7 square miles. The Issuer was originally incorporated in 1905 and became a home rule city in 1963 upon adoption of its Charter which provides for a council-manager form of government. See “THE ISSUER.”

The Issuer is authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “**Act**”) and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the “**Supplemental Act**”), to issue Series 2025 Bonds. See “THE ISSUER” herein.

* Preliminary; subject to change.

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to the Loan Agreement. The Borrower is obligated under the Loan Agreement to make payments from Pledged Revenues to the Issuer that are sufficient to, and will be used to, pay debt service on the Series 2025 Bonds (the “**Loan Payments**”). See “SECURITY FOR THE SERIES 2025 BONDS.”

The Borrower

Habitat for Humanity of the Roaring Fork Valley, Inc. (the “**Borrower**” or “**Habitat RFV**”), is a Colorado nonprofit organization formed in 1999 with its headquarters located in Glenwood Springs, Colorado. Habitat RFV is an affiliate of Habitat for Humanity International, Inc. (“**Habitat for Humanity**”), and is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity under Section 501(c)(3) of the Internal Revenue Code (the “**Code**”). See “THE BORROWER” and “APPENDIX A—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.”

The Borrower is not a special purpose entity and has other business lines other than the Plant. The Borrower is not obligated to make payments under the Loan Agreement from any source other than Pledged Revenues. See “SECURITY FOR THE SERIES 2025 BONDS—General” and “RISK FACTORS—Limitation on Revenues.”

Purpose of the Series 2025 Bonds

The proceeds of the Series 2025 Bonds will be used for the purposes of: (i) the acquisition, construction, equipping and installation of an approximately 66,000 square foot modular housing manufacturing facility (the “**Plant**”) to be located within the boundaries of the Issuer on approximately 10.5 acres (the “**Project Site**”) leased by the Issuer to the Borrower pursuant to the Ground Lease (as defined below); (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025 Bonds; and (iv) the payment of the costs of issuance of the Series 2025 Bonds. See “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT” and “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS.”

Registration and Denominations

The Series 2025 Bonds will be issued in minimum denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 (“**Authorized Denominations**”) and in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

The Series 2025 Bonds are to be offered and sold (including in secondary market transactions) only to Qualified Institutional Buyers and Accredited Investors (as defined under “TRANSFER RESTRICTIONS” herein), and each initial purchaser will be required to deliver an Investor Letter substantially in the form of Appendix M hereto.

The Series 2025 Bonds

The Series 2025 Bonds will bear interest from the date of their initial delivery at the interest rates as set forth on the inside cover hereof, and interest will be payable on each January 1 and July 1, commencing July 1, 2025*. Principal on the Series 2025A Bonds will be paid pursuant to a special mandatory redemption to the extent of available funds in the Surplus Fund, as described in “THE SERIES 2025 BONDS—Redemption—*Special Mandatory Redemption of Series 2025A Bonds*,” upon satisfaction

* Preliminary; subject to change.

of the requirements set forth in the Indenture, as described in “SECURITY FOR THE SERIES 2025 BONDS—Flow of Funds Under the Indenture; Funds and Accounts—*Surplus Fund*.” Principal of the Series 2025B Bonds will be payable on July 1, 2028*, as indicated on the inside front cover.

Prior Redemption

The Series 2025A Bonds are subject to optional redemption prior to maturity and to special extraordinary and special mandatory redemption prior to maturity, as described herein. The Series 2025B Bonds are subject to special extraordinary redemption but are not subject to optional or mandatory redemption prior to maturity. See “THE SERIES 2025 BONDS—Redemption.”

Security for the Series 2025 Bonds

The Series 2025 Bonds will be issued under the Indenture, payable from the Loan Payments and secured by and entitled to the benefits of the Loan Agreement, the Indenture and the Mortgage (defined below).

NONE OF THE ISSUER, THE STATE OF COLORADO OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE PREMIUM, IF ANY, OR THE INTEREST ON THE SERIES 2025 BONDS EXCEPT THE LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM REVENUES AND OTHER FUNDS PROVIDED IN THE INDENTURE, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF COLORADO OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025 BONDS.

The obligation of the Borrower under the Loan Agreement is not a general obligation of the Borrower. The pledge of the Borrower to the repayment of the Series 2025 Bonds under the Loan Agreement is limited to the Pledged Revenues (defined below) and does not include any revenue or income of the Borrower which is derived from its other operations outside of the Plant or its other assets.

The Borrower’s obligations to make Loan Payments and any other payments under the Loan Agreement are secured by (i) a pledge of and lien on the Pledged Revenues under the Loan Agreement, (ii) the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) dated as of April 1, 2025 (the “**Mortgage**”) made by the Borrower to the Public Trustee of Garfield County, Colorado for the benefit of the Trustee (iii) the Collateral Assignment of Project Documents dated on or about the date of issuance of the Series 2025 Bonds (the “**Collateral Assignment of Project Documents**”) made by the Borrower for the benefit of the Trustee pursuant to which the Borrower, among other things, collaterally assigns its right, title and interest in the GMP Contract, the Architect Agreement, the Construction Monitor Contract, the TPI Contract, the Development Services Agreement, the Prosono Contract and the Solar Contract (each as defined herein), plans and specifications, permits and certain other agreements entered into or to be entered into by the Borrower in connection with the Project, and (iv) a Guaranty Agreement and Indemnity dated as of April 1, 2025 made by the Borrower to the Issuer and assigned to the Trustee (the “**Guaranty**”), pursuant to which the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage. The Guaranty is a general unsecured obligation of the Borrower.

* Preliminary; subject to change.

See “APPENDIX F—FORM OF THE INDENTURE,” “APPENDIX G—FORM OF THE LOAN AGREEMENT,” “APPENDIX H—FORM OF THE MORTGAGE,” “APPENDIX I—FORM OF THE GUARANTY,” and “SECURITY FOR THE SERIES 2025 BONDS” herein.

Ground Lease

The Project Site is owned by the Issuer and leased to the Borrower pursuant to the terms of a City of Rifle/Habitat for Humanity Modular Housing Production Facility Site Ground Lease dated July 10, 2023, by and between the Issuer and Borrower, which will be amended, restated and superseded in its entirety in connection with the issuance of the Series 2025 Bonds by an Amended and Restated City of Rifle/Habitat for Humanity Modular Housing Production Facility Site Ground Lease, effective as of January 15, 2025 (the “**Ground Lease**”), by and between the Issuer and the Borrower, the form of which is attached hereto as Appendix E, and as further described under “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project Site.”

Market Study

Gruen Gruen + Associates, LLC, Denver, Colorado (the “**Market Study Provider**”), has prepared an independent Market Analysis for the Proposed Habitat Modular Housing Plant in Rifle, Colorado dated August 2024 (the “**Market Study**”), which is attached to this Limited Offering Memorandum as “APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO” and should be read in its entirety by prospective purchasers of the Series 2025 Bonds. The Market Study evaluated the current market conditions and prospective market demand for deed restricted affordable housing reserved for income-eligible workforce households within the market area. The purpose of the Market Study was to identify the primary and secondary geographic market areas likely to be served by the Plant (see “PLANT VICINITY AND MARKET AREAS”), estimate the potential demand for modular workforce housing units in these market areas at the proposed initial pricing levels and unit configurations and amenities, identify potential sources of other modular supply competition, and estimate the volume of demand potentially served by the Plant.

See “FORWARD-LOOKING STATEMENTS” at the front of this Limited Offering Memorandum, “RISK FACTORS—Market Analysis,” and “APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO” hereto.

Borrower’s Projections

The Borrower has estimated revenues and expenses for the Plant and debt service for the Series 2025 Bonds from 2025 through 2035 in the pro-forma projection (the “**Financial Projections**”) contained under “BORROWER’S PROJECTIONS.” The Financial Projections have been prepared by management of the Borrower and the Borrower’s Engineering Representative, Prosono, and have not been examined by independent accountants. The Borrower believes the Financial Projections to be accurate and the related assumptions to be reasonable; however, there can be no guarantee the Financial Projections will accurately reflect actual revenues, expenses or debt service and any variation could be material. See “FORWARD-LOOKING STATEMENTS” at the front of this Limited Offering Memorandum and “RISK FACTORS—Borrower’s Financial Projections.”

Continuing Disclosure

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (the “**Rule**”), the Borrower will enter into the Continuing Disclosure Agreement with the Trustee, as dissemination agent, to be dated as of the date of issuance of the Series

2025 Bonds. In the Continuing Disclosure Agreement, the Borrower will covenant for the benefit of the Bondholders and beneficial owners of the Series 2025 Bonds, while any of the Series 2025 Bonds are outstanding, to provide certain financial information and operating data relating to the Borrower on a quarterly and annual basis, (ii) notice of the occurrence of certain Events of Default, (iii) monthly construction reports, (iv) notice of the occurrence of certain enumerated events. Additionally, the Borrower has agreed to hold quarterly investor calls for a certain period of time as set forth in the Continuing Disclosure Agreement. See “CONTINUING DISCLOSURE” and “APPENDIX K—FORM OF THE CONTINUING DISCLOSURE AGREEMENT.”

Offering and Delivery of the Series 2025 Bonds

The Series 2025 Bonds will be initially dated and bear interest from their date of delivery. It is expected that the Series 2025 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about April __, 2025.

Tax Status

In the opinion of Bond Counsel to the Issuer, to be delivered upon the issuance of the Series 2025A Bonds, under existing law and assuming compliance by the Issuer and the Borrower with requirements of the Code that must be met subsequent to the issuance of the Series 2025A Bonds, with which the Issuer and the Borrower have certified, represented and covenanted their compliance, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. **Interest on the Series 2025B Bonds is not excluded from gross income for federal income tax purposes.** Also, in the opinion of Bond Counsel to the Issuer, to be delivered upon the issuance of the Series 2025 Bonds, under existing law, interest on the Series 2025 Bonds is not subject to income taxation by the State of Colorado. See “TAX MATTERS” for a more detailed description.

Certain Information Related to this Limited Offering Memorandum

The descriptions herein of the Ground Lease, the Indenture, the Loan Agreement, the Mortgage, the Guaranty, the Collateral Assignment of Project Documents, and other agreements relating to the Series 2025 Bonds are qualified in their entirety by reference to such documents, and the description herein of the Series 2025 Bonds is qualified in its entirety by the form thereof and the information with respect thereto included in such documents. See “APPENDIX E—FORM OF THE GROUND LEASE,” “APPENDIX F—FORM OF THE INDENTURE,” “APPENDIX G—FORM OF THE LOAN AGREEMENT,” “APPENDIX H—FORM OF THE MORTGAGE” and “APPENDIX I—FORM OF THE GUARANTY” for, among other things, the rights and duties of the Issuer and the Borrower and the rights and remedies of the Trustee and the Bondholders upon a default under the Indenture or the Loan Agreement, provisions relating to amendment of the Indenture or the Loan Agreement and procedures for defeasance of Series 2025 Bonds.

Agents and Advisors

D.A. Davidson & Co., Denver, Colorado, will serve as the Underwriter for the Series 2025 Bonds (the “**Underwriter**”). Ballard Spahr LLP, Denver, Colorado, has served as counsel to the Underwriter. Hogan Lovells US LLP, Denver, Colorado, has acted as Bond Counsel. Certain legal matters will be passed on for the Issuer by its counsel, Karp Neu Hanlon, P.C., Glenwood Springs, Colorado, and for the Borrower by its counsel, Fennemore Craig, P.C., Denver, Colorado. U.S. Bank Trust Company, National Association, St. Paul, Minnesota, will serve as the Trustee for the Series 2025 Bonds. Certain fees that are payable with respect to the Series 2025 Bonds to various counsel, the Underwriter and the Trustee are contingent upon the issuance and delivery of the Series 2025 Bonds.

Additional Information

The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither delivery of this Limited Offering Memorandum nor any sale made hereunder nor any future use of this Limited Offering Memorandum will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Borrower since the date of this Limited Offering Memorandum. Additional information regarding this financing prior to the issuance of the Series 2025 Bonds may be obtained from D.A. Davidson & Co., 1550 Market Street, Suite 300, Denver, Colorado 80202, (303) 764-6000.

THE ISSUER

The Issuer is located approximately 185 miles west of Denver, 30 miles west of Glenwood Springs, Colorado and 61 miles east of Grand Junction, Colorado, on Interstate Highway 70. The Issuer currently has an estimated population of 10,563 persons in 2023 and covers approximately 7 square miles. The Issuer was originally incorporated in 1905 and became a home rule city in 1963 upon adoption of its Charter which provides for a council-manager form of government.

The Issuer is authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “**Act**”) and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the “**Supplemental Act**”), to issue the Series 2025 Bonds.

The Issuer will lend the proceeds of the Series 2025 Bonds to the Borrower pursuant to the Loan Agreement. The Borrower is obligated under the Loan Agreement to make payments to the Issuer that are sufficient to, and will be used to, pay debt service on the Series 2025 Bonds.

The Issuer is a home-rule city with a Council/Manager form of government. The Issuer’s Council (the “**City Council**”) is made of up seven members that are elected by a non-partisan election (held in November of odd-numbered years) to four year, overlapping terms. After each election, the City Council elects a mayor from among its members to a two year term of office. The City Council serves as the legislative and governing body that sets policy, enacts laws, adopts a budget, and hires a City Manager, City Attorney, City Clerk, Chief of Police, and Municipal Judge. By adopting the Issuer’s annual budget, the City Council sets funding levels for all Issuer services and programs.

The Series 2025 Bonds are special, limited obligations of the Issuer payable solely from the funds pledged therefor under the Indenture. The Issuer has not furnished, reviewed, investigated or verified the information contained in this Limited Offering Memorandum other than the information contained in this section and the sections entitled “INTRODUCTION—The Issuer,” “ABSENCE OF MATERIAL LITIGATION—The Issuer.” The Issuer does not and will not in the future monitor the financial condition of the Borrower or otherwise monitor payment of the Series 2025 Bonds or compliance with the documents relating thereto. Any commitment or obligation for continuing disclosure with respect to the Series 2025 Bonds or the Borrower has been undertaken solely by the Borrower. See “CONTINUING DISCLOSURE” herein.

THE BORROWER

Habitat for Humanity of the Roaring Fork Valley, Inc. (the “**Borrower**” or “**Habitat RFV**”), is a Colorado nonprofit organization formed in 1999 with its headquarters located in Glenwood Springs, Colorado. The Borrower provides affordable home ownership for working families and individuals residing throughout the Roaring Fork Valley of Colorado. Habitat RFV is an affiliate of Habitat for Humanity

International, Inc. (“**Habitat for Humanity**”), a global nonprofit housing organization working in local communities in all 50 states of the United States (including 1500 local affiliates such as Borrower), and in approximately 70 countries. The Borrower is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity under Section 501(c)(3) of the Code.

All corporate powers of the Borrower are exercised by and under the authority of and the affairs of the Borrower managed under the direction of the Borrower’s Board of Directors (the “**Board**”). The Board is composed of 12 directors elected for concurrent 1 year terms. Board directors serve until they choose to leave the Board, but no director can serve more than 8 consecutive 1 year terms. The Board meets at least six times each year. According to the Borrower’s by-laws there are nine operating committees of the Board: Development Committee, Public Relations Committee, Family Selection Committee, Family Nurturing Committee, Site Selection Committee, Building Committee, ReStore Advisory Committee, Government Liaison and Private Sector Committee and the Strategic Planning Committee. According to the by-laws, the Board may establish other operating committees as it deems appropriate in the pursuit of its mission. See “APPENDIX A—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.—GOVERNANCE AND MANAGEMENT.”

Important information about the Borrower, its financial condition and its revenue sources is set out in “APPENDIX A—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.” attached hereto, which should be read in its entirety. In addition, a copy of the Borrower’s audited financial statements for the fiscal years ended June 30, 2024 and 2023 are attached as “APPENDIX B—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024” and “APPENDIX C—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023” respectively, and should be read in their entirety. The Borrower has not created a special purpose entity for the construction and operation of the Plant and, therefore, its current and future financial statements include revenues and expenditures from its entire operations and are not limited to the operation of the Plant. *Notwithstanding the foregoing, the Borrower has pledged only its revenues generated from or related to the ownership and operation of the Plant to the repayment of the Series 2025 Bonds and such revenues do not include any other revenue or income of the Borrower that is derived from its other operations outside of the Plant or its other assets. The Borrower is not obligated under the Loan Agreement to make loan payments from any of its revenues other than the Pledged Revenues, however, pursuant to the Guaranty, the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage. See “RISK FACTORS—Limitation on Revenues” and “SECURITY FOR THE SERIES 2025 BONDS.”*

PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT

The Project Site

Ground Lease. The Project Site is owned by the Issuer and leased to the Borrower pursuant to the City of Rifle/Habitat for Humanity Modular Housing Production Facility Site Ground Lease dated July 10, 2023, by and between the Issuer and Borrower, which will be amended, restated, and superseded in its entirety in connection with the issuance of the Series 2025 Bonds by an Amended and Restated City of Rifle/Habitat for Humanity Modular Housing Production Facility Site Ground Lease, effective as of January 15, 2025 (the “**Ground Lease**”), by and between the Issuer and the Borrower, the form of which is attached hereto as Appendix E. The Ground Lease provides for a 25 year term commencing on the date of issuance of the Series 2025 Bonds (the “**Base Term**”) with options to extend an additional 25 years and 10 years in successive terms following the expiration of the initial 25 year term. Rents due under the Ground

Lease for the Base Term and all extension option terms are equal to \$10.00 per year, plus the Borrower's share of common area expenses, if any, for the property owned by the Issuer adjacent to the Project Site, comprising a portion of the Rifle Energy Innovation Center. Under the Ground Lease, the Borrower is permitted to construct the Plant to produce modular housing units for installation in its workforce housing projects in Western areas of the State of Colorado and for sale to the Borrower and third parties solely for installation in deed restricted workforce housing developments in Western Colorado (the "**Permitted Business**"). The Borrower is not subject to property taxes for lease of the Project Site or on its Plant by virtue of its 501(c)(3) status and the Issuer's ownership of the Project Site.

In the event the Borrower determines, in its sole discretion, that continued operation of the Plant is not economically viable, the Borrower is entitled to change the purpose, use and operation of the structure and grounds provided that the new use complies with the Issuer's ordinances and regulations applicable to the Project Site or as otherwise approved by the Issuer. The Borrower shall provide written notice to the Issuer of its intent to repurpose the Plant at least ninety (90) days prior to the commencement of any such new use or uses. The Borrower may utilize the repurposed Plant for a Habitat ReStore, storage or other uses specifically for the Borrower and not for a third party.

See "RISK FACTORS—Risks Related to the Ground Lease."

The Mortgage will be recorded against the Project Site and the Ground Lease provides that the Trustee, as beneficiary of the Mortgage may cure an event of default under the Ground Lease and, subject to the provisions contained therein, assume the role of the Borrower under the Ground Lease. Additionally, with the consent of the Issuer, the Ground Lease may be assigned to and assumed by a lessee other than the Borrower. Under certain circumstances, upon a sale, assignment or transfer of the Borrower's interest in the Ground Lease, if the Plant is used for any purposes other than a Permitted Business, the base rent will be adjusted to fair market rent. See "RISK FACTORS—Limitations Upon Property Subject to the Mortgage."

Environmental Status, Permits and Approvals. The Project Site is located on a former uranium and vanadium processing site and the ore processing operations created radioactive tailings and thus is subject to the Uranium Mill Tailings Radiation Control Act ("**UMTRCA**"). Prior to the Issuer's ownership of the Project Site, the Colorado Department of Public Health and Environment (the "**CDPHE**") owned the property which fell under the jurisdiction of the United States Department of Energy (the "**DOE**") for remediation under UMTRCA. The Project Site is known under the UMTRCA program as the "New Rifle Site," and is also known as the "West Rifle Site." Surface remediation at the New Rifle Site was completed by the DOE in 1996, but six contaminants of concern (arsenic, molybdenum, nitrate, selenium, uranium, and vanadium) remain present. The Ground Lease is subordinate to the restrictions set forth in the deed conveying the Project Site to the Issuer (the "**Vesting Deed**") and the Borrower is required to comply with the conditions of approval of DOE for the Project Site. See "RISK FACTORS—Environmental Risks; Permits and Approvals."

The CDPHE has issued a letter to the Borrower indicating that the proposed plans for the Project are in compliance with the restrictions contained in the Vesting Deed and on January 31, 2025, the DOE issued to the Borrower a soils disturbance permit to build on the Project Site. CDPHE previously approved the Borrower's request to take soil samples on the Project Site (the submittal for the soils samples is very similar to the submittal for the larger disturbance).

A Final Environmental Assessment of Ground Water Compliance at the New Rifle, Colorado UMTRCA Project Site dated July 2003, explained that the proposed groundwater compliance strategy is natural flushing in conjunction with institutional controls and monitoring. The Nuclear Regulatory Commission (the "**NRC**") has never approved a proposed groundwater compliance strategy, and the

compliance strategy has been revised because concentrations of contaminants of concern in the groundwater are not decreasing as predicted. Accordingly, a new proposed Groundwater Compliance Action Plan was submitted to the NRC in 2016. The DOE is in the process of collecting additional data that NRC has requested before approving the groundwater compliance strategy.

The Project Site is located within the three primary market counties and two secondary market counties identified in the Market Analysis. All are easily accessible from the Plant via Interstate Highway 70 with access within 2 miles of the Plant. According to the Borrower, the Borrower will comply with any access road improvements, if any, required by the Colorado Department of Transportation (“CDOT”). See “PLANT VICINITY AND MARKET AREAS” and “RISK FACTORS.”

The Project

The proceeds of the Series 2025 Bonds will be used to finance a project consisting of: (i) the acquisition, construction, equipping and installation of an approximately 66,000 square foot modular housing manufacturing facility (the “**Plant**”) to be located within the boundaries of the Issuer on approximately 10.5 acres (the “**Project Site**”) leased by the Issuer to the Borrower pursuant to the Ground Lease; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025 Bonds; and (iv) the payment of the costs of issuance of the Series 2025 Bonds.

The Plant will be designed and operated to produce modular housing units for Habitat-sponsored projects and modules for sale to third parties exclusively for installation in other “deed restricted” workforce housing developments in Western Colorado. See Appendix A hereto for a description of such anticipated deed restrictions. According to the Borrower, the Plant is designed to manufacture approximately 200 units of modular housing per year when operating at full capacity. The range of unit sizes is currently anticipated to be 720 to 864 square feet; provided, however, the Plant at completion will have the initial capability to increase the maximum size of a modular unit to be approximately 1,024 square feet. Depending on the configuration, this would be equivalent to approximately 130 single-family houses or townhomes. The units can also be combined in a number of different configurations to create not only single-family homes, but also duplexes, triplexes, townhomes, multi-family buildings and accessory dwelling units.

The Modular Units. The Plant is designed to produce innovative, sustainable, and highly adaptable housing solutions. According to the Borrower, the Plant is expected to produce approximately 200 modular units per year using a single production shift. The Borrower expects to ramp up production capacity over the first 14 months of operation. Assuming the Plant has all the tools, workforce, materials, vendor cooperation, and projected product demand, the Financial Projections assume the 200 unit per year production goal can be achieved beginning by approximately August 2027. There can be no assurances that the Plant will meet the production goal or meet such goal within the timeframe anticipated.

The Plant will manufacture an entire home rather than individual modular panelized systems. Included in the manufactured units are all appliances, mill work, painting, heat pump, metal roof, cementitious siding, solar panels and plumbing. The units will be ready to be set on to the foundation of a building site with minimal on-site construction needed to complete each home.

The Plant is expected to produce “net zero”-ready modular housing. “Net zero” means the homes are fully electric and use heat pumps for heating and cooling and solar panels for power, and the Borrower is not aware of any other non-profit producer of such modular housing in Western Colorado. The modular homes do not use any natural gas, and as a result, according to the Borrower, energy bills are typically under \$20 per month per household.

According to the Borrower, it will build to the 2021 International Building Code standard, which is intentionally being done to accommodate the Borrower's "net zero" energy efficiency goals, and its modular homes will be built to meet or exceed the highest applicable building codes across all jurisdictions in its service area to ensure compliance with local, state, and national standards. The Plant must be registered by the Colorado Division of Housing (the "**Housing Division**"). The registration process is anticipated to take approximately 60 days and will be completed prior to the Plant's commencement of operations. The Plant's quality control program must be approved by the Housing Division, modular units produced at the Plant must be approved by a third-party quality control consultant, the Plant's quality control consultant must be approved by the Housing Division, and such quality control consultant will affix an inspection decal of approval after inspection and approval of each modular unit. As of the date of this Limited Offering Memorandum, the Housing Division has adopted the following codes for modular buildings: 2021 International Residential Code (IRC), International Building Code (IBC), International Mechanical Code (IMC), International Plumbing Code (IPC), 2021 International Energy Conservation Code (IECC), IECC 2021 Energy Efficiency Code, 2020 National Electric Code, and the Colorado Model Electric Ready and Solar Ready Code.

According to the Borrower, modular units will be primarily constructed with dimensional and engineered wood framing up to four stories in height, with five stories on a non-combustible podium being the maximum height for wood framing.

Key features and configurations that are currently planned by the Borrower for the modular units include the following:

Sustainability and Energy Efficiency

The following systems are anticipated to reduce the homeowners' utility costs, thus enhancing affordability.

- *Net-Zero Ready Homes.* Modular units are expected to be built to the highest energy efficiency standards, aiming for net-zero energy performance. This includes superior insulation, air sealing, and advanced building materials.
- *Solar-Ready Designs.* Each modular unit can be equipped with solar panels, ensuring compatibility with renewable energy sources. Some models may come pre-installed with solar systems to further reduce energy costs and environmental impact.
- *All-Electric Systems.* Modular units rely exclusively on energy-efficient, all-electric appliances to eliminate the need for fossil fuels. This includes Energy Star-rated HVAC systems, induction cooktops, heat pump water heaters, and energy recovery ventilation systems.

Water and Moisture Infiltration Mitigation

All modular units are expected to adhere strictly to the same rigorous building codes and regulations as traditional site-built structures. Each manufactured module is equipped with a loose-laid durable synthetic rubber ("EPDM") roofing membrane, designed to overlap all four sides of the modular unit and provide a minimum of 12 inches of flashing down the walls of the modular unit. Post-manufacturing, the modular units will be shrink-wrapped to offer enhanced protection against moisture infiltration and adverse weather conditions during transportation to the building site.

Upon arrival at the building site and before crane installation, both the shrink wrap and EPDM roofing membrane are removed as soon as the weather permits. The EPDM roofing membrane will then be sustainably recycled back to the Plant for repeated use, which is anticipated to significantly reduce environmental impact. As modular units are crane-set on-site, all mating lines between the modular units are thoroughly sealed with insulation to prevent air infiltration and moisture intrusion. Structural sheathing and appropriate structural hardware are installed at all mating line gaps, followed by the application of an approved exterior weather barrier. Finally, exterior façade materials are applied for the purpose of providing complete weather tightness.

Internally, all modular units utilize a specialized vapor barrier paint that serves three essential functions: primer, vapor barrier, and finish coat. According to the Borrower, this innovative approach is approximately 40% more effective at preventing moisture infiltration compared to traditional plastic sheet vapor barriers, with such increased effectiveness due primarily to the absence of drywall screw penetrations through the vapor barrier, which typically compromise the integrity of conventional plastic vapor barriers.

High Wind Loadings and Structural Integrity

According to the Borrower, modular buildings are structurally engineered to withstand extreme weather conditions, such as hurricane-force winds exceeding 160 mph. Further, according to the Borrower, structural performance of modular units, especially in coastal and high wind mountainous regions prone to severe weather events, is enhanced by additional considerations necessary for safe transportation and crane placement and, as a result, modular structures often surpass traditional site-built buildings in durability and resilience. This structural advantage makes modular buildings particularly suitable for areas with stringent wind loading requirements and harsh climatic conditions.

Unit Configurations

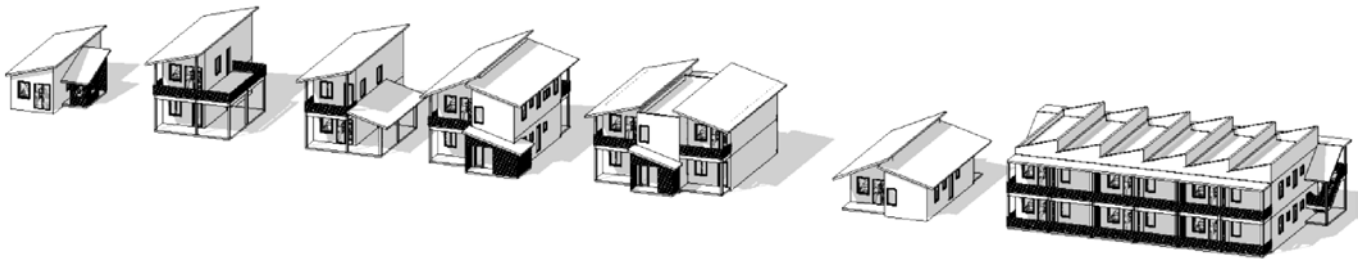
The modular units can be configured into a variety of home products as described below.

- *Single-Family Homes*. Flexible layouts ranging from compact one-bedroom designs to more spacious four-bedroom homes.
- *Duplexes*. Semi-detached units offering affordability and shared energy systems while maintaining privacy for occupants.
- *Townhomes*. Multi-unit buildings designed for density and efficiency.
- *Accessory Dwelling Units (ADUs)*. Small, standalone units for backyard or secondary housing needs.
- *Multifamily Configurations*. Apartments and condominiums for larger residential projects, offering scalability while maintaining sustainability goals.

Customizable Designs

Modular units are designed for versatility, catering to various needs. They are engineered for quick assembly, ensuring rapid deployment for developments.

Below is an example of how the units can be configured to meet demand. The appearance of the modular units to be produced at the Plant by the Borrower may differ from those shown in the image below.



Unit Configurations

- Unit: 1 bedroom / 1 bath single family home
- Stacked units: 3 bedroom / 2 bath single family home
- Units on one level: 3 bedroom / 2 bath single family home or 3 bedroom / 2 bath apartment “flat” for multifamily use
- Units on two levels: Duplex or Triplex
- 12 units on two levels (“flat” style): Six-plex with exterior walkway and exterior stairs

Sales Discussions and Initial Sales Price

The Borrower is currently in discussions with a number of governmental entities, special districts and private developers that are interested in purchasing modular units manufactured at the Plant from the Borrower. In particular, the Borrower has had discussions with a fire department, school district, and two cities for the purchase of a total of approximately 268 modular units during production years 2026-2027. It has had similar discussions with two non-profit developers, a school district, a major employer, two private developers and a hospital for the purchase of a total of approximately 2,848 modular units during production years 2028-2030. The Borrower expects these discussions to result in modular unit purchases for employee workforce housing projects needed by these local entities and governments, provided, however, that no assurance is provided herein that the Borrower will ultimately enter into purchase contracts with such local entities or private developers. Further, the Borrower expects to purchase units for its own workforce housing sites in the towns of Rifle and New Castle, Colorado that are currently owned by the Borrower to vertically integrate its modular units into its own development projects.

If the Plant operated with one shift through 2030, under the assumptions set forth above, the Plant’s production would satisfy approximately 24% of the proposed affordable or workforce housing project demand for the projects the Borrower has identified. In addition, the Market Study has projected that a considerably higher number of units is needed in the three county primary market area. This proposed housing will be deed-restricted for-sale housing though some portion may be deed-restricted rental housing.

To the Borrower’s knowledge, it is likely that the purchasers of some of the Plant’s modular units could utilize low-income housing tax credits to subsidize affordable housing. As described by the Market Study, the Plant is anticipated to produce only approximately 6% of the annual number of needed workforce housing in the three primary market counties. The Borrower does not currently have any agreements in place with such entities for the purchase of modular units to be produced at the Plant and no assurance is provided herein that the Borrower will enter into definitive agreements with any of such potential

purchasers or that such agreements will be for the number of modular units anticipated to be produced in the Borrower's Financial Projections herein. The Borrower anticipates hiring a full-time sales person in conjunction with the opening of the Plant to sell units and execute agreements with purchasers.

The initial sales price for a modular unit will be set at \$160 per square foot and is expected to gradually increase with inflation over the next five years to approximately \$180 per square foot. All sites are different, but the Borrower anticipates that the cost to complete the installation of each modular unit in the market area will be approximately \$160 per square foot for vertical improvements but, exclusive of land acquisition and development costs, and other permitting, fees, and infrastructure expenses. Historically, some of the Borrower's projects have been built on land donated by public or private entities. This approach, if used in connection with the modular units, may help reduce or offset future expenses of purchasers of modular units.

Professionals Involved in the Design and Construction of the Plant. The Borrower has contracted with the following construction, engineering and design firms to design and build the Plant.

- 3in1 Solutions, LLC, Wasilla, Alaska ("**3in1 Solutions**"), a nationally recognized expert on modular housing operations and facilities, is responsible for designing and specifying the modular production process, all tool and equipment needs, all plant staffing requirements, and the manufacturing capacity of the Plant pursuant to a Factory Development Services Agreement dated March 14, 2024 (the "**Development Services Agreement**") between the Borrower and 3in1 Solutions.

- EV Studio, LLC, Denver, Colorado (the "**Architect**" or the "**Construction Monitor**"), is serving as the architect and engineer of record for the Plant. The Architect will also provide construction monitoring services on behalf of the Borrower, including verifying all construction requisitions from the Trustee, pursuant to a Construction Monitor Contract (the "**Construction Monitor Agreement**") to be entered into between the Architect and the Borrower prior to the issuance of the Series 2025 Bonds.

- Prosono, Denver, Colorado ("**Prosono**"), is serving as the Borrower's Engineering Representative and has assisted in the development of the financial forecast developed for the Plant. Prosono has assisted the management of the Borrower with the preparation of the Financial Projections. See "BORROWER'S PROJECTIONS." As the Borrower's engineering advisor, Prosono intends to exercise its capabilities in off-site production engineering to ensure that the Plant is economically optimized and meets the Borrower's goals, assist with the coordination and communication with contractors and partners in the Project's planning phase to align expectations and mitigate potential risks leading up to initiating operations and production at the Plant, and assist in the identification and evaluation of opportunities for training the Borrower's workforce in skills relevant to the production and sales of modular houses (such as design, permitting, inspection, etc.).

- Decatur Wilkie Inc., Basalt, Colorado, is serving as the general contractor (the "**Contractor**") for the construction of the Plant. The Borrower and the Contractor have entered into an AIA Document A102-2017 Standard Form of Agreement Between Owner and Contractor, dated as of January 8, 2025, and a GMP amendment thereto executed on February 20, 2025 (collectively and as may be further amended as described below, the "**GMP Contract**"), pursuant to which the parties agreed to a guaranteed maximum price of \$11,317,199 (the "**Guaranteed Maximum Price**") and a deadline to achieve substantial completion of the Plant ("**Substantial Completion**") by March 26, 2026, provided, however, the parties thereto expect to enter into an amendment thereof on or before the date of issuance of the Series 2025 Bonds that will modify the Guaranteed Maximum Price to \$11,852,832 and the date of Substantial Completion to April 30, 2026. The GMP Contract also provides that the Contractor is to receive a fee of 8%, and for a retainage of 5%. The Guaranteed Maximum Price includes a builder's construction contingency of 7%. In the event that the Contractor fails to achieve Substantial Completion of the Plant by the contracted date, the

GMP Contract does not provide for liquidated damages. The GMP Contract requires the Borrower to deposit \$50,000 with the Contractor to be used by the Contractor as interim working capital, which amount will be credit to the Borrower on the final application for payment and is anticipated to be paid initially from proceeds of the Series 2025 Bonds. The Borrower agrees to replenish such amount each month. After the City issued a building permit for the construction of the Plant, the Borrower issued Contractor a Limited Notice to Proceed dated January 28, 2025, allowing for the Contractor to proceed with obtaining all necessary surveys and enter into a subcontract with the proposed Project Site excavator. The Borrower issued a Second Limited Notice to Proceed February 10, 2025, allowing the excavator to commence excavating the Project Site, with such excavation subject to an expense cap of \$500,000.

According to the Borrower, approximately 95% of the Contractor's financial obligations for construction of the Plant are with its subcontractors.

In connection with the issuance of the Series 2025 Bonds, the Contractor will provide two irrevocable standby letters of credit (collectively, the "**Construction Letters of Credit**") from Alpine Bank, Glenwood Springs, Colorado, each in the amount of \$500,000 for the benefit of the Trustee as security for the performance of the Contractor, representing approximately 10% of the Contractor's obligations for payment to its subcontractors. The Construction Letters of Credit are in lieu of a payment and performance bond. Either Construction Letter of Credit can be drawn by the Trustee in any amount up to the maximum if there is a default under the GMP Contract. Each of the Construction Letters of Credit are expected to commence on June 1, 2025 and expire after a one-year term on May 31, 2026. The Contractor has indicated that it has its own line of credit that could be drawn upon in the event any one-year GMP Contract warranty obligation occurring after expiration of the Construction Letters of Credit needs to be paid for by the Contractor.

In the event that the Borrower elects to terminate the GMP Contract for convenience, the GMP Contract requires that the Borrower pay the Contractor a termination fee of \$30,000. The GMP Contract does not require the Contractor to pay any liquidated damages for late delivery or any other default by the Contractor under the GMP Contract. The Construction Letters of Credit can be drawn upon for defaults under the GMP Contract.

See "RISK FACTORS—Risks Relating to Construction Project—*Provisions of the Construction Contract.*"

- TPI Industrial, Inc., Grand Junction, Colorado ("**TPI**"), is manufacturing and installing the steel building for the Plant and providing the cranes for construction of the Plant for a price of approximately \$2,783,877, less any subtractions or additions on each line item of the contract bid. The Borrower and TPI have entered into a Standard Form of Agreement Between Owner and Contractor dated July 10, 2024 (the "**TPI Contract**"), which is separate from the Contractor and GMP Contract, to manufacture the steel building, transport it to the Project Site, and erect it on the concrete slab prepared by the Contractor (collectively, the "**TPI Work**"). TPI estimates building delivery to occur on or around May 1, 2025 and its anticipated date of completion for all TPI Work is September 1, 2025. Pursuant to the TPI Contract, TPI is required to achieve substantial completion no later than 150 days from the date that erection of the steel building commences. In the event that TPI fail to maintain the schedule of work set forth in the TPI Contract or otherwise materially breaches any provision of the TPI Contract, the Borrower may, among other things, contract with one or more additional contractors to perform such part of the TPI Work as the Borrower determines will provide the most expeditious completion of the total TPI Work and charge the cost thereof to TPI.

- Atlasta Solar, Grand Junction, Colorado ("**Atlasta**"), is installing the solar panels on the roof of the Plant as further described herein pursuant to a Standard Agreement Between Developer and

Subcontractor dated December 3, 2024 (the “**Solar Contract**”) between Atlasta and the Borrower for a fixed price of \$359,650, subject to additions and deductions as provided therein, as well as specified alternate and unit prices and time and material rates and prices, totaling \$1,849,223. The Solar Contract also provides for a 5% Borrower retainage and one-year warranty period.

The budget for the construction of the Plant is as set forth below, after the execution of the contemplated amendment to the Guaranteed Maximum Price and date of Substantial Completion described above:

Project Budget *	
General Contractor	\$11,852,832 ¹
Owner Contingency	592,642
Solar Array	1,571,839
Metal Building (TPI Industrial, Inc.)	2,323,024
Tools and Equipment	981,143
Title Insurance Fees	90,000
Construction Monitor (EVstudio)	119,248
Borrower Project Supervision	100,000
Habitat RFV Predevelopment Costs ²	<u>1,478,796</u>
Total Uses	<u>\$19,109,524</u>

* Preliminary; subject to change.
¹ Includes 7% contractor contingency.
² Includes, among other things, a deposit to TPI of \$460,853 and a deposit to Atlasta Solar of \$277,383.

Design and Construction of the Plant. Construction of the Plant began in February 2025 and is anticipated to be Substantially Complete by April 30, 2026 per the terms of the GMP Contract, once amended as described above. However, no assurance is provided herein that the Plant will be completed on that timeframe.

The Plant is a steel, energy-efficient structure that has been designed to ensure maximum efficiency and flexibility. It will include a metal roof that will house solar panel arrays to help support electric load. The Plant is expected to include approximately 14-15 stations that can be in use on the climate controlled production floor at any given time. These stations provide the ability to alter the size and design of modules to meet project specifications. According to the Borrower, the Borrower has achieved and is building with net-zero construction certification on other projects and expects to continue to build with these standards at the Plant.

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Set forth in the following table is a list of the various permits and approvals necessary for the construction and operation of the Plant and their status as of February 18, 2025.

TABLE I
Required Permits and Approval

Permit/Approval	Date Issued/Approved	Brief Description
U.S. Department of Energy - Response to Construction Submittal	January 30, 2025	Approval to conduct excavation and construction activities on the property in conformance with deed restrictions and the Uranium Mill Tailings Management Plan
Colorado Department of Public Health & Environment - Letter	January 27, 2025	Approval to conduct excavation and construction activities on the property in conformance with deed restrictions and the Uranium Mill Tailings Management Plan
Colorado Department of Public Health & Environment - Certification COR426403 authorizing Stormwater Discharges Associated with Construction Activities under CDPS General Permit COR400000	January 23, 2025	Approval for storm-water discharge
City of Rifle Building Permit	February 10, 2025	For construction of Plant
Colorado Division of Housing Modular Factory Certification	Anticipated Fall 2025	See “RISK FACTORS—Risk of Plant Operations”
Colorado Division of Housing Modular Unit Design Approval	Anticipated Fall 2025 for Initial Designs; Periodically thereafter	See “RISK FACTORS— Risk of Plant Operations”

¹ As of February 20, 2025.
Source: The Borrower.

Predevelopment Costs and Funding. As of the date hereof, the Borrower has invested approximately \$1,478,796 in predevelopment costs of the Project, \$500,000 of which will be reimbursed to the Borrower from proceeds of the Series 2025 Bonds, resulting in a total of \$978,796 of cash equity that the Borrower has committed to the Project’s capital requirement, approximately 5% of the total Series 2025 Bond proceeds. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Estimated Sources and Uses of Funds.” These predevelopment expenses include deposits on preconstruction of the Project’s metal building and procurement related to the solar array, all engineering, architecture, plant design costs, environmental and soils studies, legal expenses, the Market Study, and other business consulting activities.

The Borrower has funded these predevelopment expenses, in part, by individual, specific gifts totaling approximately \$613,000 and the donations listed in the table below totaling approximately \$530,000 from prominent Colorado foundations that support affordable housing activities in Colorado.

Donations for Predevelopment Expenses

Donor	Donation Amount
Boettcher Foundation	\$ 40,000
Western Colorado Community Foundation/Community Grants Fund	25,000
Western Colorado Community Foundation/Bruce Dixson Fund	80,000
Aspen Community Foundation	30,000
Foundation for a Stable Home	25,000
Dubose Family Foundation	30,000
Anonymous Foundation	250,000
Gates Family Foundation	<u>50,000</u>
Total	\$530,000

Working Capital

Line Of Credit. Working capital is required for start-up expenses and is expected to cover start-up costs. Funds available in the Operating Expense Reserve Fund will be drawn to pay for such working capital expenses, and will not pay any of the construction costs of the Plant. The Borrower is required under the Loan Agreement to fund the Operating Expense Reserve Fund with a total of \$2,500,000* on or prior to Substantial Completion, which funds are currently expected to be provided from the proceeds of a two-year irrevocable line of credit (the “**Line of Credit**”) from a donor advised fund owned and managed by the Denver Foundation in the amount of \$2,500,000*. The Borrower must enter into the Line of Credit on or prior to the issuance of the Series 2025 Bonds as a condition to the issuance of the Series 2025 Bonds. The Line of Credit is an unsecured obligation of the Borrower and is not secured by the Mortgage or any other collateral of the Project. The repayment of the Line of Credit is anticipated to be made from the monetization of the Borrower’s real estate assets. According to the Borrower, the expected interest rate on the Line of Credit of 6% per annum is a concessionary rate due to the Borrower being a non-profit entity. The Borrower may draw on the Line of Credit once each quarter, subject to the Borrower’s compliance with the terms and conditions of the Line of Credit and no event of default having occurred under the Line of Credit. See “RISK FACTORS—Risk of Plant Operations—*Risks Related to Funding Working Capital.*”

As noted in the Financial Projections, the Plant is expected to “break even” to cover all construction costs and maximum annual debt service at 56% of capacity or 112 units per year. The Plant when at full capacity of 200 units per year is expected to produce an average of four units per week (assuming a 50-week work year).

The Borrower expects to fund the Operating Expense Reserve Fund with proceeds of the full amount of the Line of Credit, which proceeds will be delivered to the Trustee in accordance with the Loan Agreement and the Indenture, provided, however, that in the absence thereof the Borrower has agreed in the Loan Agreement to provide other funds as necessary and applicable for the purpose of funding deposits

* Preliminary; subject to change.

to the Operating Expense Reserve Fund. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Estimated Sources and Uses of Funds,” and “APPENDIX G—FORM OF LOAN AGREEMENT.” The initial deposit into the Operating Expense Reserve Fund of \$2,500,000* will be drawn by the Trustee and used for start-up costs as further described under “SECURITY FOR THE SERIES 2025 BONDS—Flow of Funds Under the Indenture; Funds and Accounts—*Operating Expense Reserve Fund*.” As shown in the Financial Projections set forth under “BORROWER’S PROJECTIONS” below, the amount of the Line of Credit is expected to be fully sufficient to meet such start-up costs in addition to fully funding the Operating Expense Reserve Fund to the Operating Expense Reserve Fund Requirement (as defined in the Loan Agreement) commencing July 1, 2028. The Operating Expense Reserve Fund Requirement in Fiscal Year 2028 is anticipated to be \$1,456,145*, and, as shown in the Financial Projections set forth under “BORROWER’S PROJECTIONS” below, an amount greater than such requirement is anticipated to remain in the Operating Expense Reserve Fund following the funding of expenses in Fiscal Year 2028 prior to the release of amounts exceeding the Operating Expense Reserve Fund Requirement for such Fiscal Year. Notwithstanding the foregoing projections, however, no assurance is provided herein that such amount will remain available in the Operating Expense Reserve Fund. See “BORROWER’S PROJECTIONS” and Forward-Looking Statement and the front of this Limited Offering Memorandum.

See also “RISK FACTORS—Risks Relating to Construction Project.”

Insurance

Pursuant to the Loan Agreement and the Mortgage, during the term of the Series 2025 Bonds, the Borrower is required to maintain certain insurance policies, including, but not limited to, property and casualty insurance of not less than 100% of the replacement cost of the Project, comprehensive general liability insurance, umbrella coverage of not less than \$2,000,000 per occurrence, automobile liability insurance (if applicable), flood insurance (if necessary), workers’ compensation, and commencing at the time of Substantial Completion of the Project, business interruption insurance (covering up to not less than 12 months), each of which, except for the business interruption insurance, the Borrower will have bound and in place on or before the date of issuance of the Series 2025 Bonds. According to the Borrower and its insurer, its existing builder’s risk insurance and the general liability insurance policy held by the Contractor are expected to be sufficient to cover any potential liabilities that would otherwise be covered by business interruption insurance until business interruption insurance becomes available upon substantial completion of the Plant. Notwithstanding the foregoing, the Borrower currently has business interruption insurance in place for its work done in its normal course of business, such as for ReStore and other existing operations (e.g. the ReStore operations). The Borrower has retained an insurance consultant to ensure such required insurance policies are obtained.

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* Preliminary; subject to change.

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Estimated Sources and Uses of Funds

The estimated sources and uses of the Series 2025 Bonds are as follows:

SOURCES:

Proceeds of the Series 2025 Bonds
[Net] Original Issue [Premium/Discount]
Total

USES:

Deposit to Project Fund for Project Costs
Deposit to 2025A Debt Service Reserve Fund
Capitalized interest¹
Reimbursement of the Borrower's predevelopment
expenses
Deposit into the Costs Issuance Fund, including
underwriter's discount²
Total

¹ Representing the interest due on the Series 2025 Bonds for the period beginning on the date of issuance of the Series 2025 Bonds and ending 12 months after the anticipated Substantial Completion date.

² See "UNDERWRITING."

Source: The Underwriter.

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Series 2025 Bonds Debt Service Requirements

Set forth in the following table are the debt service requirements for the Series 2025 Bonds.

TABLE II
Debt Service Requirements *

Calendar Year	Series 2025 Bonds		Annual Total
	Principal*	Interest	
2025	\$ --		
2026	--		
2027	--		
2028	825,000 ¹		
2029	--		
2030	--		
2031	--		
2032	--		
2033	--		
2034	--		
2035	--		
2036	--		
2037	--		
2038	--		
2039	--		
2040	--		
2041	--		
2042	--		
2043	--		
2044	--		
2045	--		
2046	--		
2047	<u>22,585,000</u> ²		
Total	<u>\$23,410,000</u>		

* Preliminary; subject to change.

¹ Maturity in 2028 is for Series 2025B Bonds.

² Assumes no special mandatory redemption of Series 2025A Bonds from 90% of funds in the Surplus Fund.

Source: The Underwriter.

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BORROWER'S PROJECTIONS

The following pro-forma projection (the “**Financial Projections**”) is the Borrower’s estimate of revenues on a GAAP basis and expenses for the Plant and debt service for the Series 2025 Bonds from 2025 through 2035. The Financial Projections have been prepared by Prosono and management of the Borrower and have not been examined by independent accountants. The revenue shown in the chart below is based on GAAP rules, which take into income the sale of a modular unit only when it is produced and ready for customer delivery. The Borrower believes the Financial Projections to be accurate in all material respects and the related assumptions to be reasonable; however, there can be no guarantee the Financial Projections will accurately reflect actual revenues or expenses and any variation could be material. See “RISK FACTORS—Borrower’s Financial Projections.”

The information provided in the projections presented below are based on certain assumptions of the Borrower as follows: (a) unit sales prices increase by 3% annually; (b) direct labor costs increase by 4% annually; (c) direct material costs increase by 3% annually; (d) indirect labor expenses increase by 4% annually; (e) electricity expenses for purchased power beyond solar array increases by 3% annually; (f) miscellaneous costs including insurance, waste removal, legal, marketing, and certain other operating expenses increase between 2% and 4% annually; (g) electricity costs are based on the assumption that solar project qualifies for Xcel Energy’s Solar*Rewards Commercial & Industrial Program; (h) direct labor cost in year one averages \$30/hour; (i) direct material cost in year one is \$82.32 per square foot; (j) Plant floor head count begins at 18 and increases to 24 in year two; (k) labor fringe benefit costs are equal to 15%; and (l) minimum working capital (Operating Reserve Fund Requirement, as defined in the Loan Agreement) is equal to 90 days of Operating Expenses (as defined in the Loan Agreement) after 2028.

Per Market Study: Estimated sales prices per square foot should equal \$160 (year 1), \$165 (year 2), \$170 (year 3) and \$175 (year 4) excluding all onsite construction, soft and land costs.

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Annual Proforma using GAAP rules for Revenue Recognition (based on HFH RFV Fiscal Year, 7-1 – 6/30) *,¹

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Order Volume - Number of Units Ordered ¹	--	16	128	176	192	200	200	200	200	200	200
Order Volume - Number of Units Shipped ²	--	--	118	194	200	200	200	200	200	200	200
Order Volume - Aggregate Square Footage of Units	--	--	84,960	139,680	144,000	144,000	144,000	144,000	144,000	144,000	144,000
Sale Price (\$ PSF)	n/a	\$160.00	\$160.00	\$164.80	\$169.74	\$174.84	\$180.08	\$185.48	\$191.05	\$196.78	\$202.68
Accounting Revenue (recognized when units are shipped)	\$ --	\$ --	\$13,593,600	\$23,019,264	\$24,443,136	\$25,176,430	\$25,931,723	\$26,709,675	\$27,510,965	\$28,336,294	\$29,186,383
Modular Sales Revenue - recognized when units are shipped	--	--	13,593,600	23,019,264	24,443,136	25,176,430	25,931,723	26,709,675	27,510,965	28,336,294	29,186,383
Debt Service Reserve Fund Earnings @5%	9,954	75,592	77,035	77,035	77,035	77,035	77,035	77,035	77,035	77,035	77,035
Cost of Goods Sold											
Direct Labor	--	338,580	2,718,045	3,552,532	3,587,212	3,628,187	3,773,314	3,924,247	4,081,217	4,244,465	4,414,244
Direct Labor Benefits	--	50,787	407,707	532,880	538,082	544,228	565,997	588,637	612,182	636,670	662,137
Direct Material Cost	--	248,936	8,614,953	11,538,169	12,072,954	12,953,273	13,341,871	13,742,128	14,154,391	14,579,023	15,016,394
Factory Consumables	--	12,447	430,748	576,908	603,648	647,664	667,094	687,106	707,720	728,951	750,820
Total Cost of Goods Sold	--	650,749	12,171,452	16,200,489	16,801,895	17,773,352	18,348,276	18,942,118	19,555,510	20,189,109	20,843,594
Gross Income	9,954	(575,157)	1,499,183	6,895,810	7,718,276	7,480,113	7,660,482	7,844,592	8,032,490	8,224,219	8,419,824
Operating Expenses											
Admin	27,000	108,000	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428
3-in-1 Solutions	40,000	15,000									
Product Library Architect and Engineering	20,000	-									
Bookkeeping / controller	1,500	35,667	95,000	98,800	102,752	106,862	111,137	115,582	120,205	125,014	130,014
Human Resources Manager	--	--	--	--	--	--	--	--	--	--	--
BD / Customer interface (VP Sales)	--	-	-	156,000	162,240	168,730	175,479	182,498	189,798	197,390	205,285
Purchasing & Materials Control Manager	--	50,000	100,000	104,000	108,160	112,486	116,986	121,665	126,532	131,593	136,857
Estimating	--	-	-	-	-	-	-	-	-	-	-
Quality Manager (Manager)	--	13,333	80,000	83,200	86,528	89,989	93,589	97,332	101,226	105,275	109,486
Engineering / Shop Drawings	--	-	-	78,000	81,120	84,365	87,739	91,249	94,899	98,695	102,643
General Manager	--	127,500	170,000	176,800	183,872	191,227	198,876	206,831	215,104	223,708	232,657
Production Manager	--	70,000	140,000	145,600	151,424	157,481	163,780	170,331	177,145	184,230	191,600
Assistant Production Manager	--	-	-	-	-	-	-	-	-	-	-
Safety Manager	--	8,333	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428
Benefits	--	57,650	102,750	141,960	147,638	153,544	159,686	166,073	172,716	179,625	186,810
Total Indirect Labor	88,500	485,483	787,750	1,088,360	1,131,894	1,177,170	1,224,257	1,273,227	1,324,156	1,377,123	1,432,208
Inspection (Contract)	--	6,000	36,000	37,440	38,938	40,495	42,115	43,800	45,551	47,374	49,268
HR Support & Placement	--	30,000	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300
IT Services	--	30,000	53,333	41,600	43,264	44,995	46,794	48,666	50,613	52,637	54,743
Insurance	--	4,167	45,833	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428
Legal & Professional Services	--	30,000	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300
Marketing & Advertising	--	16,667	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866
Office Expense	--	9,000	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Electricity	--	3,833	23,000	23,690	24,401	25,133	25,887	26,663	27,463	28,287	29,136
Remaining Utilities	--	10,000	60,000	62,400	64,896	67,492	70,192	72,999	75,919	78,956	82,114

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Waste	--	2,000	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060
Warranty Expense	--	-	118,000	194,000	208,000	216,320	224,973	233,972	243,331	253,064	263,186
Work Force Development Expenses	--	-	50,000	52,000	54,080	56,243	58,493	60,833	63,266	65,797	68,428
Contingency	--	50,000	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498
Total Other G&A	--	191,667	870,167	956,810	991,212	1,020,545	1,050,843	1,082,140	1,114,472	1,147,875	1,182,388
Total Operating Expenses	88,500	677,150	1,657,917	2,045,170	2,123,106	2,197,715	2,275,100	2,355,367	2,438,628	2,524,997	2,614,595
Accounting Net Income used for Fixed Charges Coverage Ratio Calculation	(78,546)	(1,252,307)	(158,734)	4,850,640	5,595,169	5,282,398	5,385,381	5,489,224	5,593,862	5,699,222	5,805,229
SENIOR Series 2025A&B Pro-Forma Bond Debt Service											
Interest net of capitalized interest	--	--	(424,396)	(1,642,825)	(1,586,106)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)
Principal (Series 2025B Bonds)	--	--	--	--	(825,000)	--	--	--	--	--	--
Total SENIOR Series 2025A&B Pro-Forma Debt Service	--	--	(424,396)	(1,642,825)	(2,411,106)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)	(1,580,950)
Fixed Charges Coverage Ratio (Test starts FYE2028) > 1.20x	n/a	n/a	n/a	2.95	2.32	3.34	3.41	3.47	3.54	3.60	3.67

* Preliminary; subject to change.

¹ 50% of Sales Price received as Cash Deposit.

² Remaining 50% of Sales Price received in Cash; 100% of Revenue recognized.

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Annual Cash Proforma for Repayment (Principal) of Series 2025A Bonds Pursuant to Special Mandatory Redemption and Operating Expense Reserve Fund *

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Order Volume - Number of Units Ordered	--	16	128	176	192	200	200	200	200	200	200
Order Volume - Number of Units Shipped	--	--	118	194	200	200	200	200	200	200	200
Order Volume - Aggregate Square Footage of Units	--	--	84,960	139,680	144,000	144,000	144,000	144,000	144,000	144,000	144,000
Sale Price (\$ PSF)	n/a	\$160.00	\$160.00	\$164.80	\$169.74	\$174.84	\$180.08	\$185.48	\$191.05	\$196.78	\$202.68
Cash Revenue ¹	\$ --	\$921,600	\$14,169,600	\$21,951,360	\$23,954,273	\$25,176,430	\$25,931,723	\$26,709,675	\$27,510,965	\$28,336,294	\$29,186,383
Debt Service Reserve Fund Earnings @5%	9,954	75,592	77,035	77,035	77,035	77,035	77,035	77,035	77,035	77,035	77,035
Total Cost of Goods Sold	-	(650,749)	(12,171,452)	(16,200,489)	(16,801,895)	(17,773,352)	(18,348,276)	(18,942,118)	(19,555,510)	(20,189,109)	(20,843,594)
Gross Income	9,954	346,443	2,075,183	5,827,906	7,229,413	7,480,113	7,660,482	7,844,592	8,032,490	8,224,219	8,419,824
Total Operating Expenses	(88,500)	(677,150)	(1,657,917)	(2,045,170)	(2,123,106)	(2,197,715)	(2,275,100)	(2,355,367)	(2,438,628)	(2,524,997)	(2,614,595)
Net Operating Income (Cash) available to pay Debt Service	(78,546)	(330,707)	417,266	3,782,736	5,106,307	5,282,398	5,385,381	5,489,224	5,593,862	5,699,222	5,805,229
SENIOR Series 2025A&B Pro-Forma Bond Debt Service											
Interest net of capitalized interest; adjusted for Turbo repayment of Series 2025A	--	--	(424,396)	(1,642,825)	(1,563,450)	(1,378,650)	(1,166,550)	(935,900)	(683,200)	(407,400)	(106,400)
Principal (Series 2025B)	--	--	--	(756,250)	(68,750)	--	--	--	--	--	--
Total SENIOR Series 2025A&B Pro-Forma Debt Service	--	--	(424,396)	(2,399,075)	(1,632,200)	(1,378,650)	(1,166,550)	(935,900)	(683,200)	(407,400)	(106,400)
Net Operating Income after SENIOR Debt Service (Cash)	\$(78,546)	\$(330,707)	\$ (7,130)	\$ 1,383,661	\$ 3,474,107	\$ 3,903,748	\$ 4,218,831	\$ 4,553,324	\$4,910,662	\$ 5,291,822	\$ 5,698,829

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Operating Expense Reserve Fund ²	\$ 2,500,000	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating Expense Reserve Fund Balance - beginning	\$ --	\$2,421,454	\$2,077,732	\$1,827,173	\$1,456,145	\$1,484,070	\$1,512,942	\$1,572,420	\$ 1,634,257	\$1,698,545	\$1,765,382	
Operating Expense Reserve Requirement ³	n/a	n/a	n/a	1,456,145	1,484,070	1,512,942	1,572,420	1,634,257	1,698,545	1,765,382	1,834,869	
\$ (released from)/added to Operating Expense Reserve	n/a	n/a	n/a	(371,027)	27,925	28,872	59,479	61,836	64,288	66,837	69,488	
Operating Expense Reserve Balance - ending	\$2,421,454	\$2,077,732	\$1,827,173	1,456,145	1,484,070	1,512,942	1,572,420	1,634,257	1,698,545	1,765,382	1,834,869	
Available Net Operating Income Cash	--	--	--	1,383,661	3,446,182	3,874,876	4,159,353	4,491,488	4,846,374	5,224,985	5,629,341	
Repair and Replacement Expense	--	(13,015)	(243,429)	(324,010)	(336,038)	(355,467)	(366,966)	(378,842)	(391,110)	(403,782)	(416,872)	
Supplemental Debt Service Reserve Fund for Series 2025A Bondholders	--	--	--	(1,000,000)	--	--	--	--	--	--	--	
Available Surplus Cash	n/a	n/a	n/a	\$ 430,679	\$3,110,144	\$3,519,409	\$3,792,387	\$4,112,646	\$4,455,264	\$4,821,203	\$5,212,469	
90% Surplus Cash available for Series 2025A TURBO Principal Repayment (interest already paid)	n/a	n/a	n/a	\$ 387,611	\$2,799,130	\$3,167,468	\$3,413,149	\$3,701,381	\$4,009,737	\$4,339,083	\$4,691,222	
TURBO Repayment (Principal) of Series 2025A Bonds	\$ --	\$ --	\$ --	\$(385,000)	\$(2,795,000)	\$(3,165,000)	\$(3,410,000)	\$(3,700,000)	\$(4,005,000)	\$(4,335,000)	\$(790,000)	
Remaining Surplus Cash	\$ --	\$ --	\$ --	\$ 45,679	\$ 315,144	\$ 354,409	\$ 382,387	\$ 412,646	\$ 450,264	\$ 486,203	\$4,422,469	

* Preliminary; subject to change.

¹ Modular Sales: 50% cash deposit when unit is ordered and 50% when shipped.

² The Operating Expense Reserve Fund will be fully funded by the date of Substantial Completion, which is expected to be made from draws on the Line of Credit.

³ At 3 months of Operating Expenses; starting Fiscal Year End 2025. Excludes direct material costs, factory consumable, and contingency.

RISK FACTORS

INVESTMENT IN THE SERIES 2025 BONDS INVOLVES A HIGH DEGREE OF RISK, IS SPECULATIVE IN NATURE AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO ARE ABLE TO EVALUATE AND UNDERSTAND SUCH RISK AND WHO CAN AFFORD TO ASSUME SUCH RISK. NO FINANCIAL STATEMENTS OR OPERATING DATA ARE CURRENTLY AVAILABLE FOR THE PLANT. SEE “RISK FACTORS” HEREIN. ANY PROSPECTIVE INVESTOR CONSIDERING INVESTING IN THE SERIES 2025 BONDS SHOULD CAREFULLY EXAMINE THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO.

The following are risk factors that have been identified by the Borrower and should be carefully considered by prospective purchasers of the Series 2025 Bonds. The following list should not be considered to be exhaustive and has been prepared within the context of this Limited Offering Memorandum. Inclusion of the risk factors below is not intended to signify that there are no other investment considerations or risks attendant to the Series 2025 Bonds that are material to an investment decision with respect to the Series 2025 Bonds that are otherwise described or apparent elsewhere herein.

General

As noted under “SECURITY FOR THE SERIES 2025 BONDS” herein, the Series 2025 Bonds are payable from Loan Payments made by the Borrower from the Pledged Revenues, which include Gross Revenues of the Borrower or certain funds derived from the Mortgage. Future economic and other conditions, including the Borrower’s revenue and expenses, litigation, investment returns, demographic changes, legislation, governmental regulations or catastrophic or other events damaging the Plant could adversely affect the Borrower’s ability to pay the Loan Payments. In addition, any developments affecting the nonprofit or tax-exempt status of the Borrower could adversely affect the financial condition and operations of the Borrower. **There can be no assurance given that revenues of the Borrower will not decrease and/or that expenses of the Borrower will not increase.** The Borrower’s obligation to make Loan Payments under the Loan Agreement is an absolute and unconditional obligation of the Borrower and such obligation is secured by the Pledged Revenues and the Mortgage. Such obligation is also secured by the Guaranty, which is a general unsecured obligation of the Borrower. Any and all financial forecasts are only good faith estimates and are not intended as a representation or warranty as to the future financial condition of the Borrower.

Limitation on Revenues; Guaranty

The Borrower has pledged is Pledged Revenues from the operation of the Plant to the repayment of the Series 2025 Bonds. The Borrower’s revenue or income derived from other operations outside of the Plant is not pledged to the payment of the Series 2025 Bonds; however, the Borrower’s obligations under the Note and the Loan Agreement to make Loan Payments in the amount of debt service on the Series 2025 Bonds is secured by the Guaranty, which is an unconditional and irrevocable guaranty by the Borrower of the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Loan Agreement. The Guaranty is a general unsecured obligation of the Borrower.

Prospects for uninterrupted payment of principal and interest on the Series 2025 Bonds in accordance with their terms are generally dependent upon the success of the Borrower in developing the

Plant on time and on budget, and operating the Plant to generate adequate cash flow to meet its obligations under the Loan Agreement.

Other than as provided by the Guaranty, the Borrower is not obligated to pay its obligations under the Loan Agreement from any source of funds other than the revenue generated by the operation of the Plant and earnings from the investment of funds held under the Indenture (other than the Rebate Fund) (if any). There can be no assurance that the Plant will be built on time or within budget or operate at a level that such revenues will be sufficient to repay the Borrower's obligations with respect to the Series 2025 Bonds. See "—Risks Relating to Construction Project" below.

Furthermore, the Borrower's ability to meet its obligations under the Loan Agreement will depend upon achieving and maintaining certain production levels at the Plant throughout the term of the Series 2025 Bonds. Even if the Plant is operating in an efficient manner, other factors could affect the Borrower's ability to meet its obligations under the Loan Agreement and the Issuer's ability to make payments under the Indenture on the Series 2025 Bonds. No assurance can be made that the Plant will generate sufficient revenues to pay maturing principal of and interest on the Series 2025 Bonds and the payment of Operating Expenses of the Plant. In addition, the obligation of the Borrower under the Guaranty is dependent upon the Borrower's ability to generate revenues and operate its other business enterprises other than the Project. See "—Borrower Indebtedness and Other Business Enterprises."

Risks Related to the Ground Lease

The Borrower's legal interest in the Project Site is subject to the terms and conditions of the Ground Lease. The Borrower must comply with all terms and conditions of the Ground Lease, which contains covenants including, among other things, (a) base rent and additional rent obligations, (b) the payment of water and sewer system improvement fees payable to the Issuer, (c) the payment of "Common Area Fees" as may be adopted by the Issuer, (d) substantial completion of the Plant by April 30, 2026¹ subject to delays beyond the control of the Borrower, (e) maintenance of the Plant by the Borrower at its own expense, (f) indemnification of the Issuer by the Borrower, (g) insurance requirements, (h) compliance with applicable laws, rules and regulations, (i) lien release obligations, and (j) the CDPHE and DOE requirements noted herein. In addition, the Ground Lease states that (x) the Borrower agrees and covenants to use the premises only for the purposes of designed and operated to produce modular housing units for installation in Habitat workforce housing projects in Western Colorado and for sale to third parties solely for installation in other deed restricted workforce housing developments in Western Colorado, and (y) operation of the Plant shall include opportunities for workforce training in cooperation with Colorado's Board of Cooperative Educational Services (BOCES) or similar educational and job training organizations.

Although the Issuer under the Ground Lease agrees to recognize certain leasehold mortgagee rights of the Trustee under the Mortgage, there can be no assurance that there will not be a default under the Ground Lease that will affect the ability of the Borrower to operate the Plant or result in the termination of the Ground Lease.

The Mortgage will be recorded against the Project Site and the Ground Lease provides that the Trustee, as beneficiary of the Mortgage may cure an event of default under the Ground Lease, subject to the provisions contained therein, and assume the role of the Borrower under the Ground Lease. Additionally, with the consent of the Issuer and subject to the terms therein, the Ground Lease may be assumed by a lessee other than the Borrower.

¹ Subject to the modifications to the GMP Contract. See "PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project."

A ground leasehold interest is a less liquid asset than direct ownership of real estate. If the Borrower defaults on its obligations under the Loan Agreement, the Trustee may face significant delays and challenges in selling or otherwise monetizing the leasehold interest to satisfy the outstanding obligations. There is no assurance that the Trustee could realize sufficient proceeds from the foreclosure of the Mortgage and the sale of the Plant thereunder to pay the Series 2025 Bonds in their entirety.

Although the Borrower has a leasehold interest in the land on which the Plant will be located as tenant under the Ground Lease and the provisions of the Ground Lease limits each party from terminating the Ground Lease while the Series 2025 Bonds remain outstanding, the Borrower does not own the land, and the Borrower's leasehold interest is subject to the terms of the Ground Lease and the rights of the Issuer as ground lessor. If there are issues with the title to the underlying land, such as competing liens or other legal claims against the land, the value of the leasehold interest may be affected. Additionally, if the Issuer's title to the land is disputed or encumbered, it may limit the Borrower's rights and the ability of Bondholders to enforce the security interest in the leasehold. The existence of such title defects could adversely affect the value of the collateral securing the Series 2025 Bonds.

Pursuant to the Ground Lease, the Borrower is permitted to change the purpose, use, and operation of the Plant, including, without limitation, into a "Habitat ReStore" retail operation in the event that the Borrower determines, in its sole discretion, that continued operation of the Plant is not economically viable; provided, however, such change of use must comply with the Issuer's ordinances and regulations applicable to the Project Site and such repurposing rights are specific to the Borrower and not any third party. Subject to the terms of the Ground Lease, in the event of any sale, assignment or transfer of the Borrower's interest in the Ground Lease in any proceeding for the foreclosure of the Mortgage, or any other leasehold mortgage, or the assignment or transfer of the Borrower's interest in the Ground Lease under any instrument of assignment or transfer in lieu of the foreclosure of, or exercise of power of private sale under, the Mortgage or any other leasehold mortgage, is considered a permitted transfer of the Borrower's interest in the Ground Lease; provided, however, if such foreclosure or operation results in a successor in interest using the Project Site for any purpose other than the Borrower's permitted use as the Plant or as noted above, the base rent payable under the Ground Lease will be adjusted to a fair market valuation of such rent payable thereunder.

Risk of Plant Operations

General. Construction, development, ownership and operation of a manufacturing facility, such as the Plant, involves certain risks, including the risk of adverse changes in general economic and local conditions, including the possible future oversupply and lagging demand for housing; population decreases; uninsured losses; operating deficits and mortgage foreclosure; lack of demand for modular housing; cyclical nature of the real estate market; adverse changes in market values; and adverse changes in zoning or land use laws and regulations, federal and local rent controls, other laws and regulations and real property tax rates (to the extent such taxes are applicable to the Plant). Successful Plant operation requires manufacturing leadership, availability of an appropriate workforce, availability and pricing of materials used in modular fabrication, adequate supply sources, factory quality control, availability of land to store completed units, and other Plant operation factors. The Plant must be registered by the Colorado Division of Housing (the "**Housing Division**"). The registration process is anticipated to take approximately 60 days and will be completed prior to the Plant's commencement of operations. The Plant's quality control program must be approved by the Housing Division, modular units produced at the Plant must be approved by a third-party quality control consultant, the Plant's quality control consultant must be approved by the Housing Division, and such quality control consultant will affix an inspection decal of approval after inspection and approval of each modular unit. Risks of a manufacturing facility also include the possibility of fire or other casualty or condemnation. If the Plant, or any parts of the Plant, were inoperable during restoration after damage or destruction, the inability to produce modular units during such period of restoration could adversely affect the ability of the Plant to generate sufficient Gross Revenues to make the payments required under the Loan

Agreement. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Project difficult or unattractive. Any failure of the Borrower to comply with applicable laws could result in penalties, fines, or even the loss of the Borrower's leasehold interest.

Risks of Competition and the Modular Housing Market. The Plant will compete with other housing producers and providers in its market area. Increased competition for modular or other affordable or workforce housing could adversely affect the utilization and/or revenue of the Borrower. Although the Borrower is currently in discussions with a number of governmental entities, special districts and private developers that are interested in purchasing modular units manufactured at the Plant from the Borrower, the Borrower does not currently have any agreements in place with such entities for the purchase of modular units to be produced at the Plant. Although the Borrower has agreed in the Loan Agreement not to construct or operate any facilities competing with the Plant unless an Independent Consultant has delivered a certification or report concluding that such new facility will not adversely affect the ability of the Borrower to meet the Fixed Charges Coverage Ratio covenant and other financial covenants required in the Loan Agreement, existing and potential competitors may not be subject to the same limitations applicable to the Borrower, and competition may, in the future, arise from new sources not currently anticipated or prevalent. Such competition could adversely affect the Borrower's ability to sell modular units at the levels projected. There can be no assurance that additional competing facilities will not be constructed in the future or that housing trends or market conditions will not reduce demand for the Borrower's modular units. It is difficult to assess the current and future demand for modular housing. Therefore, there can be no assurance that the Plant will achieve and maintain the production levels necessary to generate Gross Revenues sufficient to cover debt service requirements. See "APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO."

Risks Related to Obtaining Necessary Entitlements. The Market Study indicated that in order to achieve production economies, it might be necessary to obtain variances from municipal design standards or other requirements that cause costs to increase or result in delays in obtaining necessary municipal approvals. As a result, there can be no assurance that the Plant will achieve and maintain the production levels necessary to generate Gross Revenues sufficient to cover debt service requirements. In order to mitigate such risk, the Market Study suggested that the Borrower proactively collaborate with municipalities to identify and implement any needed changes to design standards or other regulatory policies to facilitate obtaining necessary entitlements and approvals and the efficient and cost-effective production of modular units.

Damage, Destruction or Condemnation. Although the Borrower will be required to obtain and maintain certain insurance against damage or destruction as set forth in the Loan Agreement and the Mortgage, there can be no assurance that the Plant will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Plant cannot generate Gross Revenues, will not exceed the coverage of such insurance policies. Additionally, the process of rebuilding or repairing the Plant could be delayed due to insurance claims, construction timelines, or other factors, potentially leading to a prolonged period of reduced or no income from the Plant.

If the Plant or any portion of the Plant is damaged or destroyed, or is taken in a condemnation proceeding, the extraordinary revenues derived from proceeds of insurance or any such condemnation award for the Plant must be applied as provided in the Bond Documents, which includes the option for the Borrower to restore or rebuild the Plant depending on the circumstances or to redeem the Series 2025 Bonds. There can be no assurance that the amount of extraordinary revenues available to restore or rebuild the Plant or to redeem the Series 2025 Bonds will be sufficient for that purpose, or that any remaining portion of the Plant will generate Gross Revenues sufficient to pay the expenses of the Plant and the debt service on the

Series 2025 Bonds remaining Outstanding, or that the Bondholders will be able to realize the full value of the Plant.

Natural Disaster Risk. The ability of the Plant to generate Gross Revenues also is at risk from other force majeure events, such as extreme weather events and other natural disasters and occurrences, including fires, extreme heat, floods, droughts, ice storms and other severe storms. Any such event may damage all or part of the Plant, exacerbating the effects and risk to the Project. No assurance can be given that such events will not occur while the Series 2025 Bonds are Outstanding. Although the Borrower intends to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and business interruption insurance, no assurance can be given that such insurance will always be available in sufficient amounts, at a reasonable cost or available at all, or that insurers will pay claims in a timely manner or at all. Any such event could cause significant damage to the property or the development located thereon, which could disrupt the Borrower's operations or impair the value of the Borrower's leasehold interest.

Real Estate Risk. The Project Site is part of a larger site owned by the Issuer that has not been subdivided. Pursuant to the deed, the Issuer may not sell or transfer the property to a nongovernmental entity, however the Issuer can lease it to for-profit entities that may be subject to property taxes. Nonpayment of such property taxes, if applicable, could result in a lien on the entire site, including the Project Site. Any foreclosure under the Mortgage would likely be subject to such a lien or other recorded restrictions. See also "—Risks Related to the Adequacy of the Plant as Security" below.

Risks Related to Funding Working Capital. The Borrower is obligated under the Loan Agreement to fund the Operating Expense Reserve Fund in an aggregate amount of \$2,500,000* on or prior to Substantial Completion. While the Borrower anticipates funding the Operating Expense Reserve Fund with proceeds of the Line of Credit, which will be in place as of the closing of the Series 2025 Bonds, the Borrower intends to draw from the Line of Credit over time on a quarterly basis and all \$2,500,000* will not be drawn and deposited in the Operating Expense Reserve Fund at closing. Additionally, no financial or other information is being provided by the Line of Credit provider under the Line of Credit. There can be no assurances that the Line of Credit will be available to draw by the Borrower, or that the Borrower will have other funds available in the event the Line of Credit is not available, at the times and in the amounts necessary to fund the Operating Expense Reserve Fund for the purposes for which such funds may be applied or required, including funding insufficiencies in debt service on the Series 2025 Bonds.

Risks Related to the Adequacy of the Plant as Security

The security for the Borrower's obligations under the Loan Agreement and payment of debt service on the Series 2025 Bonds includes a lien on the Project, evidenced by the Mortgage, which has been granted by the Borrower in favor of the Trustee and a pledge of the Trust Estate under the Indenture. If the Borrower fails to make sufficient and timely payments required under the Loan Agreement, it may be necessary for the Trustee to exercise its remedies under the Mortgage, including foreclosure.

There can be no assurance that if and when the Trustee forecloses and obtains possession of the Project or realizes amounts from the sale thereof, that resulting proceeds or Gross Revenues (if the Plant is retained and operated by the Trustee) and other funds available under the Bond Documents, would be sufficient to pay debt service on the Series 2025 Bonds in full when due and Operating Expenses of the Plant. The Trustee is not in the business of operating facilities such as the Plant and any amounts which might be realized from operation of the Plant are uncertain. Further, the Project Site is subject to certain recorded restrictions. Attempts to foreclose under the Mortgage or to obtain other remedies under such

* Preliminary; subject to change.

documents, the Loan Agreement, the Indenture or any other documents relating to the Series 2025 Bonds may be met with protracted litigation and/or bankruptcy proceedings, which could cause delays, and a court may decide not to order specific performance of covenants contained in such documents. Thus, there can be no assurance that upon the occurrence of an event of default on the Series 2025 Bonds the Trustee will be able to obtain possession of the Project or generate proceeds of sale or revenues from the Plant, or obtain other relief, in a timely fashion. See “—Bankruptcy and Limitations on Enforceability of Remedies” below.

Risks Relating to Construction Project

General. Construction, equipping and furnishing of a new building such as construction of the Plant are subject to all typical construction related risks. Such risks include, among others, labor disputes, defective building materials, schedule delays, shortages in various labor trades, fire or other property or casualty damage, unanticipated subsoil conditions, environmental restrictions, failure to vacate any encroaching easements, and financial difficulties on the part of or disputes with a construction manager, key suppliers, contractors or subcontractors, inflation, material availability and costs. Further, there can be no assurance that the Plant will conform to construction specifications and/or federal, state or local regulations. There can be no assurance that construction problems of the types described above, or other problems, will not frustrate the planned completion of any part of the construction of the Plant.

Construction of the Plant began in February 2025 and is anticipated to be finally completed by April 2026. Whether the Plant will be completed on schedule depends upon a large number of factors, many of which may be beyond the control of the Borrower. These include, but are not limited to, financial difficulties of the general contractor and subcontractors, adverse weather, strikes, delays in the delivery of or shortages of materials, delays in the issuance of required building permits, environmental restrictions or similar unknown or unforeseeable contingencies. Although construction work will be inspected periodically by the Construction Monitor, there can be no assurance that the Plant will conform to construction specifications or state or local regulations. The occurrence of any of the foregoing could result in increases in construction costs or considerable delays in, or the complete impossibility of, the completion of the Plant.

Provisions of the Construction Contract. According to the Borrower, approximately 95% of the Contractor’s financial obligations for construction of the Plant are with its subcontractors. The Contractor has provided the two Construction Letters of Credit for the benefit of the Trustee in lieu of payment and performance bonds as security for the performance of the Contractor, representing approximately 10% of the Contractor’s obligations for payment to its subcontractors. In the event that the Contractor fails to complete the Plant in accordance with the Construction Contract, the funds available from the Construction Letters of Credit may be insufficient to complete the Plant during any extended construction period, and no assurance is provided herein that the Borrower will have sufficient funds otherwise available to complete construction. Additionally, because the Construction Letters of Credit are only available for a 365 day period and are intended to be in place until after Substantial Completion, the Construction Letters of Credit are not effective until June 1, 2025. In the event of a default or other event that would permit a draw under the Construction Letters of Credit prior to June 1, 2025, such Construction Letters of Credit may not be available to be drawn until on or after June 1, 2025, or at all.

Furthermore, the construction contracts with the Contractor and with TPI do not provide for liquidated damages in the event that either contractor fails to meet respective Project completion obligations. In addition, the Contractor is not responsible for nor will it warrant the work to be performed by TPI under the TPI Contract or by any other contractor or subcontractor under their respective agreements.

Except as otherwise provided in the GMP Contract and subject to change orders and other modifications, the Borrower has no obligation to fund construction cost overruns in excess of

budgeted amounts and budgeted contingencies. The Borrower, pursuant to the Guaranty, has an unsecured obligation to make debt service payments on the Series 2025 Bonds if the construction period extends beyond the contracted completion date for a period longer than the period as to which the Borrower has funds within the Capitalized Interest Account or within the 2025A Debt Service Reserve Fund (as to the Series 2025A Bonds), the Supplemental Debt Service Reserve Fund, or other funds available under the Indenture. The Capitalized Interest Account will be funded from the proceeds of the Series 2025 Bonds in an amount equal to the interest due on the Series 2025 Bonds for the period beginning on the date of issuance of the Series 2025 Bonds and ending 12 months after the anticipated Substantial Completion date set forth in the GMP Contract.

Solar Array to Provide Electrical Energy

The Plant will be powered by integrated energy efficient technology: 90% of the electrical power, including for heating and cooling systems, will be powered by an approximately one megawatt roof-top solar array. This technology is expected to qualify for Direct Pay Investment Tax Credits (“ITC”) under the Inflation Reduction Act. ITC payments are expected to be received by the Plant and deposited to the Revenue Account in an expected approximate amount of \$750,000 within one year of the solar array being placed in service. The Borrower estimates the receipt of the ITC will be in the 2026 Fiscal Year. The Borrower makes no assurances that any ITC payments ultimately will be received, and makes no representation as to any change in federal tax policy that might affect ITC eligibility for the solar array. Such ITC payments have not been included in the Financial Projections set forth under “BORROWER’S PROJECTIONS.”

Environmental Risks, Permits and Approvals

There are potential risks relating to liabilities for environmental hazards with respect to the ownership or leasing of any real property. If hazardous substances are found to be located on the property, owners of such property may be held liable for costs and other liabilities related to the removal or remediation of such substances, which costs and liabilities could exceed the value of a project. The cost of addressing environmental risks, including complying with any clean-up of hazardous materials and toxic substance regulations, could negatively affect the ability of the Borrower to generate income from the property or impair the collateral value of the leasehold interest.

The Project Site is located at the Rifle Energy Innovation Center, on a former uranium and vanadium processing site and the ore processing operations created radioactive tailings, and thus is subject to the UMTRCA, meaning it is licensed to the DOE custody and long-term care. Prior to the Issuer’s ownership of the Project Site, the CDPHE owned the property. The Rifle Energy Innovation Center is known under the UMTRCA program as the “New Rifle Site,” and is also known as the “West Rifle Site” (the “**New Rifle Site**”). Surface remediation at the New Rifle Site was completed by the DOE in 1996, but six contaminants of concern (arsenic, molybdenum, nitrate, selenium, uranium, and vanadium) remain present.

Institutional controls designed to protect public health and the environment are in place and consist of deed restrictions and City and County ordinances. Combined, the institutional controls include: a prohibition on the use of groundwater; consent from the City of Rifle is required before conducting any operations that will disturb the soil, wetlands, or groundwater; construction and/or excavation or soil removal of any kind requires permission from CDPHE and the DOE; habitable structures must employ a radon ventilation system or other radon mitigation measures; activities on and use of the site may not interfere with groundwater remediation including the groundwater monitoring wells; and a connection to the City’s potable water supply is required before constructing a building. To comply with the institutional

controls, the Project Site has been connected to the City's water and sewer supply, and the Borrower has submitted plans for a radon mitigation system to the City.

The Ground Lease is subordinate to the restrictions set forth in the deed conveying the New Rifle Site, which includes the Project Site, to the Issuer and the Borrower is required to comply with the conditions and restrictions set forth therein, including, without limitation, compliance with UMTRCA, a prohibition on use of groundwater from the Project Site for any purpose and not to construct wells or any means of exposing ground water to the surface unless the DOE grants prior written approval, a prohibition on the sale or transfer of the New Rifle Site without written approval from the CDPHE and DOE, a prohibition on performance of any construction and/or excavation or soil removal of any kind on such property without the permission of the CDPHE and DOE unless prior written approval of construction plans is given by the CDPHE and DOE (as is the case for the Project Site as detailed herein), any habitable structures constructed on the New Rifle Site must employ a radon ventilation system or other radon mitigation measures, that the use of the property will not adversely impact groundwater quality or interfere in any way with groundwater remediation under UMTRCA activities, or to use the property and any profits or benefits derived therefrom for any reason other than public purposes as provided by UMTRCA.

Further, the approval letter from the DOE dated January 30, 2025 requires the following: (a) if residual radioactive materials are encountered by the Borrower, the Borrower and their subcontractor agree to follow the guidelines established in CDPHE's Uranium Mill Tailings Management Plan, including that radiological measurements will be taken of material as it is excavated, soils will be returned in the order they were removed, and no excavated soil material will leave the site without written approval from CDPHE and DOE; (b) if groundwater is encountered during excavation, no water will be removed from within the legal property boundaries from where it was encountered, (c) no groundwater is allowed to be placed into any onsite wells and at no time will DOE wells be disturbed, nor access to them inhibited, (d) all monitoring well locations in the area must remain accessible and be protected during construction activities, and (e) the submission upon completion of construction by the Borrower and its subcontractor of the as-built drawings, including but not limited to any AutoCAD files, information about deviations from the proposed activity, disposal locations with appropriate documentation of any disposal of soils or water offsite, location and approximate amount of removed soil that could not be returned into pre-drilled holes, dewatering volumes, locations, and timeframes (if completed), necessary permits, and any unusual conditions encountered during the project.

A draft Phase I Environmental Site Assessment report prepared for the Project Site by AEI Consultants and dated November 9, 2023 (the "**Phase I Report**") identified a controlled recognized environmental condition at the Project Site based on remediation efforts and current regulatory status including institutional controls and deed restrictions, and on-site historic mining operations. Other than as specifically identified in the Phase I Report, the Borrower has no knowledge of any additional recognized environmental conditions or historical recognized environmental conditions. The Phase I Report was never completed, and does not adhere to ASTM E-1527-21, which would fulfill the "all appropriate inquiries" standard for the innocent purchaser defense to liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). There can be no assurances that the Borrower has otherwise met the "all appropriate inquiries" standard for CERCLA defense.

The Project Site has been approved for some industrial and municipal uses. For example, the Issuer's wastewater treatment plant is adjacent to the Plant also on remediated land. However, there can be no assurance that remedial investigation or corrective action unrelated to the UMTRCA program will not be required of the Borrower in the future or that an enforcement action or actions will not be instituted under other environmental statutes or regulations at a later date. In the event such enforcement actions were initiated, the Borrower could be liable for the costs of remediating, removing or otherwise treating any pollutants or contaminants located at the Project. In addition, under certain environmental statutes, in the

event an enforcement action was initiated, a lien could attach to the Project, which would adversely affect the Borrower's ability to generate revenues from the operation of the Plant sufficient to meet its obligations under the Loan Agreement and payment of debt service on the Series 2025 Bonds. According to the Borrower, if additional remediation or corrective actions are required, the UMTRCA program may have funds available to meet such actions.

Further, it is possible that liabilities may arise in the future with respect to any of the land comprising the Project Site resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it.

Market Analysis

The Market Study was conducted with respect to the Project to evaluate the current market conditions and prospective market demand for deed restricted affordable housing reserved for income-eligible workforce households within the market area. The Market Study is attached to this Limited Offering Memorandum as "APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO." The purpose of the Market Study was to identify the primary and secondary geographic market areas likely to be served by the Plant (see "PLANT VICINITY AND MARKET AREAS"), estimate the potential demand for modular workforce housing units in these market areas, identify potential sources of supply competition, and estimate the volume of demand potentially served by the Plant.

While the Market Study confirms the substantial need for affordable housing units from the Borrower's proposed Plant, realization of results will depend on the Borrower performing in a manner consistent with the assumptions assumed in the Market Study. Future results also will be affected by events and circumstances beyond the control of the Borrower. It is likely that actual results will differ from those described in the Market Study, and those differences may be material and adverse. There can be no assurances based on the Market Study that the Plant will generate revenue sufficient for the Borrower to make the Loan Payments. See "—Limitation on Revenues" above.

Borrower's Financial Projections

The Financial Projections of the Borrower included in "BORROWER'S PROJECTION" have been prepared by Prosono and management of the Borrower. The Borrower's Financial Projections have not been examined by independent accountants. The Financial Projections are based on assumptions concerning future events, circumstances and transactions. The achievement of any financial forecast is dependent on future events, the occurrence of which cannot be assured. Future results also will be affected by events and circumstances beyond the control of the Borrower.

THE BORROWER'S FINANCIAL PROJECTIONS AND ACCOMPANYING ASSUMPTIONS MUST BE READ IN THEIR ENTIRETY TO UNDERSTAND THE ASSUMPTIONS UPON WHICH THE FINANCIAL PROJECTIONS ARE BASED AND THE QUALIFICATIONS THAT HAVE BEEN MADE WITH RESPECT TO PROJECTED FINANCIAL PERFORMANCE RELATED TO THE PROJECT. THERE IS NO ASSURANCE THAT THE FINANCIAL PROJECTIONS WILL BE ACHIEVED. ACTUAL FUTURE EVENTS WILL LIKELY VARY FROM THE FINANCIAL PROJECTIONS, AND SUCH VARIANCES MAY BE MATERIAL AND ADVERSE. SEE "FORWARD-LOOKING STATEMENTS" AT THE FRONT OF THIS LIMITED OFFERING MEMORANDUM.

Borrower Indebtedness and Other Business Enterprises

Under the Loan Agreement, the Borrower is permitted to incur additional debt related to the Project. The Loan Agreement also does not restrict the Borrower's operations solely to operation of the Plant. The Borrower is not a single purpose entity and does have other business enterprises other than the Project. See "SECURITY FOR THE SERIES 2025 BONDS—Certain Covenants of the Borrower—*Additional Indebtedness*" and "APPENDIX G—FORM OF THE LOAN AGREEMENT." Furthermore, the Loan Agreement does not limit or prohibit indebtedness of the Borrower in connection with its other business enterprises, unrelated to the Project. While defaults by the Borrower under other indebtedness of the Borrower will not constitute a default under the Loan Agreement, failure of the Borrower to meet its obligations under such other indebtedness could permit a creditor other than the Trustee to enforce remedies under such other indebtedness that could adversely affect the ability of the Borrower to operate the Project.

Insurance Coverage

The insurance requirements imposed by the Loan Agreement are limited, and insurance proceeds may not be available to cover all claims or risks relating to the Borrower or its existing facilities. Litigation could arise from the business activities of the Borrower, including from its status as an employer. Many of these risks are covered by insurance, but some may not be covered completely or at all. See "PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—Insurance," "SECURITY FOR THE SERIES 2025 BONDS—Certain Covenants of the Borrower—*Insurance*" and "APPENDIX A—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.—INSURANCE AND EMPLOYEE BENEFITS."

Future increases in insurance premiums and future limitations on the availability of certain types of insurance coverage could have an adverse impact on the Borrower's financial condition and operations and, ultimately, could adversely impact the ability of the Borrower to make Loan Payments.

Gifts and Fundraising

The construction and operation of the Plant is not dependent upon future fundraising efforts of the Borrower. Nevertheless, the Borrower has submitted applications to various local and regional municipalities, government agencies, foundations, for profit and not-for-profit enterprises, and various individuals for grants or gifts to provide additional funds for the Project's construction or operation. In the event that such funding is received and, pursuant to the terms thereof, is specifically provided for the construction or operation of the Plant, then the Borrower would apply such funds to such purposes. The State of Colorado's Office of Economic Development classifies the area where the Project Site is located as an Enterprise Zone. This qualifies the Project for donors to receive State tax benefits for investment in the Project. There is no guarantee that the Borrower will receive any of such funds. No fundraising or donation amounts are included in the Financial Projections as a source of funds for the Project.

Notwithstanding the foregoing, the Borrower solicits and receives gifts, grants and donations from private and public sources for its regular operations and other projects. For a variety of reasons, the amount of annual gifts and fundraising results are difficult to project with precision. These reasons include the voluntary nature of charitable giving, the effect of the general and local economy on giving, the unpredictability of the effectiveness of the marketing of a fundraising campaign, the varying tax treatments of the deductibility of gifts and many other factors. A failure to attain sufficient levels of gifts and support could have an adverse effect on the Borrower's general operations.

Tax-Exempt Status

The Code imposes a number of requirements that must be satisfied for interest on nonprofit corporation obligations, such as the Series 2025A Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of the Series 2025A Bond proceeds, limitations on the investment earnings of the Series 2025A Bond proceeds prior to expenditure, a requirement that certain investment earnings on the Series 2025A Bond proceeds be paid periodically to the United States and a requirement that the Issuer file an information report with the Internal Revenue Service (“IRS”). The Issuer and the Borrower have covenanted in certain of the documents referred to herein that they will comply with such requirements. However, the Borrower’s 501(c)(3) status is dependent on the status of Habitat for Humanity International, Inc., a Georgia nonprofit corporation (“**Habitat for Humanity**”), as a 501(c)(3) exempt organization. Habitat for Humanity is not a party to any Bond Documents. Failure of Habitat for Humanity to maintain its 501(c)(3) exemption could adversely affect the exclusion from gross income for federal or State income tax purposes of the interest on the Series 2025A Bonds.

Failure by the Borrower to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Series 2025A Bonds as taxable, retroactively to the date of issuance of the Series 2025A Bonds. Moreover, the occurrence of one or more of the other events described in this section also could adversely affect the exclusion from gross income for federal or State income tax purposes of the interest on the Series 2025A Bonds.

Bond Audit. The IRS has an ongoing program of examining tax-exempt obligations to determine whether, in the view of the IRS, interest on such obligations is properly excluded from gross income for federal income tax purposes, and it is possible that the Series 2025A Bonds may be selected for examination under such program. If an examination is commenced, under current procedures, the IRS will treat the Issuer as the relevant taxpayer under the Code, and the holders of the Series 2025A Bonds may have no right to participate.

The Borrower has not sought to obtain a private letter ruling from the IRS with respect to the Series 2025A Bonds, and the opinion of Bond Counsel as to the tax-exempt status of the Series 2025A Bonds (see “TAX MATTERS” herein) is not binding on the IRS. An IRS examination of the Series 2025A Bonds could adversely affect the market value and liquidity of the Series 2025A Bonds or result in the loss of the tax-exempt status of the Series 2025A Bonds.

Tax-Exempt Status of the Borrower. The tax-exempt status of the Series 2025A Bonds presently depends upon the maintenance by the Borrower and Habitat of their status as organizations described in Section 501(c)(3) of the Code. The maintenance of such status is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including its operation for charitable purposes and its avoidance of transactions which may cause its assets to inure to the benefit of private individuals.

In recent years, the IRS has increased the frequency and scope of its audit and other enforcement activity regarding tax-exempt organizations and such organizations are increasingly subject to a greater degree of scrutiny by the IRS. The primary penalty available to the IRS under the Code with respect to a tax-exempt entity engaged in unlawful, private benefit is the revocation of tax-exempt status. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofits, it could do so in the future. Loss of tax-exempt status by the Borrower could result, among other consequences, in the Borrower being in default of certain of its covenants regarding the Series 2025 Bonds. Loss of tax-exempt status of the Borrower also would have material adverse consequences on the financial condition of the Borrower and would cause interest on the Series 2025A Bonds to become taxable.

Less onerous sanctions also have been imposed by the IRS, which sanctions focus enforcement on private persons who transact business with a tax-exempt organization rather than the tax-exempt organization itself, but these sanctions do not replace the other, more severe remedies available to the IRS as mentioned above.

Unrelated Business Income Tax. In recent years, the IRS and state, county and local taxing authorities have been undertaking audits and reviews of the operations of tax-exempt organizations with respect to their exempt activities and the generation of unrelated business taxable income (“**UBIT**”). The Borrower has not historically generated any significant amounts of UBIT. The Borrower may participate in activities which generate UBIT in the future. Management of the Borrower believes it has properly accounted for and reported UBIT; nevertheless, an investigation or audit could lead to a challenge which could result in taxes, interest and penalties with respect to unreported UBIT and in some cases could ultimately affect the tax-exempt status of the Borrower as well as the exclusion from gross income for federal income tax purposes of the interest on the Series 2025A Bonds.

State Income Tax Exemption. The loss by the Borrower of its State income tax exemption could be adverse and material to the Borrower and to the value of the Series 2025A Bonds.

Proposed Legislation Regarding Limitations or Elimination of Tax-Exempt Status of Series 2025A Bonds. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2025A Bonds or otherwise prevent the Beneficial Owners of the Series 2025A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2025A Bonds. It is possible that such tax legislation may apply retroactively to the Series 2025A Bonds.

Bankruptcy and Limitations on Enforcement of Remedies

The ability of the Trustee to enforce the terms and agreements set forth in the Bond Documents may be limited by laws relating to bankruptcy, insolvency, reorganization or moratorium and by other similar laws affecting creditors’ rights, as from time to time in effect, including title 11 of the United States Code (the “**Bankruptcy Code**”). The remedies available to the Trustee, the Issuer or the holders of the Series 2025 Bonds upon an event of default under the Bond Documents are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory laws and judicial decisions, including, specifically, the Bankruptcy Code, the remedies provided in the Bond Documents may not be readily available, and may be stayed, limited, or otherwise impaired.

If the Borrower was to file a petition for relief under the federal Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower and its property. In a bankruptcy proceeding, the Borrower could file a plan for the restructure of its debts which modifies or impairs the rights of creditors generally or the rights of any class of creditors, secured or unsecured. The plan, when confirmed by the court, binds all creditors and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interest of creditors, is feasible, and has been accepted by at least one impaired class of creditors. A class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor.

Further, the Bankruptcy Code permits a bankruptcy court to modify the rights of a secured creditor. The potential effects of a bankruptcy by the Borrower could be to delay substantially the enforcement of

remedies otherwise available to the Trustee and to allow the bankruptcy court, under certain circumstances (i) to substitute other assets of the Borrower for collateral under the Loan Agreement and the Security, (ii) to avoid or otherwise release the liens pledged under the Loan Agreement and the Security, (iii) to subordinate the Loan Agreement and the Security to liens securing financing approved by the bankruptcy court, (iv) to permit the Borrower to cure defaults and reinstate the Loan Agreement and the Security, (v) to compel release of the Security or termination of the Loan Agreement and the Security by payment of an amount determined by the bankruptcy court to be the value of the collateral pledged by the Borrower thereunder (even though less than the total amount of debt outstanding), or (vi) to modify the terms of or payments due under the Loan Agreement and the Security.

In addition, the Borrower owns other assets and has liabilities unrelated to the Project, and the Loan Agreement does not restrict the Borrower's ability to incur debt unrelated to the Project or grant liens and security interests on the Borrower's other assets. As a result, the Borrower's ability to make payments on account of the Series 2025 Bonds and the Borrower's solvency could be adversely affected by events wholly unrelated to the Project. Furthermore, if the Borrower were to file for bankruptcy due to events unrelated to the Project, the Borrower also could seek to use cash collateral generated by the Plant for purposes unrelated to the Plant in the bankruptcy case.

The various legal opinions to be delivered concurrently with the original delivery of the Series 2025 Bonds (including Bond Counsel's approving opinion) will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws or legal or equitable principles affecting creditors' rights, including the Bankruptcy Code.

No Credit Rating; No Credit Enhancement

The Borrower has not applied for a rating on the Series 2025 Bonds from any security rating agency. As a result, the Series 2025 Bonds are unrated. Furthermore, no credit enhancement will be obtained for the Series 2025 Bonds, and the Borrower does not intend to obtain such enhancement in the future.

Certain Restrictions on Transfer; Limited Liquidity; Absence of Secondary Market

The Series 2025 Bonds have not been registered or qualified under the Securities Act or the securities laws of any other jurisdiction, and none of the Issuer, the Borrower or the Trustee is obligated to register or qualify the Series 2025 Bonds under the Securities Act or any other securities law or to take any action that could cause the Issuer or the Borrower to become subject to the registration requirements of the Investment Company Act, or any other action not otherwise required under the Indenture to permit the transfer of any Series 2025 Bonds or interest therein without such registration or qualification. The Series 2025 Bonds may be resold or transferred only as described under "NOTICE TO INVESTORS" and "TRANSFER RESTRICTIONS."

There is currently no market for the Series 2025 Bonds, and they will not be listed on any securities exchange or subject to other arrangement for secondary market trading. There can be no assurance that a secondary market for the Series 2025 Bonds will develop, and consequently, Bondholders and beneficial owners may not be able to liquidate their investment readily, and the Series 2025 Bonds may not be readily accepted collateral for loans. If a market for the Series 2025 Bonds does develop, the Series 2025 Bonds could trade at a substantial discount regardless of then prevailing general market conditions. Accordingly, an investor in the Series 2025 Bonds may find it difficult or uneconomic to liquidate its investment at any particular time and must be prepared to hold the Series 2025 Bonds for an indefinite period of time or until maturity. See "NOTICE TO INVESTORS" and "TRANSFER RESTRICTIONS."

Limitations Upon Property Subject to the Mortgage

Simultaneously with the execution and delivery of the Series 2025 Bonds, on the Closing Date the Borrower will cause the delivery to the Trustee a lender's title insurance policy on all real property leased by the Borrower pursuant to the Ground Lease and covered by the Mortgage for the Project. The amount of the loan policy covering the Mortgage will equal the aggregate principal amount of the Series 2025 Bonds.

Any practical realization of value from the real property subject to the Mortgage upon any default of the Borrower will depend on the exercise of the remedies specified under the Mortgage, principally foreclosure.

Attempts to re-let the Plant or otherwise realize upon security for obligations may be met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and such defensive measures can greatly increase the expense and time involved in achieving such realization. Even if the Trustee should acquire leasehold interest to the real property pursuant to its foreclosure remedies, the ability of the Trustee to lease the real property to third parties, thereby liquidating the investment, would be limited as a result of the nature of the real property and the terms of the Ground Lease. In particular, there can be no representation that the value of the property included in the real property constitutes a realizable amount upon any forced sale thereof.

Furthermore, under certain circumstances, upon a sale, assignment or transfer of the Borrower's interest in the Ground Lease, if the Plant is used for any purposes other than a Permitted Business, the base rent will be adjusted to fair market rent. See "PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project Site—*Ground Lease*."

THE SERIES 2025 BONDS

The following is a summary of certain provisions of the Series 2025 Bonds. Reference is made to the Series 2025 Bonds and to the Indenture for a more detailed description of such provisions. The discussion herein is qualified by such reference. See also "APPENDIX F—FORM OF THE INDENTURE."

General

The Series 2025 Bonds are being issued and delivered pursuant to the Indenture. The Series 2025 Bonds will be dated as of their date of initial delivery, are being issued in the aggregate principal amount set forth on the cover page hereof and will mature on the dates and in the principal amounts set forth on the inside cover page of this Limited Offering Memorandum. The Series 2025 Bonds will be issued in Authorized Denominations. The Series 2025 Bonds will be delivered in fully registered form, will be transferable and exchangeable as set forth in the Indenture and, when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2025 Bonds. Ownership interests in the Series 2025 Bonds may be purchased in book-entry form only, in Authorized Denominations. So long as the Series 2025 Bonds are registered in the name of Cede & Co., all payments with respect to principal of, premium if any, and interest on the Series 2025 Bonds will be made by the Trustee to DTC, which is obligated in turn to remit such payments to its Direct Participants for subsequent disbursement to the beneficial owners of the Series 2025 Bonds. See "APPENDIX L—BOOK-ENTRY ONLY SYSTEM" attached hereto.

Limitation on Purchase and Transfer of the Series 2025 Bonds

The Series 2025 Bonds are to be offered and sold (including in certain secondary market transactions) only to Qualified Institutional Buyers and Accredited Investors (each as defined in “TRANSFER RESTRICTIONS” herein). The Indenture contains provisions limiting transfers of the Series 2025 Bonds and beneficial ownership interests therein to Qualified Institutional Buyers and Accredited Investors. In addition, the face of each Series 2025 Bond will contain a legend indicating that such Series 2025 Bond can only be registered in the name of, or transferred to and owned by, Qualified Institutional Buyers and Accredited Investors.

So long as the Series 2025 Bonds are subject to the transfer limitations described herein and DTC’s book-entry system, beneficial ownership interests in the Series 2025 Bonds may not be purchased by, or transferred to, any person except a Qualified Institutional Buyer or Accredited Investor. During such time, the Trustee may rely upon any representation from a DTC Participant that a transferee of a beneficial ownership interest in the Series 2025 Bonds is a Qualified Institutional Buyer or Accredited Investor. The Trustee is not required to obtain such representation as a condition precedent to a transfer of ownership of a beneficial ownership interest in the Series 2025 Bonds. During any period of time when the Series 2025 Bonds are not subject to DTC’s book-entry system, any Series 2025 Bond may be transferred upon the registration books kept by the Trustee, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of any such Series 2025 Bond for cancellation, accompanied by delivery of a written instrument of transfer. The Trustee will conclusively rely upon such written instrument of transfer as evidence that the transferee is a Qualified Institutional Buyer or Accredited Investor.

Interest on the Series 2025 Bonds

The Series 2025 Bonds will mature on July 1, on each of the years as set forth on the inside cover of this Limited Offering Memorandum. The Series 2025 Bonds will bear interest from the date of their initial delivery, at the interest rates set forth on the inside cover, payable on each January 1 and July 1 (each, an “**Interest Payment Date**”), commencing July 1, 2025*. Interest on the Series 2025 Bonds will be calculated based on a 360-day year of twelve (12) 30-day months.

Redemption

The Series 2025 Bonds are subject to redemption prior to maturity as set forth below.

Optional Redemption.

The Series 2025A Bonds may be called for redemption at the election of the Borrower on July 1, 20__, and on any date thereafter in whole or in part at a redemption price equal to the principal amount of each Series 2025A Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, without premium.

The Series 2025B Bonds are not subject to redemption at the election of the Borrower prior to their maturity date.

Special Extraordinary Redemption. The Series 2025 Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in Section 11.02(a) of the Loan Agreement or (ii) condemnation of all or a portion of the

* Preliminary; subject to change.

Project to the extent permitted in Section 11.02(b) of the Loan Agreement. Notwithstanding the foregoing, the Series 2025 Bonds are to be called for redemption at the direction of the Issuer in the event of damage or condemnation of all or a portion of the Project to the extent required by the foregoing sections of the Loan Agreement, unless the Borrower furnished to the Trustee the items required by Section 7.01(c) of the Loan Agreement or Section 7.01(d) of the Loan Agreement, whichever is applicable. See “APPENDIX G—FORM OF THE LOAN AGREEMENT.”

If the Series 2025 Bonds are called for redemption in the events described in the first sentence of the immediately preceding paragraph, the Series 2025 Bonds are to be subject to redemption at any time within 180 days of such event in whole or (in the case of partial redemption as a result of condemnation of a portion of the Project) in part, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If the Series 2025 Bonds are called for redemption in the events described in the second sentence of the immediately preceding paragraph, the Series 2025 Bonds are to be redeemed by the Issuer at any time within 180 days of such event in whole and not in part at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. The Trustee is to pay accrued interest on the Series 2025 Bonds to the date fixed for redemption and then principal of the Series 2025 Bonds called for redemption pursuant to special extraordinary redemption provisions.

Special Mandatory Redemption of Series 2025A Bonds. The Series 2025A Bonds are subject to special mandatory redemption, in whole or in part, from amounts disbursed by the Trustee to the holder of the Series 2025A Bonds in accordance with the Indenture as described under this heading and in “SECURITY FOR THE SERIES 2025 BONDS—Surplus Fund,” at a redemption price equal to the principal amount of Series 2025A Bonds thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

Redemption Procedures

Partial Redemption. Subject to the terms of the Indenture, if less than all of the Series 2025 Bonds of a majority are called for redemption in any of the circumstances set forth above, the particular Series 2025 Bonds or portions thereof to be redeemed are to be selected by lot in such manner as the Trustee is to determine. In selecting Series 2025 Bonds for redemption, the Trustee is to select Series 2025 Bonds to be redeemed in such a manner that all remaining Bondholders own only Authorized Denominations of the Series 2025 Bonds after such redemption. Upon surrender of any Series 2025 Bond for redemption in part, the Issuer is to execute and the Trustee is to authenticate and deliver to the owner thereof a new Series 2025 Bond or Series 2025 Bonds of the same interest rate, and maturity and of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2025 Bond so surrendered.

Notice of Redemption. If any of the Series 2025 Bonds are called for redemption, the Trustee is to give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Series 2025 Bonds to the registered owner of each Series 2025 Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice is to set forth the following: (i) the maturities of the Series 2025 Bonds to be redeemed; (ii) the CUSIP number, if any, of the Series 2025 Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Series 2025 Bonds; (v) the interest rate and maturity date of the Series 2025 Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Series 2025 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2025 Bonds so to be redeemed; (ix) in the case of a Bond to be redeemed in part only, also the portion of the principal amount thereof to be redeemed; and (x) that on the redemption date there is to become due and payable upon each Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the

case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon is to cease to accrue and be payable. Any notice mailed as provided in this “—*Notice of Redemption*” is to be conclusively presumed to have been duly given, whether or not the owner of such Series 2025 Bonds actually receives the notice.

Further, any notice of optional redemption of the Series 2025A Bonds may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2025A Bonds, so called for redemption, and that if such funds are not available, such redemption is to be canceled by written notice to the owners of the Series 2025A Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give notice of optional redemption by mail to any Bondholder, or any defect therein, is to not affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee also is to send a copy of such notice with respect to Series 2025 Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing is to not be a condition precedent to such redemption and failure so to mail any such notice is to not affect the validity of any proceedings for the redemption of the Series 2025 Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Series 2025 Bonds or portions thereof called for redemption is to become due and payable on the redemption date, and interest thereon is to cease to accrue. Thereafter, the owners of such Series 2025 Bonds are to no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

TRANSFER RESTRICTIONS

The Series 2025 Bonds are to be offered and sold (including secondary market transactions) only to Qualified Institutional Buyers (“**Qualified Institutional Buyers**”) as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”) and Accredited Investors (“**Accredited Investors**”) as defined in Rules 215 and 501(a) of Regulation D promulgated under the Securities Act. The Indenture will contain provisions limiting transfers of the Series 2025 Bonds and beneficial ownership interests therein to Qualified Institutional Buyers and Accredited Investors. In addition, the face of each Series 2025 Bond will contain a legend indicating that such Series 2025 Bond can only be registered in the name of, or transferred to and owned by, Qualified Institutional Buyers or Accredited Investors. Further, each initial purchaser will be required to deliver an investor letter substantially in the form of Appendix M hereto.

SECURITY FOR THE SERIES 2025 BONDS

The following section contains a brief summary of certain provisions of the Indenture, the Loan Agreement, the Mortgage and the Guaranty. Such summary does not purport to be complete, and reference is made to the Indenture, the Loan Agreement, the Mortgage and the Guaranty included herein as APPENDICES F, G, H and I, respectively, for a full and complete statement of the provisions thereof. The following section also contains summary of the provisions of the Collateral Assignment and Deposit Account Control Agreements which does not purport to be complete, and reference is made to the actual Collateral Assignment and Deposit Account Control Agreements, copies of which are available upon request by contacting the Underwriter.

General

The Series 2025 Bonds will be issued pursuant to the constitution and laws of the State, particularly the Act and the Supplemental Act, and will be secured under the Indenture and the Mortgage. The Series 2025 Bonds will be special, limited obligations of the Issuer and payable from and secured by the Trust Estate.

The Issuer will loan the proceeds of the Series 2025 Bonds to the Borrower (the “**Loan**”) pursuant to the Loan Agreement. The obligation of the Borrower to repay the Loan will be evidenced by a promissory note in the amount equal to the original aggregate principal amount of the Series 2025 Bonds (the “**Note**”), dated the date of delivery of the Series 2025 Bonds, from the Borrower to the Issuer. Pursuant to the Loan Agreement, as security for the payments required to be made by the Borrower to the Issuer under the Loan Agreement and the Note, the Borrower pledged and granted to the Trustee, as assignee of the Issuer, all of the Borrower’s right, title and interest, if any, in the Pledged Revenues.

The obligation of the Borrower under the Loan Agreement is not a general obligation of the Borrower. The pledge of the Borrower under the Loan Agreement to the repayment of the Series 2025 Bonds is limited to its revenues generated from the operation of the Plant and does not include any revenue or income of the Borrower which is derived from its other operations outside of the Plant or its other assets. Notwithstanding the foregoing, pursuant to the Guaranty, the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage.

As additional security for the payments required to be made by the Borrower under the Loan Agreement, the Borrower has agreed to execute and deliver the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) dated as of April 1, 2025 (the “**Mortgage**”) made by the Borrower to the Public Trustee of Garfield County, Colorado for the benefit of the Trustee. See “—Mortgage” under this caption.

On the date of issuance of the Series 2025 Bonds, the Borrower will also enter into a Guaranty Agreement and Indemnity made by the Borrower to the Issuer and assigned to the Trustee (as previously defined, the “**Guaranty**”), pursuant to which the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage. See “—Guaranty Agreement and Indemnity” under this caption.

To further secure its obligation to repay the Note, the Borrower and the Trustee will enter into a Collateral Assignment of Project Documents dated as of April 1, 2025 (the “**Collateral Assignment**”) pursuant to which the Borrower will collaterally assign in favor of the Trustee, for the benefit of the Bondholders, the Construction Contract, the Architect Contract, the Construction Monitor Agreement as well as certain permits, plans, specification permits and approvals with respect to the Project. Each of the Contractor and Architect will execute a consent to the Collateral Assignment. See “—Collateral Assignment of Contracts” under this caption.

In addition, the Borrower will enter into Deposit Account Control Agreements with the Trustee and U.S. Bank National Association or successor depository bank (the “**Depository Bank**”) for the purpose of granting to the Trustee a security interest in the Collections Fund and Operating Expense Fund, which are maintained by the Borrower. Upon the occurrence of certain events and the provision of a notice of exclusive control to the Depository Bank, as further described under “—Collections Fund and Operating

Expense Fund; Deposit Account Control Agreement” below, the amounts on deposit in the Collections Fund and Operating Expense Fund may only be applied at the direction of the Trustee.

Limited Obligations of the Issuer

THE SERIES 2025 BONDS, TOGETHER WITH INTEREST THEREON, ARE SPECIAL, LIMITED AND NOT GENERAL OBLIGATIONS OF THE ISSUER GIVING RISE TO NO PECUNIARY LIABILITY OF THE ISSUER, IS TO BE PAYABLE SOLELY FROM THE SECURITY, AND ARE TO BE A VALID CLAIM OF THE RESPECTIVE OWNERS THEREOF ONLY AGAINST THE SECURITY. THE SECURITY IS SPECIFICALLY PLEDGED AND ASSIGNED FOR THE EQUAL AND RATABLE PAYMENT OF THE SERIES 2025 BONDS AND ARE TO BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2025 BONDS, EXCEPT AS MAY BE OTHERWISE EXPRESSLY AUTHORIZED IN THE INDENTURE. THE SERIES 2025 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER AS PROVIDED THEREIN PAYABLE SOLELY FROM THE SECURITY. THE SERIES 2025 BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON IS NEVER TO CONSTITUTE THE DEBT OR INDEBTEDNESS OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE STATE CONSTITUTION OR STATUTES, IS NOT TO CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING POWER AND IS NOT TO CONSTITUTE A “MULTIPLE FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION” OF THE ISSUER UNDER ARTICLE X, SECTION 20 OF THE STATE CONSTITUTION. NONE OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF ARE TO BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025 BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT THE LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM REVENUES AND OTHER FUNDS PROVIDED IN THE INDENTURE. THE SERIES 2025 BONDS DO NOT CONSTITUTE A DEBT, LOAN, CREDIT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE MEMBERS OF THE CITY COUNCIL OF THE ISSUER NOR ANY PERSON EXECUTING THE SERIES 2025 BONDS ARE TO BE LIABLE PERSONALLY ON THE SERIES 2025 BONDS BY REASON OF THE ISSUANCE THEREOF.

Trust Estate; Gross Revenues and Pledged Revenues

Pursuant to the Indenture, the Issuer will assign to the Trustee, as security for the payment of the Series 2025 Bonds, all the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), (b) the Note, (c) the Collateral Assignment, (d) the Pledged Revenues (as defined below), (e) all the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Series 2025 Bonds and all money held by the Trustee in the funds created under the Indenture (except the Rebate Fund), (f) all the right, title, and interest of the Issuer in and to all money and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of the Indenture, (g) all the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, and (h) all the right, title, and interest of the Issuer in and to the Guaranty and amounts paid pursuant thereto (the “**Trust Estate**”).

“**Pledged Revenues**” is defined in the Loan Agreement to mean (i) the Gross Revenues; (ii) any awards and recoveries received with respect to the Project including foreclosure, sale, and insurance and

condemnation awards with respect to the Project; (iii) all other moneys with respect to the Project to which the Issuer may be entitled, including earnings thereon; and (iv) all revenues associated with the Direct Pay Investment Tax Credit, if awarded by the federal government pursuant to the Inflation Reduction Act which are available for eligible costs under such Act and are related to the Project.

“Gross Revenues” is defined in the Loan Agreement to mean all revenues, income, receipts and money of every nature in any form derived or received by the Borrower solely from or in connection with the Plant, including but not limited to, gross revenues derived from its operation and possession of and pertaining to such Plant, interest or earnings on investments, including earnings on investments on deposit in the funds and accounts of the Indenture which is to be treated in accordance with the Indenture, interest on any deposit accounts of the Borrower to the extent controlled by the Trustee under the Deposit Account Control Agreement, any revenues received from grant reimbursements related to the Project and any accounts receivable or rights the Borrower may have in accounts receivable related to the Project; provided, however, that Gross Revenues are not to include any revenue or income of the Borrower which is derived from its operations not relating to the Plant or its other assets or from unrestricted donations to the Borrower.

Mortgage

To secure its obligations to repay the Note, the Borrower will grant, bargain, sell and convey to the Public Trustee of Garfield County, Colorado, for the benefit and security of the Trustee, (i) any interest of the Borrower (but only of the Borrower) in all buildings and other improvements now or in the future erected on the Premises (as defined in the Mortgage) and the furniture, furnishings, equipment (including the equipment), machinery, the Plant, and other personal property, and all replacements, substitutions, and additions thereto used in connection with the operation and use of the Premises which is not permanently affixed to the Plant, (ii) any interest of the Borrower in all revenues, income, receipts and money of every nature in any form derived or received by Borrower solely from the Plant, and (iii) certain other rights and security interests associated with the Premises.

In the Ground Lease, the Issuer has consented to the Mortgage and agreed that the Trustee has certain cure rights under the Ground Lease and foreclosure rights under the Mortgage. See “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project Site; Ground Lease”. Any breach, default or failure to comply with any provision of the Mortgage, as well as a default under the Ground Lease (including termination of the Ground Lease before the expiration of its term for any reason, without the prior written consent of the Trustee), the Loan Agreement or the Note constitutes an event of default under the Mortgage. Upon an event of default, the Trustee may accelerate the Borrower’s obligations under the Loan Agreement and the Note and exercise various remedies granted under the Mortgage, including judicial foreclosure, power of sale through the public trustee, appointment of receiver and other remedies.

Simultaneously with the execution and delivery of the Series 2025 Bonds, on the Closing Date the Borrower will deliver to the Trustee a lender’s title insurance policy on all real property leased by the Borrower pursuant to the Ground Lease and covered by the Mortgage.

See “APPENDIX H—FORM OF THE MORTGAGE” in this Limited Offering Memorandum. See also “RISK FACTORS—Risks Related to the Ground Lease.”

Guaranty Agreement and Indemnity

Pursuant to the Loan Agreement, the Borrower agrees that a demand may be made for payment under the Guaranty, and agrees to make any such payment in the event the Loan Payments and other

amounts payable by the Borrower under Section 5.02 of the Loan Agreement are not otherwise paid when due.

Under the Guaranty, the Borrower unconditionally and irrevocably guarantees the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage, including, without limitation, principal, interest, fees, expenses, and advances by the Issuer pursuant to any of the Note, the Loan Agreement and the Mortgage and all other documents executed by Borrower in connection therewith (all such indebtedness, obligations and liabilities are referred to in the Guaranty and herein as the “**Obligations**”), together with any and all expenses, including but not limited to reasonable attorneys’ fees, which may be paid or incurred by the Issuer in collecting any or all of the Obligations and/or in enforcing any rights under the Guaranty.

The Guaranty provides that the Issuer, in its sole discretion, may proceed to exercise any right or remedy which the Issuer may have under the Guaranty without pursuing or exhausting any right or remedy which it may have against the Borrower or any other person or entity or which it may have with respect to the collateral for any or all of the Obligations. Pursuant to the Indenture, the Issuer has assigned its right, title and interest in the Guaranty to the Trustee.

The Guaranty will automatically terminate and be of no further force or effect upon full and final satisfaction of the obligations under the Note, the Loan Agreement and the Mortgage and all other documents executed by Borrower in connection therewith.

See “APPENDIX I—FORM OF THE GUARANTY.”

Collateral Assignment of Contracts

As additional security for the Borrower’s obligations under the Loan Agreement, the Borrower will execute and deliver to the Trustee a Collateral Assignment, pursuant to which it will assign in favor of the Trustee, for the benefit of the Bondholders, all of the Borrower’s rights, title and interest in and to the Construction Contract, the Architect Contract, the Construction Monitor Agreement, as well as certain permits, plans, specification permits and approvals with respect to the Project (collectively, the “**Assigned Property**”), provided that until the occurrence and continuance of an Event of Default under the Indenture, the Borrower is to be entitled to exercise all of the rights held by it under the provisions of the Assigned Property. The Trustee is irrevocably appointed by the Borrower as its attorney-in-fact to demand, receive and enforce its rights with respect to the Assigned Property, to give appropriate receipts, releases and satisfactions for and on its behalf and to do any and all acts in its name or in the name of the Trustee with the same force and effect as the Borrower could do if the Collateral Assignment had not been made. Each of the Contractor and Architect will execute a consent to the Collateral Assignment prior to the issuance of the Series 2025 Bonds, and any future counterparty to any agreement constituting Assigned Property is required to execute a consent to such assignment upon execution of such agreement constituting Assigned Property.

Certain Covenants of the Borrower

The Loan Agreement contains financial and other covenants of the Borrower, some of which are summarized below. Capitalized terms used in this section and not defined in the front part of this Limited Offering Memorandum have the meaning assigned to them in the Loan Agreement. See “APPENDIX G—FORM OF THE LOAN AGREEMENT” for a complete list of Borrower’s covenants and defined terms.

Annual Budget and Rate Covenant; Annual Financial Statements and Certifications

Commencing with Fiscal Year ending June 30, 2025, no later than 60 days prior to the first day of each Fiscal Year, the Borrower is to prepare an Annual Budget of anticipated Gross Revenues and Operating Expenses for the succeeding Fiscal Year, and is to submit a copy of the Annual Budget to the Trustee and the Issuer. The Annual Budget must comply with the requirements specified in the definition of the term Annual Budget. The Annual Budget is to continue in effect until such time as a new Budget or amended Annual Budget is submitted to the Trustee. The Annual Budget is to include provision for payment by the Borrower of the costs, fees, and expenses payable or incurred by reason of the Loan under the Loan Agreement and the Indenture, including all compensation for the expenses of the Trustee, including any paying agents and the reasonable expenses of the Issuer.

Commencing in Fiscal Year 2028, the Borrower covenants to budget for and thereafter maintain a Fixed Charges Coverage Ratio of not less than 1.20:1.00 calculated annually. In the event that the Borrower fails to maintain the Fixed Charges Coverage Ratio as set forth above for a Fiscal Year as certified in accordance with the Continuing Disclosure Agreement pursuant to the Loan Agreement, the Borrower covenants to engage a Financial Consultant to conduct an investigation of the Project and to make recommendations to the Borrower on remedies to achieve the required Fixed Charges Coverage Ratio. The fees and reasonable expenses of the Financial Consultant is to be paid by the Borrower. The Borrower is to (i) take all actions within its control to comply with the Financial Consultant's recommendations, other than to the extent that any of the Financial Consultant's recommendations conflict with law or existing contracts with non-affiliates, or the Borrower is to in good faith determine by authorized action that such recommendations are unreasonable, impractical or unfeasible; and (ii) follow the recommendations of the Financial Consultant.

Within 120 days after the end of each Fiscal Year, the Borrower is to provide to the Trustee a copy of the basic financial statements of the Borrower prepared by the Borrower's accountant, together with the certifications, as provided in the Continuing Disclosure Agreement. If the certifications provided in connection with the financial statements for such Fiscal Year state that (a) the Borrower is not in default under any provision of the Loan Agreement and has fully complied with all of the provisions thereof, and (b) the Fixed Charges Coverage Ratio of the Borrower for such Fiscal Year met or exceeded 1.20:1.00, then at the time such financial statements are provided by the Borrower to the Trustee, the Borrower is to notify the Trustee that the conditions for release of the amount in the Surplus Fund under the Loan Agreement have been met for such Fiscal Year.

Limitation on Encumbrances

Under the Loan Agreement, the Borrower covenants and agrees that it will not suffer or permit any mechanics' or other liens to be filed or exist against the Project, nor against any Loan Payment paid or payable under the Loan Agreement, by reason of work, labor, services, or materials supplied or claimed to have been supplied to the Borrower or anyone holding the Project or any part thereof through or under the Borrower. If any such mechanic's liens is to at any time be filed, the Borrower is to within 90 days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or otherwise. The Borrower is to have the right to contest the validity of the amount of any such lien by appropriate proceedings timely instituted, provided that the Borrower (a) gives the Issuer and the Trustee written notice of its intention so to do and (b) diligently prosecutes each such contest. If the Issuer or the Trustee are to notify the Borrower that, in the opinion of Independent Counsel, by nonpayment of the claim the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture, the Borrower is to promptly pay all such unpaid items and cause them to be satisfied and discharged. The Trustee is not obligated to monitor any such contest or

determine whether, by nonpayment of the claim and the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture.

Additional Indebtedness

Under the Loan Agreement, the Borrower covenants and agrees that, until all of its Indebtedness and obligations due under the Loan Agreement for Loan Payments have been fully paid or provided for, the Borrower is not to, directly or indirectly, incur, assume, or guarantee any Indebtedness, whether secured or unsecured, other than (a) Additional Bonds, (b) the Line of Credit, (c) Indebtedness consented to in writing by the Majority Holder, or (d) Short Term Indebtedness upon satisfaction of the following conditions: (i) the prior Fiscal Year's audit indicates the Fixed Charges Coverage Ratio was at least 1.20:1.00 for such Fiscal Year; (ii) a Financial Consultant provides a report indicating the Short Term Indebtedness will not prevent the Fixed Charges Coverage Ratio from being at least 1.20:1.00 in future Fiscal Years; (iii) collateral for the Short Term Indebtedness will be only inventory pledged on a basis subordinate to the Series 2025 Bonds, and (iv) the principal amount of such outstanding Short Term Indebtedness in the aggregate is equal to or less than \$1,000,000; provided to the extent the Borrower incurs Short Term Indebtedness secured by inventory of the Project, the Borrower, the Trustee and the lender of such Short Term Indebtedness are required to enter into an intercreditor agreement setting forth the relative priority of liens and interest in the Security and such inventory, including the Trustee having a subordinate lien on inventory securing such Short Term Indebtedness.

Insurance

Pursuant to the Loan Agreement and the Mortgage, during the term of the Series 2025 Bonds, the Borrower is required to maintain certain insurance policies as described under "PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—Insurance."

No Commingling of Funds

Pursuant to the Loan Agreement, the Borrower is not to commingle Gross Revenues with any of its funds that are not part of the Gross Revenues.

Flow of Funds Under the Indenture; Funds and Accounts

The Indenture creates the Revenue Fund, the Bond Fund, the Project Fund, the 2025A Debt Service Reserve Fund, the Supplemental Debt Service Reserve Fund, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, the Rebate Fund and the Surplus Fund, and accounts within certain of such funds, all of which are required to be established and maintained by the Trustee in accordance with the Indenture. The following summarizes flow of funds provisions of the Indenture and certain of such funds and accounts to be administered by the Trustee pursuant to the Indenture. Capitalized terms used in this section and not defined in the front part of this Limited Offering Memorandum have the meaning assigned to them in the Indenture and Loan Agreement. See "APPENDIX F—FORM OF THE INDENTURE" and "APPENDIX G—FORM OF THE LOAN AGREEMENT."

In addition to the Indenture funds and accounts to be maintained by the Trustee, the Borrower covenanted under the Loan Agreement to create and maintain the Collections Fund for deposit of all Gross Revenues and the Operating Expense Fund for deposit and funding of certain operating expenses relating to the Project, at all times subject to one or more Deposit Account Control Agreements. See "Collection Fund and Operating Expense Fund; Deposit Account Control Agreements" under this caption.

Revenue Fund

Pursuant to the terms of the Indenture, the Issuer is to deposit or cause the Borrower to deposit the Gross Revenues with the Trustee as received and no less frequently than weekly, and the Trustee is to upon receipt deposit such amounts in the Revenue Fund.

So long as no Event of Default has occurred and is continuing, money in the Revenue Fund is to be applied on the twenty-fifth day of each month (or, if such day is not a business day, on the next succeeding business day) in the following manner in the order of priority indicated:

- FIRST: to the Rebate Fund, to the extent directed in writing by the Issuer (otherwise none) any amount necessary to meet the Rebate Amount; and
- SECOND: to the Administrative Expense Fund, to pay Ordinary Expenses of the Trustee, Extraordinary Expenses of the Trustee, Arbitrage Calculator Fees and Issuer Expenses; and
- THIRD: (a) to the General Account of the Bond Fund, approximately equal proportional amounts each month to accumulate to make the interest payment on the next Interest Payment Date, taking into account amounts on deposit in the General Account of the Bond Fund to be applied to such interest payment, and thereafter an amount equal to one-sixth (1/6th) of the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date, provided that no such payment need be made, or a partial payment may be made, if the amount on deposit in the Bond Fund is, or with such partial payment is to be, sufficient to pay the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date and (b) *pari passu*, (i) commencing July 1, 2027, to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12th) of the principal payment due with respect to the Series 2025B Bonds and (ii) to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12th) of the next mandatory principal payment due with respect to any parity Additional Bonds, on the next ensuing July 1 as may be due at maturity or by sinking fund redemption as set forth in a Supplemental Indenture, provided that no such payment need be made or a partial payment may be made if the amount on deposit in the General Account of the Bond Fund is, or with such partial payment is to be, sufficient to pay the amount due on the Series 2025B Bonds and any parity Additional Bonds, *pari passu*, on such July 1; and
- FOURTH: to the Borrower for deposit in the Operating Expense Fund, an amount specified in writing by the Borrower as necessary to pay the Operating Expenses for the succeeding month as set forth in the Annual Budget; and
- FIFTH: to the 2025A Debt Service Reserve Fund, subject to the requirements of “—2025A Debt Service Reserve Fund,” respectively, an amount sufficient to restore the 2025A Debt Service Reserve Requirement if the total amount in the 2025A Debt Service Reserve Fund is less than the 2025A Debt Service Reserve Requirement, provided, however, that such restoration of the 2025A Debt Service Reserve Requirement is not to extend (a) beyond

twelve (12) consecutive months, beginning in the month following a withdrawal from the 2025A Debt Service Reserve Fund, or (b) beyond four (4) consecutive months, beginning in the month following a calculation of the Value of the 2025A Debt Service Reserve Fund at an amount less than the 2025A Debt Service Reserve Requirement; and

SIXTH: on and after July 1, 2028, to the Operating Expense Reserve Fund, an amount equal to the amount necessary to restore the amount therein to the Operating Reserve Fund Requirement if the total amount in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement; and

SEVENTH: to the Repair and Replacement Reserve Fund, an amount specified in writing by the Borrower equal to 1/12th of the Repair and Replacement Reserve Fund Requirement for that Fiscal Year plus any monies necessary to replenish such fund pursuant to the Indenture;

EIGHTH: to the Supplemental Debt Service Reserve Fund, an amount sufficient to fund and restore the Supplemental Debt Service Reserve Fund Requirement (i.e., \$1,000,000) if the total amount in the Supplemental Debt Service Reserve Fund is less than the Supplemental Debt Service Reserve Fund Requirement; and

NINTH: finally, all remaining amounts to the Surplus Fund.

Operating Expense Reserve Fund

The Indenture establishes the Operating Expense Reserve Fund. The Operating Expense Reserve Fund is to be in the custody of the Trustee but in the name of the Issuer. Pursuant to the terms of the Indenture, the Trustee is authorized and directed to disburse funds from the Operating Expense Reserve Fund to make any payments due under Section 506(e) of the Indenture after applying funds in accordance with the priority set forth in Section 506(e) of the Indenture. If amounts are not needed for the foregoing uses and no Event of Default exists under the Loan Agreement or the Bond Documents of which the Trustee has notice or is deemed to have notice as provided in the Indenture, the Trustee is to at the written request of the Borrower on or after the twenty-fifth day of each month, disburse amounts to the Borrower to fund Operating Expenses not otherwise funded by a transfer under FOURTH in “—Revenue Fund,” and to fund variances in budgeted Operating Expenses or to fund working capital as provided in the Loan Agreement. To the extent the amount on deposit in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement, on and after July 1, 2028, the Trustee is to transfer from the Revenue Fund to the Operating Expense Reserve Fund in accordance with “—Revenue Fund” above the amount necessary to replenish the amounts on deposit to the Operating Expense Reserve Fund Requirement, which is equal to 25% of the year’s Operating Expenses. “**Operating Expenses**” means all expenses incurred, paid or budgeted to be paid in connection with the operation, maintenance and repair of the Project, including, but not limited to, administrative costs, insurance premiums, utilities and routine maintenance for any period, direct material costs, factory consumables and contingency expenses. The covenant to fully fund the Operating Expense Reserve Fund will commence for the 2029 Fiscal Year.

Debt Service Reserve Funds

2025A Debt Service Reserve Fund. The Indenture requires the establishment of the 2025A Debt Service Reserve Fund into which the Trustee is to initially deposit on the Closing Date an amount equal to

the maximum annual debt service for the Series 2025A Bonds. If the Borrower has exercised its option or is obligated to prepay the Loan in whole and not in part pursuant to the terms of the Loan Agreement, and has paid the sums as provided therein, all of the money then in the 2025A Debt Service Reserve Fund are to be deposited in the Unrestricted Redemption Account of the Bond Fund by the Trustee. Any money held in the 2025A Debt Service Reserve Fund may be paid to the Borrower or its designee when all Series 2025A Bonds have been fully paid, redeemed or defeased pursuant to the Indenture.

The 2025A Debt Service Reserve Fund is to be in the custody of the Trustee but in the name of the Issuer. Subject to the provision of the Indenture described in the fourth paragraph under this heading, the Issuer authorizes and directs the Trustee to withdraw funds from the 2025A Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series 2025A Bonds, and then all principal of and premium, if any, then due on the Series 2025A Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to the Indenture, which authorization and direction the Trustee hereby accepts. The Trustee is to give written notice to the Issuer and the Underwriter of any withdrawal from the 2025A Debt Service Reserve Fund and of any losses from the investment of money in the 2025A Debt Service Reserve Fund.

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025A Bonds is equal to or less than the balance of the Bond Fund and money deposited in the 2025A Debt Service Reserve Fund and the Supplemental Debt Service Reserve Fund, and if all amounts owed under the Loan Agreement and the Indenture have been paid, money held in the 2025A Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding Series 2025A Bonds. If any Event of Default has occurred and is continuing, all funds in the Debt Service Fund are to be applied at the written direction of the Majority Holder with respect to eh Series 2025A bonds for which such funds are held.

Supplemental Debt Service Reserve Fund. The Indenture requires the establishment of the Supplemental Debt Service Reserve Fund into which the Trustee is to deposit amount described in the Indenture in the Supplemental Debt Service Reserve Fund. Any money held in the Supplemental Debt Service Reserve Fund is to be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for in accordance with the Indenture.

The Supplemental Debt Service Reserve Fund is to be in the custody of the Trustee but in the name of the Issuer. Pursuant to the Indenture, the Issuer authorizes and directs the Trustee to withdraw funds from the Supplemental Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series 2025 Bonds, and then all principal of and premium, if any, then due on the Series 2025 Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to the provision of the Indenture described under “—Operating Expense Reserve Fund,” which authorization and direction the Trustee thereby accepts. The Trustee is to give written notice to the Issuer and the Underwriter of any withdrawal from the Supplemental Debt Service Reserve Fund and of any losses from the investment of money in the Supplemental Debt Service Reserve Fund. Funds are to be withdrawn from the Supplemental Debt Service Reserve Fund for the purposes set forth in this paragraph prior to withdrawal of any funds from the 2025A Debt Service Reserve Fund as provided in the Indenture and described above.

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025 Bonds is equal to or less than the balance of the Bond Fund and money deposited in the Supplemental Debt Service Reserve Fund and the 2025A Debt Service Reserve Fund and if all amounts owed under the Loan Agreement and the Indenture have been paid, money held in the Supplemental Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding

Series 2025 Bonds. If any Event of Default has occurred and is continuing, all funds in the Supplemental Debt Service Reserve Fund are to be applied at the written direction of the Majority Holder with respect to the Series 2025 Bonds for which such funds are held.

See “APPENDIX F—FORM OF THE INDENTURE.”

Repair and Replacement Reserve Fund

The Indenture establishes a Repair and Replacement Reserve Fund. The Repair and Replacement Reserve Fund is to be in the custody of the Trustee but in the name of the Issuer. Commencing June 30, 2028, and every three (3) years thereafter, the Borrower is to cause a Financial Consultant to perform an inspection of the Project and to prepare a report which is to contain recommendations for any adjustment to the Repair and Replacement Reserve Fund Requirement for the next succeeding three Fiscal Years based upon the physical condition of the Project and taking into account the amount of funds then in the Repair and Replacement Reserve Fund. The report is to be delivered to the Trustee with the Annual Budget. The Trustee is to have no duty or obligation to review or analyze such report and is not to be deemed to have knowledge of any information contained therein. Any money held in the Repair and Replacement Reserve Fund is to be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for. The Issuer hereby authorizes and directs the Trustee upon receipt of a request from the Borrower to withdraw funds from the Repair and Replacement Reserve Fund to pay, as long as no Event of Default under the Loan Agreement has occurred and is continuing, the extraordinary maintenance, repair costs and capital expenditures (allowable as such under generally accepted accounting principles) related to the Project which the Borrower is obligated to pay pursuant to the Loan Agreement. After the report of the Financial Consultant, to the extent the amount in the Repair and Replacement Reserve Fund is less than the then applicable Repair and Replacement Reserve Fund Requirement, the Trustee is to deposit each month from the Revenue Fund to the Repair and Replacement Reserve Fund in accordance with the Indenture and Loan Agreement one-twelfth of the amount necessary to satisfy the increase in the Repair and Replacement Reserve Fund Requirement.

The Trustee is to use all or any portion of the balance in the Repair and Replacement Reserve Fund to avoid a default in the payment of the principal of or interest on the Series 2025 Bonds, and may transfer the same to the Bond Fund for such purposes. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the Loan Agreement.

Surplus Fund

The Indenture establishes a Surplus Fund. Amounts are to be deposited into the Surplus Fund as described in “—Revenue Fund” below. The amounts on deposit in the Surplus Fund will be used to remedy any shortfall in the Revenue Fund with respect to those deposits required by the Indenture as described in “—Revenue Fund” below. To the extent not required to remedy any such shortfall and so long as no Event of Default exists under the Loan Agreement or the Bond Documents, the Trustee is to, within 15 days following receipt by the Trustee of a certification of the Borrower provided pursuant to Section 8.16 of the Loan Agreement, disburse the amount in the Surplus Fund as follows: 90% of such amount is to be disbursed to the holders of the Series 2025A Bonds to redeem such Series 2025A Bonds pursuant to the Indenture as described in “THE SERIES 2025 BONDS—Redemption—*Special Mandatory Redemption of Series 2025A Bonds*,” and 10% of such amount is to be disbursed to the Borrower to use in its discretion. The Trustee may conclusively rely on such Borrower certification for such purpose.

Collections Fund and Operating Expense Fund; Deposit Account Control Agreement

Pursuant to the Loan Agreement, the Borrower is required to enter into the Deposit Account Control Agreement (the “**Deposit Account Control Agreement**”) among the Borrower, the Trustee, and U.S. Bank National Association, as the depository bank (the “**Depository Bank**”) and agrees that the Collections Fund and Operating Expense Fund shall be and remain subject to the Deposit Account Control Agreement for the benefit of the Trustee as provided therein.

Collections Fund. The Borrower is required to establish and maintain with the Depository Bank a deposit account which shall be designated as the Collections Fund. The Borrower covenants in the Loan Agreement to deposit all Gross Revenues into the Collections Fund upon receipt thereof, and to transfer no less frequently than weekly all such amounts in the Collections Fund into the Revenue Fund under the Indenture.

Operating Expense Fund. The Borrower shall establish and maintain with the Depository Bank a deposit account which shall be designated as the Operating Expense Fund. The Borrower may request the Trustee to transfer amounts on deposit in the Operating Expense Reserve Fund to the Borrower for deposit to the Operating Expense Fund as provided in the Loan Agreement. Amounts in the Revenue Fund shall be transferred by the Trustee to the Borrower for deposit to the Operating Expense Fund as provided in Section 504 of the Indenture. The Borrower agrees to use all amounts on deposit in the Operating Expense Fund from time to time solely for Operating Expenses and working capital in connection with the Project.

Pursuant to the Deposit Account Control Agreement, the Collections Fund and the Operating Expense Fund will be under the control of Trustee; provided, that, unless and until the Depository Bank receives Trustee’s written notice that the Borrower’s access to the funds in such accounts is terminated, the Depository Bank is required to honor the Borrower’s instructions, notices and directions with respect to the transfer or withdrawal of funds from such accounts.

Pursuant to the Loan Agreement, at any time that a Fixed Charges Coverage Ratio of 1.20:1.00 or greater has not been maintained for two consecutive Fiscal Years as certified by the Borrower, the Trustee is to provide to the Depository Bank a notice of exclusive control and the Trustee is to take exclusive control of the Collections Fund and Operating Expense Fund as provided in the Deposit Account Control Agreement; provided however that, in the event the Fixed Charges Coverage Ratio meets or exceeds 1.20:1.00 for any subsequent Fiscal Year, the Trustee will withdraw the notice of exclusive control in accordance with the provisions of the Deposit Account Control Agreement.

TAX MATTERS

Series 2025A Bonds

The following discussion is a summary of the opinion of Bond Counsel to the Issuer that is to be rendered on the tax status of interest on the Series 2025A Bonds and of certain federal and state income tax considerations that may be relevant to prospective purchasers of the Series 2025A Bonds. This discussion is based upon existing law, including current provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), existing and proposed regulations under the Code, and current administrative rulings and court decisions, all of which are subject to change.

Upon issuance of the Series 2025A Bonds, Hogan Lovells US LLP, Bond Counsel to the Issuer, will provide an opinion, substantially in the form included in Appendix J, to the effect that, under existing law, interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax.

The foregoing opinion will assume compliance by the Issuer and the Borrower with certain requirements of the Code that must be met subsequent to the issuance of the Series 2025A Bonds. The Issuer and the Borrower will certify, represent and covenant to comply with such requirements. Failure to comply with such requirements could cause the interest on the Series 2025A Bonds to be included in gross income, or could otherwise adversely affect such opinion, retroactive to the date of issuance of the Series 2025A Bonds. In addition, Bond Counsel will rely on, among other things, the opinion of Fennemore Craig, P.C., counsel to the Borrower, regarding, among other matters, the current status of the Borrower as an organization described in Section 501(c)(3) of the Code and the use of the facilities financed with the Series 2025A Bonds in activities that are considered “unrelated trade or business” activities of the Borrower, as defined in Section 513(a) of the Code, which opinion is subject to a number of qualifications and limitations. Failure of the Borrower to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2025A Bonds in a manner that is substantially related to the Borrower’s exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2025A Bonds to be included in gross income retroactively to the date of the issuance of the Series 2025A Bonds. Bond Counsel will not independently verify the accuracy of the Issuer’s and the Borrower’s certifications and representations or the continuing compliance with the Issuer’s and the Borrower’s covenants and will not independently verify the accuracy of the opinion of the Borrower’s counsel.

The opinion of Bond Counsel to the Issuer relating to the Series 2025A Bonds will also provide to the effect that, under existing law, interest on the Series 2025A Bonds is not subject to income taxation by the State.

Certain of the Series 2025A Bonds (the “**Discount Bonds**”) are being offered and sold to the public in their original public offering at an original issue discount. Generally, original issue discount is the excess of the stated redemption price at maturity of any Discount Bond over the issue price of the Discount Bond. Bond Counsel has advised the Issuer and the Underwriter that, under existing laws and to the extent interest on any Discount Bond is excluded from gross income for federal income tax purposes, the original issue discount on any such Discount Bond that accrues during the period such person holds the Discount Bond will be treated as interest that is excluded from gross income for federal income tax purposes with respect to such holder, and will increase such holder’s tax basis in any such Discount Bond. Purchasers of any Discount Bond should consult their tax advisors regarding the proper computation and accrual of original issue discount.

If a holder purchases a Series 2025A Bond for an amount that is greater than its stated redemption price at maturity, such holder will be considered to have purchased the Series 2025A Bond with “amortizable bond premium” equal in amount to such excess. A holder must amortize such premium using a constant yield method over the remaining term of the Series 2025A Bond, based on the holder’s yield to maturity. As bond premium is amortized, the holder’s tax basis in such Series 2025A Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or other disposition of the Series 2025A Bond prior to its maturity. No federal income tax deduction is allowed with respect to amortizable bond premium on a Series 2025A Bond. Purchasers of a Series 2025A Bond with amortizable bond premium should consult with their own tax advisors regarding the proper computation of amortizable bond premium and with respect to state and local tax consequences of owning such Series 2025A Bond.

Other than the matters specifically referred to above, Bond Counsel to the Issuer expresses and will express no opinions regarding the federal, state, local or other tax consequences of the purchase, ownership and disposition of the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should be aware, however, that the Code contains numerous provisions under which receipt of interest on the Series 2025A Bonds may have adverse federal tax consequences for certain taxpayers. Such consequences include the following: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or

continued to purchase or carry the Series 2025A Bonds or, in the case of financial institutions, that portion of the holder's interest expense allocable to interest on the Series 2025A Bonds (subject to certain exceptions); (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Series 2025A Bonds; (c) interest on the Series 2025A Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (d) passive investment income, including interest on the Series 2025A Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income; and (e) Section 86 of the Code requires recipients of certain Social Security and certain railroad retirement benefits to take into account, in determining the inclusion of such benefits in gross income, receipts or accrual of interest on the Series 2025A Bonds.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2025A Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2025A Bonds may not be permitted to participate in the audit process. Moreover, public awareness of an audit of the Series 2025A Bonds could adversely affect their value and liquidity.

Prospective purchasers of Series 2025A Bonds should consult their own tax advisors as to the applicability and extent of federal, state, local or other tax consequences of the purchase, ownership and disposition of Series 2025A Bonds in light of their particular tax situation.

The Series 2025B Bonds

Colorado Income Taxation. Upon issuance of the Series 2025B Bonds, Bond Counsel to the Issuer will provide an opinion, in the form included in Appendix J, to the effect that, under existing law, interest on the Series 2025B Bonds is not subject to income taxation by the State.

As described in greater detail below, interest on the Series 2025B Bonds is not excluded from gross income for federal income tax purposes.

The following is a summary of material U.S. federal income tax considerations of the ownership and disposition of the Series 2025B Bonds. This summary is based upon provisions of the Code, applicable regulations, administrative rulings and judicial decisions in effect as of the date hereof, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service so as to result in U.S. federal income tax consequences different from those discussed below. This summary assumes that the Series 2025B Bonds are properly treated as indebtedness for federal income tax purposes. Except where noted, this summary deals only with a Series 2025B Bond held as a capital asset by a beneficial owner who is a U.S. holder (as defined below) who purchases the Series 2025B Bond for cash on original issuance at its issue price (as defined below). This summary does not address all aspects of U.S. federal income taxes and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;

- tax consequences to persons holding Series 2025B Bonds as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- tax consequences to persons whose “functional currency” is not the U.S. dollar;
- tax consequences to entities treated as partnerships for U.S. federal income tax purposes and investors therein;
- tax consequences to certain former citizens or residents of the United States;
- tax consequences to certain accrual method taxpayers subject to special tax accounting rules because of their use of financial statements;
- alternative minimum tax consequences, if any;
- any state, local or foreign tax consequences; and
- estate or gift taxes.

If an entity that is treated as a partnership for U.S. federal income tax purposes holds Series 2025B Bonds, the tax treatment of a partner or member will generally depend upon the status of the partner or member and the activities of the entity. If you are a partner or member in such an entity holding the Series 2025B Bonds, you should consult your tax advisors.

If you are considering the purchase of Series 2025B Bonds, you should consult your tax advisors concerning the U.S. federal income tax consequences to you of the purchase, ownership and disposition of Series 2025B Bonds in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.

In this discussion, the term “U.S. holder” refers to a beneficial owner of Series 2025B Bonds that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Payment of Interest. Stated interest on a Series 2025B Bond will generally be taxable to a U.S. holder as ordinary income at the time it is received or accrued in accordance with the U.S. holder’s usual method of accounting for tax purposes.

Original Issue Discount. If any Series 2025B Bonds are issued with original issue discount, or “OID,” a U.S. holder of such Series 2025B Bonds will be subject to special tax accounting rules, as described in greater detail below. In that case, U.S. holders should be aware that they generally must include OID in gross income in advance of the receipt of cash attributable to that income.

A Series 2025B Bond with an “issue price” that is less than its stated redemption price at maturity (the sum of all payments to be made on the Series 2025B Bond other than payments of stated interest) will generally be issued with OID in an amount equal to that difference if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity. The “issue price” of a Series 2025B Bond will be the first price at which a substantial amount of such Series 2025B Bonds is sold to investors (excluding sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler).

A U.S. holder generally must include OID in gross income in advance of the receipt of some or all of the related cash payments using the “constant yield method” described in the following paragraphs.

The amount of OID that a U.S. holder must include in income is the sum of the “daily portions” of OID with respect to the Series 2025B Bond for each day during the taxable year or portion of the taxable year in which such holder held that Series 2025B Bond. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. The “accrual period” for a Series 2025B Bond may be of any length and may vary in length over the term of the Series 2025B Bond; provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of:

- the Series 2025B Bond’s “adjusted issue price” at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over
- the sum of all stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The “adjusted issue price” of a Series 2025B Bond at the beginning of any accrual period is equal to its issue price increased by the OID that has accrued for each prior accrual period. Under these rules, a U.S. holder will have to include in income increasingly greater amounts of OID in successive accrual periods.

U.S. holders may elect to treat all interest on any Series 2025B Bond as OID and calculate the amount includible in gross income under the constant yield method described above. The election is to be made for the taxable year in which such holder acquired the Series 2025B Bond and may not be revoked without the consent of the IRS. U.S. holders should consult with their own tax advisors about this election.

Bond Premium. In general, if a U.S. holder acquires a Series 2025B Bond for an amount that is greater than its stated principal amount, the U.S. holder will be treated as purchasing such Series 2025B Bond with bond premium in an amount equal to such excess. A U.S. holder generally may elect to amortize such bond premium using a constant yield method over the remaining term of the Series 2025B Bond as an offset to interest when includible in income under such U.S. holder’s method of accounting for U.S. federal income tax purposes. If a U.S. holder makes this election, it will apply to all taxable debt instruments having amortizable bond premium that the U.S. holder owns or subsequently acquires and may not be revoked without the consent of the IRS. If a U.S. holder elects to amortize bond premium, such U.S. holder must

reduce its tax basis in the Series 2025B Bond by the amount of the premium used to offset interest income as set forth above. If a U.S. Holder does not elect to amortize bond premium, the amount of the premium will decrease the gain or increase the loss otherwise recognized on the disposition of a Series 2025B Bond. U.S. holders that acquire a Series 2025B Bond for an amount that is greater than its stated principal amount should consult with their tax advisors concerning the tax treatment of amortizable bond premium.

Sale, Redemption or Other Taxable Disposition of Series 2025B Bonds. A U.S. holder will generally recognize gain or loss upon the sale, redemption or other taxable disposition of a Series 2025B Bond equal to the difference between the amount realized (less accrued stated interest, which will be taxable as such) upon the sale, redemption or other taxable disposition and the U.S. holder's adjusted tax basis in the Series 2025B Bond. Legal defeasance of the Series 2025B Bonds may result in a deemed exchange of such Series 2025B Bonds, in which event the holder will recognize gain or loss as described in the preceding sentence. A U.S. holder's adjusted tax basis in a Series 2025B Bond will generally be equal to the amount that such U.S. holder paid for the Series 2025B Bond increased by any previously accrued OID and reduced by any bond premium previously amortized. Any gain or loss recognized on a taxable disposition of the Series 2025B Bond will be capital gain or loss. If, at the time of the sale, redemption or other taxable disposition of the Series 2025B Bond, a U.S. holder is treated as holding the Series 2025B Bond for more than one year, this capital gain or loss will be long-term capital gain or loss. Otherwise, this capital gain or loss will be short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally are subject to preferential tax rates. A U.S. holder's ability to deduct capital losses may be limited.

Additional Medicare Tax. An additional 3.8% tax will be imposed on the "net investment income" of certain individuals, estates and trusts that have "modified adjusted gross income" above a certain threshold. Net investment income includes, but is not limited to, interest on a Series 2025B Bond and gains from the sale or disposition of a Series 2025B Bond. Prospective investors should consult their tax advisors regarding the possible applicability of this tax to an investment in the Series 2025B Bonds.

Information Reporting and Backup Withholding. Information reporting requirements generally will apply to interest (including OID) on the Series 2025B Bonds and the proceeds of a sale of a Series 2025B Bond paid to a U.S. holder unless the U.S. holder is an exempt recipient (such as a corporation). Backup withholding will apply to those payments if the U.S. holder fails to provide its correct taxpayer identification number, or certification of exempt status, or if the U.S. holder is notified by the IRS that it has failed to report in full payments of interest and dividend income. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability if the required information is furnished in a timely manner to the IRS.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code ("FATCA") impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Series 2025B Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

In General

Bond Counsel to the Issuer will render their opinions as of the issue date, and will assume no obligation to update their opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel to the Issuer are not binding on the courts or the IRS; rather, such opinions represent Bond Counsel's legal judgment based upon their review of existing law and upon the certifications, representations and covenants referenced above.

Amendments to federal and state tax laws are proposed from time to time and could be enacted, and court decisions and administrative interpretations may be rendered, in the future. There can be no assurance that any such future amendments or actions will not adversely affect the value of the Series 2025 Bonds or, as applicable, the exclusion of interest on the Series 2025 Bonds from gross income, alternative minimum taxable income, state taxable income, or any combination from the date of issuance of the Series 2025 Bonds or any other date, or that such changes will not result in other adverse federal or state tax consequences.

APPROVAL OF LEGALITY

The validity of the Series 2025 Bonds and certain other legal matters are subject to the approving opinion of Hogan Lovells US LLP, Denver, Colorado, Bond Counsel to the Issuer. The proposed form of the legal opinion of Bond Counsel is attached hereto as Appendix J. Hogan Lovells US LLP undertakes no responsibility for the accuracy, completeness or fairness of this Limited Offering Memorandum.

Certain legal matters will be passed upon for the Underwriter by Ballard Spahr LLP, Denver, Colorado. Certain legal matters will be passed upon for the Issuer by Karp Neu Hanlon, P.C., Glenwood Springs, Colorado. Certain legal matters will be passed upon for the Borrower by Fennemore Craig, P.C., Denver, Colorado.

ABSENCE OF MATERIAL LITIGATION

The Issuer

To the knowledge of the Issuer, there is no material litigation pending or threatened against the Issuer concerning the validity of the Series 2025 Bonds or any proceedings of the Issuer taken with respect to the issuance thereof.

The Borrower

There are no actions, suits or proceedings which have been served on the Borrower or, to the Borrower's knowledge, are otherwise pending or threatened against the Borrower: (i) seeking to restrain or enjoin the issuance or delivery of any of the Series 2025 Bonds or the collection of Pledged Revenues, the pledge of Pledged Revenues under the Loan Agreement, or the payment of Loan Payments; (ii) in any way contesting or adversely affecting the authority for the issuance of the Series 2025 Bonds or the validity of the Series 2025 Bonds, the Indenture, the Loan Agreement or the Tax Agreement; or (iii) contesting the existence or powers of the Borrower which, if determined adversely to it, would materially adversely affect the consummation of the transactions contemplated by the Loan Agreement or the ability of the Borrower to perform its obligations thereunder; or (iv) contesting the Borrower's status as an organization described in Section 501(c)(3) of the Code or which would subject any income of the Borrower to federal income taxation to such extent as would result in loss of the exclusion from gross income for federal income tax purposes of interest on any of the Series 2025 Bonds under Section 103 of the Code; or (v) which would

materially and adversely affect the financial condition or operations of the Borrower or its ability to make the Loan Payments.

UNDERWRITING

The Series 2025 Bonds are being purchased by D.A. Davidson & Co. (the “**Underwriter**”) pursuant to a Bond Purchase Agreement by and among the Issuer, the Borrower and the Underwriter (the “**Bond Purchase Agreement**”). The Underwriter has agreed to purchase the Series 2025 Bonds at a purchase price equal to \$_____ (which is equal to the aggregate par amount of the Series 2025 Bonds [, [plus/less] [net] original issue [premium/discount]], less an underwriting discount of \$[_____]).

The Bond Purchase Agreement provides that the Underwriter will purchase not less than all of the Series 2025 Bonds if any are purchased. The Underwriter’s obligation to make such purchase is subject to the terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel and other conditions.

CONTINUING DISCLOSURE

The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2025 Bonds or to any decision to purchase, hold or sell Series 2025 Bonds and the Issuer will not provide any such information.

In order to provide certain continuing disclosure with respect to the Series 2025 Bonds in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (as previously defined, the “**Rule**”), the Borrower will enter into a Continuing Disclosure Agreement with the Trustee. The Borrower will covenant for the benefit of the Bondholders and beneficial owners of the Series 2025 Bonds to provide certain financial information and operating data relating to the Borrower on a quarterly and annual basis, (ii) notice of the occurrence of certain Events of Default, (iii) monthly construction reports, and (iv) notice of the occurrence of certain enumerated events. Additionally, the Borrower has agreed to hold quarterly investor calls for a certain period of time as set forth in the Continuing Disclosure Agreement. See “APPENDIX K—FORM OF THE CONTINUING DISCLOSURE AGREEMENT” attached hereto.

INDEPENDENT ACCOUNTANTS

The financial statements as of June 30, 2024 and 2023, included in this Limited Offering Memorandum as “APPENDIX B—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024” and “APPENDIX C—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023,” have been audited by Soronen, Donley, Patterson, CPA’s PC, independent accountants, as stated in their reports.

The financial statements are being included for informational purposes only. The Borrower is not obligated to make Loan Payments or other payments required by the Loan Agreement from the Borrower’s assets and revenues other than the Plant and Pledged Revenues.

NO RATINGS

Neither the Borrower nor the Issuer has applied to any national rating agency for a rating on the Series 2025 Bonds.

MISCELLANEOUS

All quotations from, summaries and explanations of the Ground Lease, Indenture, Loan Agreement, Mortgage, Guaranty and any other documents contained herein do not purport to be complete, and reference is made to said documents for full and complete statements of their provisions. Copies in reasonable quantity of the Ground Lease, Indenture, Loan Agreement, Mortgage and Guaranty may be obtained upon request directed to the Underwriter.

Any statements in this Limited Offering Memorandum involving matters of opinion are intended as such and not as representations of fact. The information contained herein relating to the Borrower has been furnished by the Borrower and officers and officials of the Borrower, and the Issuer has authorized the delivery of this Limited Offering Memorandum in an ordinance of the Issuer Council dated January 15, 2025, however it makes no representation or warranties whatsoever with respect to any information contained herein except the information furnished by the Issuer under the captions “INTRODUCTION—The Issuer,” “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION—The Issuer.”

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The preparation of this Official Statement and its distribution has been authorized by the Board. This Limited Offering Memorandum is hereby duly approved by the Board as of the date on the cover page hereof. This Limited Offering Memorandum is not to be construed as an agreement or contract between the Borrower and any purchaser, owner or holder of any Series 2025 Bond.

**HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY, INC.**

By: _____
Chief Executive Officer

APPENDIX A

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

INTRODUCTION

Habitat for Humanity of the Roaring Fork Valley, Inc. (the “**Borrower**” or “**Habitat RFV**”), is a Colorado nonprofit organization formed in 1999 with its headquarters located in Glenwood Springs, Colorado. The Borrower provides affordable home ownership for working families and individuals residing throughout the Roaring Fork Valley of Colorado. Habitat RFV is an affiliate of Habitat for Humanity International, Inc. (“**Habitat for Humanity**”), a global nonprofit housing organization working in local communities in all 50 states of the United States (including 1,500 local affiliates such as Borrower), and in approximately 70 countries. Habitat for Humanity’s vision is of a world where everyone has a decent place to live. The Borrower, acting through its 50 employees, its leadership team and Board of Directors, supports the vision of Habitat for Humanity. The Borrower is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity under Section 501(c)(3) of the Internal Revenue Code.

The following is information regarding the Borrower. Although the Borrower is not obligated to make payments under the Loan Agreement from any source other than Pledged Revenues, pursuant to the Guaranty, the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage. The Borrower’s obligations under the Guaranty are general unsecured obligations of the Borrower. See “SECURITY FOR THE SERIES 2025 BONDS—General” and “RISK FACTORS—Limitation on Revenues.”

MISSION RELATED SERVICES

The Borrower's mission states: “Grounded in strong community relationships, Habitat RFV advocates for affordable housing and reuse of locally donated items at our ReStore to generate revenue that enables the development of affordable ownership housing for families and individuals from Parachute to Aspen.” In furtherance of its mission the Borrower focuses on housing development and operation of its Re-Store, and other related services described as follows.

Housing Development

The Borrower began its journey in 1999 by building one home per year, primarily with volunteers and homebuyers, gradually scaling to two duplexes at a time. A pivotal moment came in 2016, through collaboration with the Roaring Fork School District to coordinate and construct Basalt Vista, a 27-home development in Basalt, Colorado. To complete this ambitious project within four years, the Borrower’s team expanded from 38 to 46 employees, including 14 skilled tradesmen. This shift has established Habitat RFV as a leader in affordable housing initiatives within the Roaring Fork and Colorado River Valleys, exemplified by recent success with multi-unit developments like Wapiti Commons, as further described below.

The success of Basalt Vista inspired the exploration of even larger-scale housing solutions with cost-effective construction methods. By refining the Basalt Vista model, Habitat RFV employed prefabricated panel-built construction for the 20-unit Wapiti Commons project in Rifle, Colorado. These panels, produced by Simple Homes in Denver, Colorado, included comprehensive packages with 40-foot wall panels, doors, windows, floors, and roof trusses. Located in an enterprise zone that promotes development in economically distressed areas, Wapiti Commons has been recognized by the Colorado

Economic Development Commission and Associated Governments of Northwest Colorado as a vital economic driver for workforce recruitment and retention in the region.

According to the Borrower, the Borrower has built \$32 million of housing over the last seven years and supported area homeowners by gathering \$5.88 million of philanthropic gifts, government grants of \$11.35 million and \$8 million of USDA low-interest mortgages. This work provides affordable homeownership for local families: 95% of homeowners are first time homebuyers and 43% of homeowners are Latino families. In addition, according to the Borrower, 98% of current homeowners were the initial homeowners of the homes in which they still reside, reflecting a strong retention rate of homeownership; stabilizing families and communities.

Energy efficient homes are important for not only carbon reduction purposes but also in driving lower home utility costs. The Borrower often builds homes with solar panels, heat pumps, all electric appliances, and electric heating and cooling thus providing homeowners with utility bills that, according to the Borrower, are under \$20 per month. As a pioneer in energy-efficient affordable housing among small rural Habitat for Humanity affiliates, the Borrower achieved the following milestones:

- The first net-zero home on the Western Slope in Rifle, Colorado (2009).
- The first fully accessible home built to LEED Platinum Standards in Carbondale, Colorado (2014).
- The first net-zero affordable housing development in rural Colorado in Basalt, Colorado (2019).

Based on its 2024-2027 strategic plan adopted in May 2024, Habitat RFV has developed the following goals:

- Pursue the mission of Habitat for Humanity with a strong, principled, equitable organizational culture, empowered leadership, and operate with a clear set of shared values.
- Establish processes to evaluate development projects that ensure alignment with Habitat RFV's priorities: speed of construction, quality, price, energy efficiency, volunteer and homeowner engagement, and local job generation with community housing needs.
- Optimize ReStore net revenue and future growth through data informed decision making, inventory management, e-commerce sales, leveraged purchased products, gifts in kind, logistical and cost efficiencies, in-store customer centered experience, and marketing through trending media channels.
- Support, serve, and maintain relationships with all Habitat RFV homeowners during and after the home buying process, education and sweat equity contributions, through strong homeowner services including neighborhood homeowner associations.

Historically, families that qualify for deed-restricted housing provided by the Borrower are selected by a selection committee based on four key criteria (deed restrictions limit the permitted sales price of a home in order to continue its affordability):

- Residency Status: Applicants must be United States citizens or permanent legal residents and have lived or worked in the Roaring Fork Valley, Aspen to Parachute for at least one year.

- **Need:** Applicants must currently reside in substandard, overcrowded, or unaffordable housing that does not meet their needs including inadequate shelter due to issues with heating, water supply, structural safety, or overcrowding. They also need to have no previous ownership of property in the last three years, no bankruptcy in the last two years and a clean record for violent or felony drug charges.
- **Ability to Pay:** Applicants must demonstrate financial stability, with a consistent monthly income that covers routine expenses, home maintenance, and mortgage payments.
- **Willingness to Partner:** Applicants must show a commitment to partnership by contributing 250 hours per applicant to construction of their home, attending education classes, saving \$4,000 for closing costs and staying involved with Habitat RFV through volunteering and participation in events. Once selected, homeowners purchase their homes through affordable loans provided by the Borrower's third-party lending partners.

The following tables provide certain information on the number of homes built by the Borrower and average home purchase price of such homes in the Roaring Fork Valley:

TABLE III
Habitat for Humanity of the Roaring Fork Valley, Inc. History of Homebuilding ¹

Location	2020	2021	2022	2023	2024 ²
Basalt	7	9	7	--	--
Glenwood Springs	--	--	--	--	--
Rifle	--	--	--	--	10
Silt	--	--	--	--	--
Total	<u>7</u>	<u>9</u>	<u>7</u>	<u>=</u>	<u>10</u>

¹ Based on a calendar year.

² As of December 31, 2024.

Source: The Borrower.

TABLE IV
History of Home Purchase Price ¹

Location	2020	2021	2022	2023	2024 ²
Basalt	\$334,286	\$315,556	\$274,286	\$--	\$ --
Glenwood Springs	--	--	--	--	--
Rifle	--	--	--	--	287,000
Silt	--	--	--	--	--
Total	<u>\$334,286</u>	<u>\$315,556</u>	<u>\$274,286</u>	<u>\$--</u>	<u>\$287,000</u>

¹ Basalt 70-100% of AMI; Rifle under 80% AMI.

² As of December 31, 2024.

Source: The Borrower.

ReStore

The Borrower also operates the Habitat ReStore (“**ReStore**”) located at 53 Calaway Court, Glenwood Springs, Colorado. The ReStore is a nonprofit home improvement store and donation center that sells new and gently used home goods, furniture, appliances, building materials, and more. The ReStore operates with the mission to support Habitat for Humanity’s efforts to provide affordable housing by generating funds through sales.

The ReStore has similarly evolved from humble origins over the years, from a 2,000 square foot rented storage unit in 2006 to a 40,500 square foot facility which the Borrower built in 2017. The Habitat RFV store has now expanded to become the second largest ReStore in Colorado, serving over 72,000 guests a year (in a rural service area that only has a population of approximately 80,000 residents). The ReStore has contributed greatly to the Borrower’s ability to develop strong community relations and a positive public image throughout the service area from Aspen to Rifle, and well beyond. Purchasers from all over the region shop both in person and online at the ReStore. Most importantly, according to the Borrower, revenues from sales at the ReStore directly support the Habitat RFV mission by covering the majority of its overhead and administrative costs.

Donations of home goods for sale at the ReStore are received from individuals, contractors, and businesses (including hotels). These donations can include a wide range of items such as: furniture, home appliances, building materials, home décor, and renovation supplies. Items are sold at discounted prices, making home improvement more accessible to the community. The pricing strategy reflects the condition and demand for each item, and the goal is to provide affordable options while maximizing funds for the Habitat for Humanity mission. The revenue generated from ReStore sales directly contributes to Habitat for Humanity projects, funding the Borrower’s operating costs and construction. Additionally, by promoting reuse and recycling, the ReStore helps reduce waste and promotes sustainable practices within the community.

Total donations per pound and by estimated value for the past five fiscal years are shown in the following table.

TABLE V
Five Year Donation History

	2020	2021	2022	2023	2024 ¹
Pounds Donated	1,665,757	1,913,298	1,925,721	1,821,463	1,947,407
Tons Donated	833	957	963	911	974
Estimated Value of Donation	\$2,831,787	\$3,252,606	\$3,276,725	\$3,096,487	\$3,310,592

¹ As of June 30, 2024.
Source: The Borrower.

Revenues generated from the Borrower’s operation of the ReStore are not pledged to the payment of the Series 2025 Bonds.

Management Discussion and Analysis

The Borrower has applied itself to the mission of building affordable homes for local families. Starting slowly, one home at a time, the Borrower’s first home was built 25 years ago in the Emma neighborhood of Pitkin County, just outside of the Town of Basalt.

From inception, Habitat RFV has completed a total of 70 homes in the region, including 10 homes completed in 2024, with 16 more homes currently under construction or in pre-construction. Just over 200 adults and children are currently living in Habitat RFV completed homes, and all of the adults contribute at least 250 hours of volunteer time to the organization in partnership with the Borrower’s full-time professional team. While the magnitude of Habitat RFV’s efforts has greatly evolved over the ensuing quarter century since the first family moved into their new home, the joy of seeing families taking possession and ownership of what Habitat for Humanity refers to as their “forever homes” is a constant source of delight for everyone involved and represents the culmination and fulfillment of work.

While the Borrower began with an all-volunteer workforce in 2004, Habitat RFV started hiring a staff to help it accelerate and better achieve its mission. By 2015, Habitat RFV had significantly quickened the pace of construction to build four homes a year, and began to focus on building neighborhoods. The “Basalt Vista” neighborhood, consisting of 27 homes in a mixture of duplexes and triplexes, was completed in 2021 through a public/private partnership with the Town of Basalt, Pitkin County, the Roaring Fork School District, and Holy Cross Energy Cooperative.

Basalt Vista won Habitat International’s 2021 award for “best multi-family home design” in the country. Like most of Habitat RFV’s homes, Basalt Vista was built on land that was donated to Habitat RFV free of charge, in this case by the Roaring Fork School District.

Basalt Vista also marked a new era in energy efficiency for Habitat RFV. All 27 of those homes are “net-zero” meaning that due to built-in energy saving components, including geothermal heat pumps and solar panels, those homes deliver more energy back to the grid than they take from the grid. Today, every house that Habitat RFV builds is “net-zero,” which the Borrower expects will also be true of every modular house produced at the Plant. As a result, according to the Borrower, homeowners at Basalt Vista, along with the 20 townhomes and condominiums comprising “Wapiti Commons” in Rifle, pay on average \$14 per month, year-round, for all of their utilities (except water), ensuring that they enjoy not just affordable housing, but truly affordable living.

The Borrower also recently broke ground on another similar project, “The Confluence” in Glenwood Springs, consisting of six townhomes on a parcel of land donated to the Borrower by the City of Glenwood Springs, located at the corner of Midland Avenue and 8th Street, in Glenwood Springs, CO, in an ideal location across the street from a park situated on the Roaring Fork River. According to the Borrower, there is a long list of applicants anticipated to purchase one of these affordable units.

The Project

The Plant will be managed by an expert in the industry, Bryan Lynch, of 3in1 Solutions, who is expected to build out a leadership team of other modular industry leaders, including a VP of Sales/Business Development, Purchasing and Materials Control Manager, Estimator, Quality Manager, General Manager, Production Manager and a Safety Manager. According to the Borrower, a Controller with a strong background in cost-basis accounting to ensure the financial goals are being met to meet the obligations of the repayment of the Series 2025 Bonds is expected to be put into place to work closely with the VP of Sales/Business Development, the Purchasing and Materials Control Manager (procurement), and human resources team.

Details of Operations Hiring and Plant Setup. According to the Borrower, as the construction of the Plant nears Substantial Completion strategic hiring is expected to begin to transition the Plant into operations. The Borrower plans to fill key positions according to the following timeline:

- *Production Manager.* 90-120 days prior to Substantial Completion
- *General Manager.* 90-120 days prior to Substantial Completion
- *Procurement Manager.* 60-90 days prior to Substantial Completion (potentially outsourced)
- *Human Resources Manager.* 30-45 days prior to Substantial Completion
- *Administration.* 15-30 days prior to Substantial Completion

- *Vice President of Sales and Business Development.* 60-90 days prior to Substantial Completion
- *Bookkeeping/Controller.* 30-45 days prior to Substantial Completion
- *Production Floor Supervisors.* 30 days after Substantial Completion
- *Quality Assurance Manager.* 30 days after Substantial Completion

Outside Contracted Services. In addition to its own employees, the Borrower anticipates contracting with third parties for information technology services, human resources services, project estimating services, production shop drawings and monthly safety inspections (anticipated by the Borrower to commence after four months of production).

Production Facility Setup. Upon handover of the Plant from the Contractor, Habitat RFV will begin setting up the production environment. This setup process, which includes the installation of workstations, racking, materials, and equipment is expected by the Borrower to take approximately 45 to 60 days. During this period, recruitment for production team members will commence, targeting both experienced construction tradespeople and entry-level workers. Habitat RFV's production and human resources management teams will collaborate to identify and interview suitable candidates for the Plant's production line.

As part of Habitat RFV's commitment to maintaining a safety-first and training-oriented culture, the Plant will implement various programs designed to ensure workplace safety and high-quality standards across all operations. In particular, the Borrower intends to implement a color-coded hard hat system to allow easy identification of staff and their roles within the Plant.

Training and Certification. Habitat RFV plans to ensure that all production management, floor supervisors, department leads, and materials handlers receive comprehensive training and certifications, which is anticipated by Habitat RFV to include the following for all or certain employment positions, as applicable: first aid certification, overhead crane operations, fall protect and safety training, forklift operation and safety, bridge scaffolding and ladder safety, and tool operation and safety.

Each employee's certifications will be documented in their personnel folder, and they will receive hard hat decals for visible identification of their qualifications.

Direct Hiring Schedule for Production. According to the Borrower, the production team will be hired in a manner to ensure a gradual ramp-up in workforce capacity as the Plant as it prepares to begin production. The Borrower anticipates the total production team to consist of approximately 27 to 36 employees, who will be hired in stages anticipated to begin approximately 30 days prior to completion of the Plant and until approximately 14 weeks following completion of the Plant.

Operational Functions and Monitoring. According to the Borrower, to ensure the smooth functioning of the factory, the Borrower plans to implement the following operational functions and tracking mechanisms:

- *Financial Oversight.* Monthly profit and loss statements will be reviewed by members of the Borrower's executive team to ensure financial health.

- *Project Estimating.* The Sales Development Manager or other project estimator will adjust project estimates monthly based on production output, work in progress, and inventory levels.
- *Production Monitoring.* The Production Manager will generate a weekly Gantt chart, driven by sales forecasts, to align labor force levels with profit and loss labor percentage goals.
- *Labor Efficiency.* Labor percentage relative to production output will be tracked weekly, while material costs will be reviewed monthly.
- *Departmental Meetings.* The General Manager will hold weekly meetings with department heads, and the Production Manager will meet daily with floor supervisors.
- *Safety Briefings.* Department Leads will conduct toolbox and safety briefing each morning, focusing on different safety topics daily.
- *Procurement Oversight.* The Procurement Manager will ensure that purchased material costs align with project estimates.
- *Team Collaboration.* Weekly meetings will be held between the Production Management team, Procurement Manager, and Quality Control to ensure alignment and quality standards.
- *Project Kickoff.* The Production Manager will lead regular project kickoff meetings with all management and team members.

According to the Borrower, this structured approach is anticipated to ensure operational efficiency and the highest standards of safety, quality, and employee development at the Plant. Further, the Borrower anticipates that this organizational framework, coupled with a strong focus on employee safety and training, will help drive long-term success and foster a productive, high-performance work environment.

The Plant will report to the Borrower's executive leadership team and Board, with support from the Borrower's Modular Subcommittee.

Habitat RFV's in-house construction team will be involved with Plant operations, including as station leads for the various build-out phases, and may assist in facilitating project-specific onsite work on a contractual basis.

According to Habitat RFV, Habitat RFV offers wages averaging \$30 per hour and comprehensive benefits to attract and retain skilled professionals. Furthermore, Habitat RFV is collaborating with the Mountain Board of Cooperative Educational Services training program and Colorado Mountain College to provide educational opportunities at the Plant.

Modular Plant. The Plant is a steel, energy-efficient structure that has been designed to ensure maximum efficiency and flexibility. It will include a metal roof that will house solar panel arrays to help support electric load. According to the Borrower, the Plant is expected to include 14-15 stations that can be in use on the climate controlled production floor at any given time. The Borrower has achieved and is building with net-zero construction certification and the Borrower expects to continue to build with these standards at the Plant. See "PLANT VICINITY AND MARKET AREAS" and "PROJECT PHOTOS."

The Plant will be located on a former uranium and vanadium processing site and the ore processing operation created a radioactive tailings subject to the Uranium Mill Tailings Radiation Control Act. See “RISK FACTORS—Environmental Risks, Permits and Approvals.

See “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT” for a description of the Plant, a construction budget, deed restrictions on all modular units, and working capital for the Plant.

SERVICE AREA

The Borrower’s primary service area is the Roaring Fork Valley of Colorado (the “**Roaring Fork Valley**”). The Roaring Fork Valley includes municipalities within the Counties of Eagle, Garfield and Pitkin, Colorado. The following tables show the cities and towns within such counties, the median income for households in the Roaring Fork Valley and purchase prices for housing therein, and demographic information for Eagle, Garfield and Pitkin Counties.

Roaring Fork Valley Municipalities

Location

Eagle County

Basalt
Edwards/Vail

Garfield County

Carbondale
Glenwood Springs
New Castle/Silt
Parachute
Rifle

Pitkin County

Aspen
Snowmass Village

Median Household Income in Garfield, Pitkin and Eagle County

County	Median Income
Eagle County	\$103,174
Garfield County	\$86,172
Pitkin County	\$100,318

Source: United States Census Bureau, QuickFacts, 2019-2023.

2-Bedroom Housing Units in Garfield, Pitkin and Eagle County

Location	Average Cost
Aspen	\$2,065,227
Basalt	911,650
Carbondale	779,216
Edwards/Vail	1,265,776
Glenwood Springs	545,079
New Castle/Silt	415,327
Parachute	352,355
Rifle	326,955
Snowmass Village	1,444,117

Source: Market Analysis prepared by Gruen Gruen & Associates. See “APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO.”

Demographic Highlights for Borrower Service Area

	Eagle County	Garfield County	Pitkin County
Hispanic or Latino	30.5%	32.8%	11.7%
Over 65 years	15.5%	15.2%	24.0%
Median value of owner occupied housing units	\$814,700	\$490,600	\$1,131,200
BA degree or higher	50.3%	33.4%	64.0%
Median household income	\$103,174	\$86,172	\$100,318
Persons in poverty	6.6%	9.1%	6.4%

Source: U.S. Census QuickFacts, 2019-2023.

MARKET ANALYSIS

An independent Market & Demand Analysis for the Proposed Habitat Modular Housing Plant in Rifle, Colorado (the “**Market Study**”) dated August of 2024, prepared by Gruen Gruen + Associates, LLC, Denver, Colorado (the “**Market Study Provider**”) was conducted with respect to the Project to evaluate the current market conditions and prospective market demand for deed restricted affordable housing reserved for income-eligible workforce households within the market area. The Market Study is attached to this Limited Offering Memorandum as “APPENDIX D—MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN RIFLE, COLORADO” with the consent of the Market Study Provider. The purpose of the Market Study was to identify the primary and secondary geographic market areas likely to be served by the Plant (see “PLANT VICINITY AND MARKET AREAS” at the front of this Limited Offering Memorandum), estimate the potential demand for modular workforce housing units in these market areas, identify potential sources of supply competition, and estimate the volume of demand potentially served by the Plant.

According to the Borrower, the gap between what it costs today to build homes in the region which Habitat RFV serves and what the local workforce can afford to pay for their housing is unsustainable and, as a result, small and large businesses, schools, hospitals, local governments and virtually every other local employer have significant difficulty hiring. According to the Borrower, this affordability gap is expected to grow, and will be impossible to bridge, unless Habitat RFV makes a data driven, fundamental change in

its business model and shifts to off-site modular construction. Habitat RFV has determined that unless it converts from traditional on-site stick-built construction to modular construction in a factory, it will no longer be able to build affordable homes for the region's essential workers. Local workforce families will be unable to live in the communities in which they work and will be compelled to travel unsustainable distances to and from their respective places of work, thereby making it increasingly difficult for local employers to hire employees and to run their business efficiently.

Market Demand. The Market Study found that the “demand for deed-restricted workforce housing in the geographic areas to be served by the proposed Habitat modular plant is substantial” and “the Habitat modular plant will need to capture around six percent of the overall target workforce housing market.” According to the Market Study, the potential demand for deed-restricted workforce housing in the three primary market counties is estimated to average nearly 2,500 units per year over the next ten years. The Market Study estimates the Plant would meet just 6% of the annual market demand. This housing demand is driven by the “missing middle” households who earn too much to qualify for low-income assistance but not enough to afford market-rate housing. These include many teachers, firefighters, hospital workers, small business owners, and local government employees. If the real estate economic challenges outlined in the Market Study persist then the Market Study concludes that “it is likely that modular housing production will continue to gain market share and acceptance. This is particularly true for new workforce housing production in the Roaring Fork Valley and surrounding bedroom communities, where existing housing is incredibly scarce and expensive.”

Cost and Time Efficiency. The Market Study references national studies from leading experts such as McKinsey & Co. and the Harvard Joint Center for Housing Studies have documented that modular construction reduces housing construction costs by approximately 20% compared to conventional stick-built construction. Modular housing units produced at the Plant are projected to have a sales price in the initial year of operation of \$160 per square foot, increasing to \$175 per square foot by the fourth year. The rule of thumb is that the modular unit cost out of the factory is 50% or more of the finished cost of the home, meaning that once the house is completely trimmed out, with net-zero components installed and is ready to be occupied, the per square foot cost will be approximately \$320. Accordingly, that will actually represent a cost savings of 40% to 100% from the exceptionally high costs of traditional construction in the Roaring Fork Valley due to the intense demand for ultra-high-end homes, some of the highest labor costs in the country, and the highly constrained pool of trained labor. The substantial cost savings associated with modular construction are not the only benefits to be realized from Habitat RFV's shift to modular construction: Time is money, and, as described in the Market Study, McKinsey & Co. has estimated that modular construction can also accelerate project timelines by 20% to 50%.

Target Market: The geographic market for the Plant is the Western Slope of Colorado. The primary market includes communities throughout Garfield, Pitkin, and Eagle counties, with secondary markets extending to Mesa and Summit counties. The target demographic is workforce households with annual incomes between 80% to 160% of Area Median Income (AMI). The Market Study's conservative estimate of need for affordable housing in the Habitat RFV's geographic market does not account for the housing needs of lower-income residents living throughout its region, which could also be a secondary source of demand.

The Borrower has prepared an internal spreadsheet model to evaluate the ability of potential home purchasers to afford the purchase of Habitat deed-restricted homes given local construction costs, AMI levels and mortgage interest rate conditions. The model is used for the principal counties in which the Borrower now operates: Pitkin and Garfield County.

The spreadsheet model below shows the buying power for 70, 80, 100, and 120% AMI based on a three-person household in Garfield County with three different square footages of the homes after

completion assuming varying construction prices per square foot (720 and 826 sq./ft. from Borrower's Projection, 1,100 is the Borrower's larger unit at the Borrower's Confluence For-Sale Project). These calculations are based on the lending standards set by the Colorado Housing and Finance Authority. Highlighted in green are the cost per square foot of for-sale homes for which no external subsidy would be necessary to make the homes affordable to the buyers.

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The following is the Borrower's internal model and is not a projection of anticipated purchasers, may be subject to change based on mortgage interest rate changes, inflation and other pricing factors, and is not an indicator of demand for modular units. The model below sets forth the cost per square foot that is affordable depending on the annual income, mortgage rates and square footage of the home. As further described herein, the anticipated cost per square foot is \$160 per square foot for the modular unit(s), and an aggregate amount of \$300-320 per square foot also including transportation and site work.

Borrower's Affordability Model

Affordable Cost Per Square Foot of Housing (with and without housing cost subsidy)¹

	Garfield County 2024 HUD	Max Mortgage	Square Footage of the Home			Max Mortgage	Square Footage of the Home			Max Mortgage	Square Footage of the Home		
	Income level for a 3 person household	3.50% ²	720	826	1,100	5% ²	720	826	1,100	7% ²	720	826	1,100
AMI													
Under 70%	\$ 60,000	\$236,000	\$328	\$286	\$215	\$206,000	\$286	\$249	\$187	\$174,000	\$242	\$211	\$158
80%	75,000	294,000	408	356	267	258,000	358	312	235	218,000	303	264	198
100%	95,000	373,000	518	452	339	326,000	453	395	296	276,000	383	334	251
120%	110,000	420,000	583	508	382	344,000	478	416	313	279,000	388	338	254

¹ Based on \$160 per square foot for modular unit(s), and an aggregate of \$300-320 per square foot including transportation and site work. Shading indicates no housing cost subsidy needed at that AMI level and mortgage interest rate given various home sizes and construction cost per square foot.

² Assumed interest rate.

Assumptions:

30 year mortgage.

Single family home insurance and taxes included.

100% LTV.

30% of gross income towards housing.

The Borrower uses the following concepts:

1. Having various home size options that create different levels of affordability is important.
2. Intentional value engineering and collaboration on the site work for affordable/workforce-housing developments is key.
3. Low-interest mortgages directly impact the amount of subsidy/fundraising required.
4. Serving families who earn under 70% AMI will need support from an affordable housing sponsor or developer to ensure affordability.

Unique Positioning of the Plant: Unlike modular manufacturers on the Front Range or in Idaho, Habitat RFV's Plant is uniquely positioned to serve its geographic region. As the local affiliate of a worldwide nonprofit with a mission to advocate for and provide affordable housing solutions for families and individuals from Aspen to Parachute, Habitat RFV is also uniquely positioned to vertically integrate the modular housing production from the Plant directly into its own projects, and to projects it routinely develops in collaboration with and in public/private partnerships with local communities, governmental entities, school districts, hospitals, and private developers. Habitat RFV is also uniquely capable of helping to secure necessary entitlements for those projects as a nonprofit developer.

Future Projections for Workforce Housing. As described above, thousands of units of workforce housing for the "missing middle" in the Habitat RFV geographic region are needed currently and for the next 10 years. The current housing shortage will be even further exacerbated by the significant growth that is forecast for its region beyond the 10 year horizon of the Market Study, according to the State of Colorado Demographer's Office. And yet the Plant, operating at full capacity, will only produce 6% of the total number of units that the Market Study estimates are needed in the region. With a severe labor shortage already in existence in the region, the lack of significant investment in workforce housing would severely constrict and negatively impact the present and future viability of its regional economy unless bold and innovative steps - like the one Habitat RFV is taking to build a modular plant - are also undertaken by many others, hopefully using Habitat RFV's success as a template and model for future modular projects.

Efficiencies of the Habitat Modular Model. According to the Borrower, the Plant has been designed to maximize efficiency, utilizing state of the art renewable energy technology to build net-zero homes, capturing associated tax credits and incentives, and thereby delivering significant advantages over traditional old-school construction methods. These efficiencies are especially impactful in a region where builders and subcontractors are experiencing a severe labor shortage, thus making Habitat RFV's approach the most strategic solution to acute housing shortfall by training young people for well-paying careers in advanced manufacturing jobs, and by siting the Plant where the workforce already resides.

The Borrower has identified the following efficiencies of the modular model of construction:

- ***Product Library of Housing Designs:*** Habitat RFV will continue to build the highest quality net-zero homes, and its existing projects, such as its internationally award winning Basalt Vista project, will continue to set the bar high for Habitat RFV's future modular production. The Plant's efficiency will rely on a comprehensive "product library" that ensures it will exceed regional building and energy codes, reducing design and permitting delays while ensuring consistency in quality and performance.
- ***Year-round Efficiency:*** The indoor climate-controlled Plant will allow the entire team to take advantage of year-round, uninterrupted production time regardless of adverse winter or summer weather conditions, providing a stable, ergonomic work environment that enhances productivity and worker satisfaction. This year-round operational capability prioritizes employees' health while significantly reducing delays commonly experienced in outdoor construction settings.
- ***Vertically Integrated Team:*** Efficiency is further optimized through the vertical integration of an onsite team which oversees the entire process, from production to final installation. This seamless coordination reduces potential delays, optimizes communication, and results in faster project completion.
- ***Location:*** The Plant's location in Rifle, Colorado, offers a distinct logistical advantage by significantly reducing and minimizing shipping and transportation time, and avoiding the high costs normally associated with dragging modular units by truck across the country.

Compared to Fading West, the nearest competitor, yet located on the other side of the Continental Divide, 150 miles away from the Roaring Fork Valley, in Buena Vista, Colorado, the Plant's location in Rifle allows for much quicker response times and far less highway-related carbon emissions. This location also has the crucial advantage of being located where a skilled and ready workforce already resides. Finally, regional purchasers of Habitat RFV's modular units will enjoy the added advantage of being able to conveniently access the Plant in Rifle at any time throughout the production process to help ensure quality control and to regularly inspect the work being done to produce their units in real time.

Opportunity to Invest in a Homegrown Workforce. In collaboration with the local affiliate of the Board of Cooperative Educational Services (BOCES) and Colorado Mountain College (CMC), Habitat RFV has indicated that it will also be creating an on-site workforce training program to expand the regional construction workforce. The Borrower anticipates that the Plant is intended to become an economic accelerator for advanced manufacturing in the region while simultaneously developing a steady pipeline of skilled tradesmen in the Colorado River Valley.

GOVERNANCE AND MANAGEMENT

All corporate powers of the Borrower are exercised by and under the authority of and the affairs of the Borrower are managed under the direction of the Borrower's Board of Directors (the "**Board**"). The Board is composed of not less than 12 nor more than 24 directors elected for concurrent 1 year terms. Board directors serve until they choose to leave the Board, but no director can serve more than eight consecutive one year terms. The Board holds an annual meeting in January of each year (or at such other time as the Board may determine) for the purpose of electing directors, appointing officers, and approving the budget. The Board must hold at least one regular meeting during the calendar year; additional regular monthly meetings are held upon the Board providing a resolution. Special meetings may be called by or at the request of the Chairperson(s) or 20% of the directors then in office. According to the Borrower's by-laws there are nine operating committees of the Board: Development Committee, Public Relations Committee, Family Selection Committee, Family Nurturing Committee, Site Selection Committee, Building Committee, ReStore Advisory Committee, Government Liaison and Private Sector Committee and the Strategic Planning Committee. According to the by-laws, the Board may establish other operating committees as it deems appropriate in the pursuit of its mission.

A description of each currently contemplated standing committee and its responsibilities are as follows:

Homebuyer Services Committee

Family Selection Committee. The Family Selection Committee is responsible for drafting the selection criteria and application forms, screening applications, interviewing applicants, and recommending applicants to the Board for approval as prospective homeowners.

Family Nurturing Committee. The Building Committee is responsible for planning and implementing the construction projects of the Borrower. The tasks directed by this committee include obtaining house plans, soliciting professional help and donations of building materials, coordinating volunteers, and supervising construction. According to the Borrower, this committee is currently inactive.

Development Committee

Site Selection Committee. The Site Selection Committee is responsible for targeting the area or areas of the community in which the projects of the Borrower will be developed, investigating and

researching the availability of property, and recommending property to the Board for acquisition. This committee works in conjunction with the Building Committee to evaluate the suitability of potential sites prior to acquisition.

Building Committee. The Building Committee is responsible for planning and implementing the construction projects of the Borrower. The tasks directed by this committee include obtaining house plans, soliciting professional help and donations of building materials, coordinating volunteers, and supervising construction.

According to the Borrower, the Site Selection Committee and the Building Committee are currently operating as one single committee.

Modular Subcommittee. The modular subcommittee is an offshoot of the development committee. It has focused on the strategic advantage of manufacturing more low-cost deed restricted housing at lower cost and more rapid delivery of units. Project scope, product type, product pricing, plant location, and plant financing has been guided by the modular subcommittee.

Finance Committee

The Finance Committee oversees the implementation and administration of policies and procedures for handling and accounting for the finances of the Borrower, prepares an annual revenue and expense budget for submission to the full Board, works closely with the Development (Fundraising) Committee to coordinate development of the resources needed to meet the revenue goals of the budget, monitors the implementation of the budget, and, when necessary, makes recommendations to the Board regarding adjustments to the budget.

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Board of Directors

The current directors on the Board, the years of initial appointment, the years their current terms expire and principal business affiliations are as follows:

Board of Directors

Member	Position	Principal Occupation	First Year Elected	Term Expires
Danielle Howard	Chairperson	Financial Planner, Wealth by Design	2021	2029
Jamie Steiner	Vice Chairperson	Attorney, Hush Blackwell	2021	2029
John Blair	Board Member	Consultant, Juice Plus	2014	2025
Scott McHale	Chair – Development Committee	Architect, Z Group Architects	2014	2025
David Berhorst	Board Member	Real Estate Developer	2021	2029
Alex Revilla	Secretary, Chair, ReStore Advisory Committee	Community Relations, Holy Cross Energy	2023	2031
Jorge Rojas-Lopez	Treasurer, Board Member	VP, FirstBank	2023	2031
Gyles Thornely	Board Member	Landscape Architect	2024	2032
Allyson Decatur	Board Member	General Contractor	2024	2032
Anthony Sherman	Board Member	Real Estate Developer	2024	2032
Kevin Seward	Board Member	Retired Business Executive	2024	2032

Board member Allyson Decatur is a principal of the Contractor and, therefore, recused herself from voting on the approval of the Series 2025 Bonds and the GMP Contract in accordance with the conflicts of interest policy set forth in the Borrower's Bylaws.

Executive Management

The Board of Directors delegates to the Chief Executive Officer responsibility for the administration of the Borrower's programs, operations, and facilities. The President/Chief Executive Officer is assisted by the following members of the senior leadership team.

Gail Schwartz, Chief Executive Officer. A fifty-year resident of the Roaring Fork Valley, Gail assumed her role as CEO of Habitat RFV in 2019 after having served as a Board member and Board chair of the organization. Gail's career began with community and resort planning throughout North America with Sno-Engineering of Aspen, Colorado and New Hampshire for six years. In 1980, Gail became the Development Director and Interim Director of the Aspen/Pitkin County Housing Authority, bringing on line approximately 800 affordable homes for local workforce families in Aspen in four years. Gail went on to serve as a Colorado Commissioner on Higher Education appointed by former Governor Roy Romer; was elected to serve Colorado's 3rd Congressional District as a member of the University of Colorado Board of Regents from 2000-2006; was elected to the Colorado State Senate for two terms from 2007-2015 representing Senate District 5 of Western, Southern and Central Colorado including the Roaring Fork Valley; served as a Commissioner on the Colorado Water Conservation Board appointed by Governor Jared Polis; and has served on numerous local and state non-profit boards over the past five decades.

As CEO of Habitat RFV, Gail has been dedicated to furthering Habitat RFV's mission of building high quality, affordable housing for the local workforce families who form the fabric of our communities and perform the essential jobs that keep our communities viable. By building partnerships with local governments, schools, businesses, and institutions, and building in net-zero energy efficiency standards into every home that Habitat RFV builds, Gail and her team have worked tirelessly to address the challenges of its regional housing crisis and create not only affordable housing but truly affordable living. She has grown community awareness, engagement and support for the social justice issues associated with the housing crisis and the responsibility to provide secure, affordable homes from which people can raise their families, work, retire and be engaged in their communities. Gail received her B.S. in marketing and finance from the University of Colorado in Boulder, in addition to post-graduate studies at Harvard University Kennedy School and University of Idaho.

In January of 2025, Gail publicly announced her intention to step down from her full time role as Habitat RFV's CEO effective the date that is 90 days after the start date of her replacement. The Board conducted a nationwide search to select and install Gail's successor in the CEO role. The Board selected and hired a successor CEO at the end of March 2025, who is expected to start at the beginning of May 2025. The identity of the Borrower's new CEO is expected to be announced publicly in the coming weeks. Gail, the Board and executive team intend for Gail to remain as a consultant to Habitat RFV with responsibility for ensuring a successful transition with continuity of key initiatives of Habitat RFV, first and foremost among them being ensuring that the financing, construction and initial operations of the Plant are completed on time, on budget, and in full compliance with Board and investor expectations.

Kristen Wilmes, Chief Financial Officer. Kristen holds a Bachelor degree in Accounting and Business Management from Kansas State University and completed graduate work in Financial Planning and Communications. With over twenty years of leadership experience in affordable housing, she specializes in the development of homeownership opportunities for low to moderate income working families, large scale funding through grant opportunities, government funding programs and low-interest mortgage options. She has worked with Habitat RFV for the past 19 years and has been active on various committees with Habitat for Humanity International include ReStore Operations and Collaborative Operating Models.

Sheryl Bower, AICP, Chief Operating Officer. Sheryl Bower has over 25 years of senior management experience in the public sector and 15 years in private sector planning. She has worked as Director for Community Development/Planning Departments in both small cities and counties. Of several accomplishments in this realm, Sheryl is most proud of establishing the first Planning, Building, Code Enforcement and Environmental Services Department in the newly incorporated Village of Islamorada. Sheryl also oversaw the development of the City of Longwood, Florida Transit Oriented Development District to complement the commencement of a new commuter rail service in Central Florida. Her private sector work included Practice Principal for an Architecture Design/Urban Planning firm focusing on New Town Development in the Orlando, Florida area along with owning a Land Use Planning Consulting company in the Florida Keys. Sheryl was actively involved in many committees/council with the Florida Chapter of the Urban Land Use Institute, including active membership in the ULI Florida Mixed Use Product Council. She was also a member of the Smart Growth America Local Leaders Council. Her expertise includes management, affordable housing, policy development, hazard mitigation, comprehensive planning, economic development, and sustainability. She has managed projects from new towns to golf course community redevelopment and developed Form-Based Codes and Transit-Oriented Development strategies. Sheryl graduated from the Roaring Fork Leadership Academy in 2019 and chaired the International City/County Management Association's Sustainable Communities Advisory Committee from 2020 to 2021. Committed to affordable housing and community resilience, she became Vice President of Habitat RFV in 2023. She received her Master's Degree in Urban Planning and Bachelor degrees in both Landscape Architecture and Environmental Studies.

Trent Marshall, Project Manager. Trent Marshall advocates for sustainable living and affordable housing. After earning a Bachelor's in Sustainable Studies from Colorado Mountain College, he committed to improving communities and the environment. With nearly a decade at Habitat for Humanity, Trent rose from intern to Project Manager, overseeing the development of affordable, energy-efficient homes. Trent is currently overseeing the construction of the Borrower's Wapiti Commons Project, a 20 unit townhouse/condo project in Rifle, Colorado, along with the Confluence, a six unit duplex/condo modular unit in Glenwood Springs. He will work with housing sponsors and developers to utilize the modular units on their sites.

Rick Farr, Site Supervisor. Rick is a licensed contractor with experience in scheduling, budgeting, and retention of customers. Rick is the site supervisor at Habitat's Wapiti Commons and has supervised Habitat's professional crew since 2010, and he will focus on team training at the Plant. Rick has also been responsible for coordinating all subcontractors and ordering materials. Previously Rick ran his own general contractor business, Fantastic Finishes in Rifle, Colorado from 1992 to 2010. Rick was responsible for all phases of construction of residential projects, including scheduling subcontractors, ordering materials and equipment, reviewing layout design and production of site plans, preliminary blueprints and cost estimating

EMPLOYEES

From the Borrower's early days as a small, volunteer led organization, Habitat RFV has evolved into an organization employing multiple people from throughout the community and region. Currently the Borrower is providing employment to 46 people. This includes 35 full time and 11 part time employees and covers the ReStore, housing construction team and administration. The average age of the Borrower's employees as of September 2024 was 43 years old and approximately 58% are male and 42% female.

The following tables provide certain information related to the Borrower's employees as of January 3, 2025.

Ethnicity of Employees

	Total Employees		Full-Time Employees	
	Number	Percentage	Number	Percentage
Caucasian	33	71.73%	24	68.57%
Hispanic	12	26.09	10	28.57
African American	--	--	--	--
Two or more races	1	2.17	1	3.12
Asian	--	--	--	--
Pacific Islander	--	--	--	--
American Indian	--	--	--	--
Total	<u>46</u>	<u>100.00%</u>	<u>35</u>	<u>100.00%</u>

Source: The Borrower.

The following table provides the average annual wage of a full-time employee, excluding executive staff.

**Annual Wages
(excludes Executive Staff)**

	Average	Median
Program services	\$59,133	\$58,613
Restore		
Trucking	57,441	62,706
Retail	43,338	41,072
Workforce Training	5,411	2,799
Build Team	72,352	69,059

Source: The Borrower.

The average annual wage of a full-time employee, including executive staff, is \$56,250.

VOLUNTEERS

Volunteers are critical to the Borrower's work and are embedded into the culture of Habitat for Humanity as an organization. Since the beginnings of Habitat for Humanity in the late 1960s and 1970s on Koinonia farm in Georgia there has been a strong belief that volunteers, the very people living in these local communities and who are most affected by housing shortages, are the most effective social change strategy. That belief means that each of the Borrower's homeowners contribute 250 hours of 'sweat equity' by participating in constructing their home or other homes in the development, creating a deep involvement and commitment to their home and community. For the Basalt Vista project this represented nearly 12,000 hours of volunteer work. Volunteers also participate individually or with groups organized through their place of employment at the Borrower's build site and are engaged in most aspects of the construction process. The ReStore relies heavily on volunteers for various tasks, including sorting donations, pricing items, stocking shelves, and assisting customers. This community involvement fosters a spirit of collaboration and supports local engagement. The skills volunteers bring and the hours they donate are critical for Habitat RFV to be able to build housing as affordably as possible. In normal times Habitat RFV engages hundreds of volunteers donating thousands of hours at its build sites and the ReStore.

However, the Plant will be operated by Habitat RFV employees. According to Habitat RFV, if volunteers were to be utilized, they would only work on the actual building site where the modular units are assembled for a Habitat RFV owned project, not in the Plant. The table below sets forth the number of volunteers and volunteer hours logged over the last five years.

**Habitat for Humanity of the Roaring Fork Valley, Inc.
Volunteer Hours ¹**

	2020	2021	2022	2023	2024²
Number of volunteers	287	33	144	133	232
Volunteer hours	1,148	132	2,259	1,426	2,974

¹ Based on a calendar year.

² As of January 3, 2024.

Source: The Borrower.

FINANCIAL MATTERS

The following summaries and discussions of financial matters should be read in conjunction with the Borrower's audited financial statements and notes for the fiscal years ended June 30, 2024 and June 30, 2023, which are attached hereto as "APPENDIX B—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024" and "APPENDIX C—HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023," respectively.

The Borrower has not created a special purpose entity for the construction and operation of the Plant and, therefore, its current and future financial statements include revenues and expenditures from its entire operations and are not limited to the operation of the Plant. *Under the Loan Agreement, the Borrower has pledged only its revenues generated from or related to the ownership and operation of the Plant to the repayment of the Series 2025 Bonds and such revenues do not include any other revenue or income of the Borrower which is derived from its other operations outside of the Plant or its other assets. The Borrower is not obligated under the Loan Agreement to make loan payments from any of its revenues other than the Pledged Revenues. Notwithstanding the foregoing, however, pursuant to the Guaranty, the Borrower will unconditionally and irrevocably guaranty the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the Note, the Loan Agreement and the Mortgage. The Guaranty is a general unsecured obligation of the Borrower. See "RISK FACTORS—Limitation on Revenues."*

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The table below summarizes the Statement of Activities of the Borrower for the fiscal years ended June 30, 2020 through 2024.

TABLE VI
Historical Consolidated Statement of Activities for Fiscal Year Ending June 30 ¹

	2020	2021	2022	2023	2024
Revenue and Support					
Contributions and grants	\$ --	\$ 1,623,309	\$984,285	\$2,824,746	\$2,991,062
Contributions	770,509	--	--	--	--
Grants	215,500	--	--	--	--
Land contributions	--	--	--	--	--
Land contributions—BVAHP, LLC	--	--	--	--	--
Construction reimbursements—BVAHP, LLC	292,131	45,066	--	--	--
Contributions- BVAHP, LLC	994,639	661,761	--	--	--
In-kind donations	--	--	--	30,246	107,000
Sale of houses	2,218,000	3,937,212	1,965,000	570,000	1,848,101
Equity sharing income	--	--	107,116	--	213,094
Habitat ReStore, net	2,831,787	3,252,606	3,273,725	3,096,487	3,303,323
Special events	33,668	21,467	69,099	148,044	13,000
Less costs of direct benefits to donors	(19,133)	(13,633)	(15,416)	(123,923)	--
Off-site construction income	--	--	66,265	93,210	--
Rental income	31,584	5,548	--	--	--
Solar rebate	--	96,150	35,083	6,213	--
Other	<u>42,546</u>	<u>37,504</u>	<u>69,948</u>	<u>193,225</u>	<u>126,596</u>
Total Revenue and Support	<u>7,411,231</u>	<u>9,666,990</u>	<u>6,555,105</u>	<u>6,838,248</u>	<u>8,602,176</u>
Expenses					
Construction of houses	5,318,330	6,927,963	4,535,850	1,756,206	4,957,268
Construction, repairing, renovating of houses	--	--	--	--	--
Habitat Re-Store	2,835,916	2,906,472	2,855,632	3,416,572	3,329,036
Management & general	243,568	200,479	218,377	130,837	176,565
Fundraising	<u>224,210</u>	<u>138,755</u>	<u>144,805</u>	<u>226,842</u>	<u>350,107</u>
Total	<u>8,622,024</u>	<u>10,173,669</u>	<u>7,754,664</u>	<u>5,530,457</u>	<u>8,812,976</u>
Change in Net Assets	(1,210,793)	(506,679)	(1,199,559)	1,307,791	(210,800)
Net Assets—Beginning	6,374,733	5,163,940	4,657,261	4,200,254	5,508,045
Prior Period Adjustment	<u>--</u>	<u>--</u>	<u>742,552</u>	<u>--</u>	<u>--</u>
Net Assets—Ending	<u>\$5,163,940</u>	<u>\$ 4,657,261</u>	<u>\$4,200,254</u>	<u>\$5,508,045</u>	<u>\$5,297,245</u>

¹ Totals may not add due to rounding.

² Restated; inventory balance of \$742,552 was not reflected in the June 30, 2021 financial statements.

Source: Borrower's audited financial statements for the years ended June 30, 2020 through 2024.

2024 - 2025 Budget

The Borrower's approved 2024-2025 Budget is set forth below. Actual financial results for 2024-2025 may vary from the 2024 - 2025 budget, and such variations may be material. Further, the budget below does not include any financial information regarding the Plant or the Project.

TABLE VII
Habitat for Humanity of the Roaring Fork Valley, Inc.
Total Operations 2024 -2025 Budget

Revenues	
ReStore Sales	\$3,600,000
Contributions and Grants	2,655,475
Sale to Homeowners	3,271,465
In-kind Donations	480,000
Other income	<u>176,500</u>
Total revenues	<u>10,183,440</u>
Expenses	
Program Services	
Construction of Homes	5,926,940
Habitat ReStore	3,300,000
Supporting Services	
Management and General	180,000
Fundraising	<u>350,000</u>
Total expenses	<u>9,756,940</u>
Operating income before depreciation	<u>426,500</u>
Depreciation	<u>200,927</u>
Net Income	<u>\$ 225,573</u>

Source: The Borrower.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Borrower considers all highly liquid investments when available for current use with an initial maturity of three months or less to be cash equivalents.

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The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows as of June 30 for the past five fiscal years derived from the audited financial statements of the Borrower.

TABLE VIII
Habitat for Humanity of the Roaring Fork Valley, Inc. Cash & Cash Equivalents

	2020	2021	2022	2023	2024
Cash and Cash Equivalents	\$419,097	\$337,082	\$552,887	\$389,366	\$389,773
Restricted Cash for USDA Loan Reserve	<u>63,040</u>	<u>93,302</u>	<u>183,578</u>	<u>235,789</u>	<u>302,520</u>
Cash and Cash Equivalents on Statement of Cash Flows	<u>\$482,137</u>	<u>\$430,384</u>	<u>\$736,465</u>	<u>\$625,155</u>	<u>\$692,293</u>

Source: Borrower's audited financial statements for the years ended June 30, 2020 through 2024.

Outstanding Obligations

The Borrower's outstanding long-term indebtedness is set forth in the following table, which relates to some of the main assets of the Borrower, including the Confluence project in Glenwood Springs, the ReStore in Basalt, and Wapiti Commons in Rifle.

TABLE IX
Outstanding Obligations

Lender	Purpose	Original Principal Amount	Interest Rate	Maturity Date	Outstanding Amount ¹
Habitat for Humanity of Colorado, Inc.	The Confluence construction loan	\$1,200,000	2.75%	March 2026	\$1,200,000
FirstBank	Forklift acquisition	65,125	6.99%	September 2030	54,315
	Box truck				
Alpine Bank	acquisition	78,000	4.5%	August 2026	26,657
	Wapiti Commons				
Alpine Bank	construction loan	3,500,000	Variable rate	December 13, 2025	2,733,745
Colo. State Treasurer	Wapiti HUD Bridge				
Climber Loan	Loan	500,000	3.45%	October 2026	500,000 ²
United States Department of Agriculture	ReStore	6,776,664	2.75%	May 10, 2053	<u>5,916,159</u>
Total					<u>\$10,430,876</u>

¹ As of February 18, 2025. Debt related to the L3 Apartments (defined below) is not reflected above since it is an obligation of the L3 SPE (defined below), which owns the L3 Apartments. The L3 Apartments project is more fully described below.

² Anticipated by the Borrower to be paid off using proceeds of the Series 2025 Bonds before the end of the 2025 Fiscal Year.

Source: The Borrower; the Borrower's 2024 financial statements.

The Series 2025 are secured by Pledged Revenues and not by any other assets or revenues of the Borrower, and not secured on a parity basis with holders of the other outstanding indebtedness.

The Borrower believes these debt obligations are well secured by its real estate assets, including those under construction and estimates total value of its real estate assets to be approximately \$52.5 million. These real estate assets include its ReStore, Wapiti Commons (50% sold and 50% near completion, according to the Borrower), the L3 apartments (anticipated by the Borrower to be converted into

condominiums by June 2025 and sold by the fall of 2025) and The Confluence (under construction and anticipated by the Borrower to be completed and sold in 2025).

The Borrower has no present plans to incur any additional long-term debt beyond the Series 2025 Bonds, other than routine equipment financing for local project construction; provided, however, the Borrower anticipates it will pursue further new development opportunities and stabilized acquisitions of existing buildings to help further its mission.

L3 Project and Borrower Guarantees.

In October 2024, the Borrower's affiliate, HFHRFV L3 SPE, LLC, a Colorado limited liability company (the "**L3 SPE**"), closed on the purchase of "L3 Apartments", a stabilized 88-unit rental apartment building in Glenwood Springs, Colorado that was built to condominium standards as of the date of its certificate of occupancy with the intention of converting all 88 units into deed restricted condominiums for workforce affordable housing. The purchase price of the L3 Apartments was \$34 million, which was financed with a \$23,800,000 loan from FirstBank (the "**FirstBank L3 Loan**"), a \$5 million loan from the Colorado Housing Finance Authority (the "**CHFA L3 Loan**"), a \$1.5 million convertible finance arrangement (the "**GWS Loan**") with the City of Glenwood Springs, Colorado ("**GWS**") and local contributions for equity and priority purchase rights for such units once converted to condominiums. The GWS Loan has the option to be forgiven in whole or in part if GWS chooses to accept up to 10 priority units for its employees at the L3 Apartments. The Borrower provided an unsecured guaranty for each of the FirstBank L3 Loan and the CHFA L3 Loan.

The Borrower's objective in having the L3 SPE acquire the L3 Apartments is to provide an opportunity for affordable home ownership to local residents at a cost which, according to the Borrower, is approximately 70% of current rents. According to the Borrower, in addition to savings on their monthly payments, purchasers of the newly converted condominiums will have access to low interest mortgages and build equity in their homes (capped at 3% per year), while stabilizing housing costs and securing their future in the community. The Borrower projects net revenue to the L3 SPE of \$1.6 million by year end 2025 from sales of condominiums after all costs and loan repayments. According to the Borrower, there is strong interest and demand for this affordable homeownership opportunity.

According to the Borrower, the L3 Apartments are currently under administrative review for minor subdivision/condominiumization by GWS, the plat has been prepared for filing, and a substantial number of sales contracts and applications are currently underway to residents, priority partners, and the public for the 88 units at prices that align with purchasers' incomes to ensure affordability. Closings are scheduled to commence immediately upon GWS approval and full completion of the condominium conversion process anticipated to occur in early April, 2025. The Borrower anticipates that all condos at L3 will be closed by year end 2025, that the FirstBank L3 Loan will be paid off by September 2025, and that the CHFA L3 Loan will be paid off by October 2025 with additional net revenue potential to the L3 SPE resulting from the sales mix, reduced costs, and state funds for which the L3 project is eligible.

The Confluence Project

The Confluence, located in GWS, will consist of six homes within two buildings, four 2-bedroom condominiums, and two 3-bedroom condominiums with covered parking spaces and additional locked storage. The anticipated initial pricing of 2-bedroom condominiums will start at \$325,000, and the 3-bedroom condominiums will be \$375,000. All homes will be permanently deed-restricted to ensure long-term affordability, with a 3% yearly appreciation. According to the Borrower, the site of The Confluence was donated to the Borrower by GWS.

This affordable housing development will increase the community's housing diversity by adding multi-family units (condominiums) at prices affordable to working families earning 70-100% AMI. At the time of design for The Confluence, according to the Borrower, there were no comparable/affordable condominiums or townhomes for sale in GWS, indicating the need for additional 'missing-middle' ownership housing options.

Priority for such units will be given to GWS-area residents and employees (with at least a 2-year working history), with a secondary preference for the 81601 zip code, which includes GWS and the unincorporated area adjacent to the city.

Habitat RFV has partnered with Vederra to build its first modular development within its service area. *The plans for this development will be included within the plan library for the Plant.* According to the Borrower, construction of infrastructure began in January 2025, construction is expected to be completed by the end of summer 2025, home sales will begin upon completion and pay off the construction loan to the Borrower is expected by the first quarter of 2026.

Wapiti Project

The Wapiti Commons project is located in Rifle, Colorado at the corner of Wapiti and Smith Streets. According to the Borrower, the development was initially made possible by the donation of the land to Habitat RFV by Oak Grove Ventures LLC. The community consists of 20 for-sale homes, which will include 10 townhomes and 10 condominiums and will be targeted to families and individuals earning at or below 80% AMI. The 1,700 square foot, three-bedroom townhomes and two 1,200 square foot condominiums are intended to attract workforce families and young professionals looking for a homeownership opportunity. The target market for the eight 1,000 square foot, one-bedroom condominiums are older adults ages 60 and over. The units at Wapiti Commons will allow older individuals to downsize while preserving an equity interest in their homes and be close to Rifle amenities. According to the Borrower, sales prices are expected to start at \$285,000 for the townhomes, \$250,000 for the third floor condominiums and \$185,000 for the older adult targeted condominiums and have slightly increased based on the market.

According to the Borrower, all Wapiti Commons unit prices are well below market rate for comparable homes in Rifle. The Borrower's application process for family selection at Wapiti Commons assigned priority to Rifle area residents and employees. According to the Borrower, the goal of the Wapiti Commons development is to enable families to enter into successful affordable homeownership for the long term and ensuring long-term affordability for the units is a critical feature of the development. According to the Borrower, it established restrictions on the occupancy and resale of the homes and also committed to a net-zero energy future for the residents of Wapiti Commons, which is anticipated to minimize monthly utility bills and make the housing truly affordable.

According to the Borrower, as of February, 2025, half of the Wapiti Commons development has been sold to homebuyers, and the remaining 10 condominiums is anticipated to be sold to buyers by the end of the summer of 2025, with the proceeds from the sale of the homes to be used to pay off the balance of the construction loan through Alpine Bank.

RETIREMENT PLAN

The Borrower's retirement plan is a SIMPLE IRA available to all employees who have earned at least \$5,000 in any two years preceding the current year or who are expected to earn at least \$5,000 in the current calendar year. New York Life Investments SIMPLE IRA offers an array of investment options. The SIMPLE IRA Plan offers professional diversification and ongoing portfolio rebalancing all in one simple,

convenient investment through its MainStay Asset Allocation Funds, MainStay Diversified Portfolio Series and the MainStay ESG Multi-Asset Allocation Fund. The Borrower matches up to 3% of employee compensation. For the Fiscal Year ending June 2024, matching contributions made by the Borrower equaled \$47,382.

INSURANCE AND EMPLOYEE BENEFITS

The Borrower carries standard industry insurance policies that include property, crime, builder's risk, general liability, umbrella, volunteer accident medical, volunteer disability, directors & officers liability (D&O), employment practices liability (EPL), fiduciary liability, and excess D&O and EPL provided by Lockton Affinity and Ace American Insurance Company. The Borrower also carries workman's compensation through Pinnacol Assurance.

The Borrower provides medical, life, short and long-term disability, dental, and vision coverage to full-time employees working 30 hours or more per week. Eligible employees also have access to an Employee Assistance Program that provides legal, financial, and counseling services. The Borrower participates in the Unemployment Insurance and FAMLI program through the State of Colorado.

The Borrower will finalize all applicable Project related insurance specified in the Loan Agreement prior to the issuance of the Series 2025 Bonds. See "PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—Insurance."

APPENDIX B

**HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024**

(attached)

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HABITAT FOR HUMANITY
OF THE ROARING FORK VALLEY, INC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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Independent Auditors' Report

To the Board of Directors
Habitat for Humanity of the Roaring Fork Valley, Inc.
Glenwood Springs, Colorado

Opinion

We have audited the accompanying financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of the Roaring Fork Valley, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of our Financial Statements section of our report. We are required to be independent of Habitat for Humanity of the Roaring Fork Valley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of the Roaring Fork Valley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:



Independent Auditors' Report - Continued

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of the Roaring Fork Valley, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2025, on our consideration of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read 'Sorrone Donley Patterson'.

Soronen, Donley, Patterson CPA's PC
January 8, 2025

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$389,773
Unconditional Promises to Give - Current	110,000
Mortgage Loans Receivable - Current	5,004
Grants Receivable	1,044,470
Other Receivables	6,398
Inventory	924,239
Homes Held for Sale	1,325,826
Homes Under Construction	2,144,793

TOTAL CURRENT ASSETS	<u>5,950,503</u>
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PROPERTY & EQUIPMENT

Building	5,251,120
Land	2,625,039
Equipment	567,151
Loan Fees	96,146
Less: Accumulated Depreciation	(1,199,230)

NET PROPERTY & EQUIPMENT	<u>7,340,226</u>
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OTHER ASSETS

Restricted Cash	302,520
Unconditional Promises to Give - Non-Current	120,000
Mortgage Loans Receivable - Non-Current	29,468
Land Available for Construction	545,611
L3 Apartments Deposit (see Note F)	250,000
Operating Lease Right-of-Use Asset	327,272

TOTAL OTHER ASSETS	<u>1,574,871</u>
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TOTAL ASSETS	<u>\$14,865,600</u>
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LIABILITIES & NET ASSETS

CURRENT LIABILITIES

Current Portion of Long-Term Debt	\$163,043
Accounts Payable	338,460
Accrued Liabilities	167,545
Current Portion of Right-of-Use Operating Lease Liability	93,587

TOTAL CURRENT LIABILITIES	<u>762,635</u>
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LONG-TERM LIABILITIES

Construction Loan	2,628,321
Notes Payable - Long-Term	5,941,223
Right-of-Use Operating Lease Liability - Non-Current	236,176

TOTAL LONG-TERM LIABILITIES	<u>8,805,720</u>
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NET ASSETS

Without Donor Restrictions	4,718,027
With Donor Restrictions	579,218

TOTAL NET ASSETS	<u>5,297,245</u>
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TOTAL LIABILITIES & NET ASSETS	<u>\$14,865,600</u>
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See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants	\$352,105	\$2,638,957	\$2,991,062
In-Kind Donations	107,000	0	107,000
Program Income			
Sale of Houses	1,848,101	0	1,848,101
Equity Sharing Income	213,094	0	213,094
Habitat ReStore, net (See note K)	3,303,323	0	3,303,323
Special Events	13,000	0	13,000
Other	126,596	0	126,596
Net Assets Released from Restrictions	2,444,739	(2,444,739)	0
TOTAL REVENUE AND SUPPORT	<u>8,407,958</u>	<u>194,218</u>	<u>8,602,176</u>
EXPENSES			
Program Services			
Construction of Houses	4,957,268	0	4,957,268
Habitat ReStore	3,329,036	0	3,329,036
Supporting Services			
Management & General	176,565	0	176,565
Fund-Raising	350,107	0	350,107
TOTAL EXPENSES	<u>8,812,976</u>	<u>0</u>	<u>8,812,976</u>
CHANGE IN NET ASSETS	(405,018)	194,218	(210,800)
NET ASSETS - BEGINNING	<u>5,123,045</u>	<u>385,000</u>	<u>5,508,045</u>
NET ASSETS - ENDING	<u><u>\$4,718,027</u></u>	<u><u>\$579,218</u></u>	<u><u>\$5,297,245</u></u>

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Supporting Services		
	Construction of <u>Houses</u>	Habitat <u>ReStore</u>	<u>Total</u>	Management & General	Fund-Raising	<u>Total</u>
Compensation and Related Expenses						
Compensation	\$225,793	\$1,484,382	\$1,710,175	\$114,183	\$114,183	\$1,938,541
Payroll Taxes	93,898	122,067	215,965	9,390	9,390	234,745
Retirement	18,839	24,490	43,329	1,884	1,884	47,097
Employee Benefits	73,627	95,715	169,342	7,363	7,363	184,068
Total Compensation and Related Expenses	412,157	1,726,654	2,138,811	132,820	132,820	2,404,451
Advertising & Marketing	149,068	244,900	393,968	0	57,846	451,814
Bank and Credit Card Fees	0	65,594	65,594	0	0	65,594
Construction Cost of Houses						
Cost on Sale of Houses	4,138,502	0	4,138,502	0	0	4,138,502
Other Construction Expenses	98,505	0	98,505	0	0	98,505
Contract Labor	0	135,722	135,722	0	0	135,722
Depreciation and Amortization	0	200,927	200,927	0	0	200,927
Dues, Fees, Subscriptions	5,623	5,623	11,246	0	0	11,246
Grant Processing Fees	0	0	0	0	27,500	27,500
Homeowner's Expenses	15,053	0	15,053	0	0	15,053
Insurance	59,438	77,270	136,708	5,944	5,944	148,596
Interest Expense	0	168,755	168,755	0	0	168,755
Other	63	26,593	26,656	1	2,082	28,739
Outside Donations	6,250	6,250	12,500	0	0	12,500
Professional Fees	42,720	17,677	60,397	36,377	121,460	218,234
Rent	0	184,088	184,088	0	0	184,088
Repairs & Maintenance	0	94,989	94,989	0	0	94,989
Supplies	17,646	94,949	112,595	1,423	1,423	115,441
Taxes	0	121,010	121,010	0	1,032	122,042
Travel & Meals	12,243	13,375	25,618	0	0	25,618
Utilities	0	109,270	109,270	0	0	109,270
Vehicle Expense	0	35,390	35,390	0	0	35,390
Total Expenses	<u>\$4,957,268</u>	<u>\$3,329,036</u>	<u>\$8,286,304</u>	<u>\$176,565</u>	<u>\$350,107</u>	<u>\$8,812,976</u>

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets (\$210,800)

Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:

Operating Activities:

Depreciation and Amortization 200,927

(Increase) Decrease in Operating Lease Right-of-Use Asset (327,272)

Increase (Decrease) in Right-of-Use Operating Lease Liability 329,763

(Increase) Decrease in Operating Assets:

Unconditional Promises to Give 115,000

Grants Receivable (252,943)

Other Receivables 19,967

Inventory (236,738)

Homes Under Construction 1,750,457

Home Held for Sale (1,202,002)

Land Available for Construction (446,494)

Increase (Decrease) in Operating Liabilities:

Accounts Payable 7,194

Accrued Liabilities (24,837)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (277,778)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Improvements and Equipment (20,248)

Payment of L3 Apartments Deposit (250,000)

Mortgage Payments Received 4,669

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (265,579)

CASH FLOWS FROM FINANCING ACTIVITIES

New Borrowings:

Short-Term 0

Long-Term 2,489,377

Debt Reduction:

Short-Term 0

Long-Term (1,878,882)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES 610,495

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 67,138

BEGINNING CASH AND CASH EQUIVALENTS 625,155

ENDING CASH AND CASH EQUIVALENTS \$692,293

SUPPLEMENTAL DISCLOSURES

Interest Paid \$415,336

Initial Recognition of Operating Lease Right-of-Use Asset \$327,272

Initial Recognition of Right-of-Use Operating Lease Liability \$329,763

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING & FINANCIAL ACTIVITIES

Purchase of Equipment Financed With Long-Term Debt \$65,125

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE A – NATURE OF ACTIVITIES

Description of the Organization

Habitat for Humanity of the Roaring Fork Valley, Inc. (the Organization) was incorporated in 1999, and works with economically disadvantaged people (program recipients) to help them create a better human habitat in which to live and work in the Roaring Fork Valley of Colorado. Its current program is to build houses and sell them through third party lenders who provide low-interest affordable mortgages to program recipients who would not ordinarily qualify for mortgages on the open market. The program recipients are required to contribute a certain number of hours of their own time constructing the house. The organization is an affiliate of Habitat for Humanity International which assists with information resources, training, and publications, but Habitat for Humanity of the Roaring Fork Valley, Inc. is primarily responsible for its own operations.

The Organization also operates a ReStore, which accepts donations of used or surplus building supplies, furniture, appliances, and other household items and then resells them to the general public. Profits from the ReStore go toward building Habitat for Humanity homes in the Roaring Fork Valley area.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation

The financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc., have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organization's ongoing mission. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The following provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

Cash and Cash Equivalents	\$389,773
Restricted Cash for USDA Loan Reserve	<u>302,520</u>
Cash and Cash Equivalents on Statement of Cash Flows	<u>\$692,293</u>

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Inventory

The Organization has inventory at their ReStore consisting of building supplies, furniture, and appliances. Most of the inventory is donated, although a small portion is purchased. Both donated and purchased inventory are recorded at the lower of cost or net realizable value.

Mortgage Loans Receivable

Homes are sold to qualified buyers. Third party lenders provide low-interest affordable mortgages. Prior to June 30, 2014, non-interest-bearing mortgages were accepted as payment for the homes sold. Home sales were recorded at the discounted value of payments to be received over the lives of the mortgages. Non-interest-bearing mortgages were discounted to various rates based upon prevailing applicable federal rates. The Organization has a perfected security interest in all homes they sell. The value of each home is generally greater than the respective carrying value of the mortgage due.

Mortgage loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. At year end, management believes mortgage loans receivable to be fully collectible, therefore no allowance has been recorded.

Homes Held for Sale

These are homes that are held for sale to program homeowners or to the general public that were foreclosed on and bought back from program homeowners, or construction has been completed but transfer to the homeowner has not yet taken place yet.

Homes Under Construction

Homes under construction include the direct and indirect costs of construction, land, and the donated value of materials and professional services used in the construction of homes.

Land Available for Construction

The Organization acquires land for future housing projects. Purchased land is capitalized at cost and donated land is capitalized at the fair value at the date of donation. Once construction on the land has begun, the recorded cost of the land is reported in the homes under construction. Land available for construction includes lot development costs for future home building and includes the cost of the land and land development costs.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$2,500 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 40 years for buildings and improvements, and 5-7 years for equipment.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501 (c) (3).

The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Revenue Recognition

The Organization recognizes contributions when an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Some grant contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability. Grants that are recorded as exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Revenue is recognized on the sale of homes when title passes to eligible purchasers. The amount of revenue recognized from the sale of houses is the selling price of the home.

The Organization's ReStore sales revenue is recognized at a point in time when it transfers control of its products and the risk of loss to a customer. Control is generally transferred when the ReStore products are provided to the customer at the ReStore location in exchange for cash. The Organization does not have significant financing components or payment terms related to ReStore sales.

Sales Tax

The State of Colorado and local governmental entities impose sales tax on ReStore sales. The Organization collects sales tax from customers and remits them to the proper governmental entities. The Organization's accounting policy is to include the tax collected in ReStore sales, and to include the amount paid or accrued to tax expense. For the year ended, the Organization had \$121,010 of sales tax collected and remitted.

Functional Reporting of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Advertising & Marketing	Time and Effort
Compensation and Related Expenses	Time and Effort
Dues, Fees, Subscriptions	Direct Costs
Insurance	Time and Effort
Other	Direct Costs
Outside Donations	Direct Costs
Professional Fees	Direct Costs
Supplies	Time and Effort
Taxes	Direct Costs
Travel & Meals	Direct Costs

Advertising Costs

The Organization uses advertising to promote the ReStore, various organizational events, and their mission. Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2024, were \$451,814.

Subsequent Events

Management has evaluated subsequent events through January 8, 2025, the date the financial statements were available to be issued.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Adoption of ASU 2016-13

Effective July 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to ASU 2016-13 include trade accounts receivable. The adoption of this ASU did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

NOTE C – IN-KIND CONTRIBUTIONS

The Organization's in-kind contributions consisted of the following as of June 30, 2024:

	<u>Amount</u>	<u>Usage</u>
ReStore Inventory	\$ 3,066,584	Restore Inventory
Glenwood Springs Lot	<u>107,000</u>	Land Available for Construction
	<u>\$ 3,173,584</u>	

ReStore Inventory is valued using estimated average prices of identical or similar products or services using pricing data of similar products or serves under a "like-kind" methodology, considering the utility and condition of the goods at the time of the contribution. Professional services are recognized at the fair value of the services received if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No in-kind contributions were restricted. The Organization sells donated gifts of inventory and only uses services, goods and facilities for its own program or supporting service activities.

NOTE D – PROMISES TO GIVE

The Organization has recorded pledges of future cash contributions as unconditional promises to give, to the extent such pledges are unconditional promises to make contributions.

Pledges of future cash contributions, which have been received subject to annual review by the contributors, unsigned pledges, verbal pledges of future donated services, have not been recorded in the financial statements. Unrecorded conditional pledges receivable at period end were approximately \$344,000.

Recorded unconditional pledges expected to be collected
in the year ending June 30:

2025	\$ 110,000
2026	75,000
2027	<u>45,000</u>
Total	<u>\$ 230,000</u>

NOTE E – MORTGAGE LOANS RECEIVABLE

The Organization currently holds one non-interest bearing mortgage loan. The mortgage loan's repayment period is ten years.

Mortgage loans receivable at fair value are summarized as follows:

Principal payments expected to be collected
in the year ending June 30:

2025	\$ 5,004
2026	5,004
2027	5,004
2028	5,004
2029	5,004
Thereafter	<u>9,452</u>
Mortgage Loans Receivable as of June 30, 2024	<u>\$ 34,472</u>

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE F – L3 APARTMENTS

The Organization has entered into an agreement to purchase an 88 unit apartment complex known as L3 Apartments (L3) for \$34,000,000. The acquisition of L3 was finalized in October 2024 and the Organization is in the process of working with the City of Glenwood Springs to convert these apartments into affordable condominiums. The project will provide more than 100 individuals and families with the opportunity of homeownership. The L3 project ensures those who make too much to qualify for housing assistance but not enough to purchase a market-rate home can get the opportunity for ownership in the Roaring Fork Valley. Buyers' income can range from 70-150% of the Area Median Income for Garfield County. Purchases will also be asked to partner with the Organization and participate in the Organization's "sweat equity" program where purchasers will contribute 50 volunteer hours with other homeowners of the L3 Conversion. All L3 condominiums will be deed-restricted to cap appreciation at 3% annually to ensure long-term affordable ownership housing. As of June 30, 2024, the Organization has paid a non-refundable down payment of \$250,000 which is recorded on the Statement of Financial Position.

NOTE G – HOMES UNDER CONSTRUCTION

Homes Under Construction includes land cost, direct material, labor costs, and other costs incurred for construction. A summary of home building activity is as follows:

	<u>Number</u>	<u>Costs</u>
Homes Under Construction, July 1, 2023	12	\$ 3,895,250
Additional Costs Incurred and New Homes Started During the Year	0	2,388,045
Homes Transferred During the Year	<u>(8)</u>	<u>(4,138,502)</u>
Homes Under Construction, June 30, 2024	<u>4</u>	<u>\$ 2,144,793</u>

NOTE H – LONG-TERM DEBT

Note payable – USDA Loan

Payable in monthly installments of \$25,210, including principal and interest at a rate of 2.75%. The final payment is due May 10, 2053. The note is collateralized by the ReStore building and an assignment of income from sales at the ReStore building. A debt service reserve account is required with monthly deposits of 10% of the monthly loan payment until one annual installment is accumulated. \$ 6,008,815

Construction Loan

Construction loan of \$3,500,000, interest only payments are made Monthly at a variable rate which was 8.5% as of June 30, 2024. The entire balance is due at the maturity date of December 13, 2025. The loan is collateralized by property. The Organization incurred interest costs of \$243,434 for the year ended June 30, 2024, on this loan that were capitalized as construction costs. 2,628,321

Note payable – Financial Institution

Payable in monthly installments of \$1,456, including principal and interest at a rate of 4.5%. The final payment is due August 2026. The note is collateralized by a vehicle. 35,989

Note payable – Financial Institution

Payable in monthly installments of \$984, including principal and interest at a rate of 6.99%. The final payment is due September 2030. The note is collateralized by equipment. 59,462

Less: Current-Portion	<u>(163,043)</u>
Total	<u>\$ 8,569,544</u>

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE H – LONG-TERM DEBT - continued

Maturities of long-term debt in the year ending June 30 are as follows:

2025	\$ 163,043
2026	2,796,563
2027	158,808
2028	160,661
2029	165,580
Thereafter	<u>5,287,932</u>
Total	<u>\$ 8,732,587</u>

NOTE I – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash accounts in three financial institutions. Accounts are guaranteed by Federal Deposit Insurance up to \$250,000. At various times during the year, cash accounts may exceed the Federal Deposit Insurance Limit. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

NOTE J –LEASES

Organization's Long-Term Leases

The Organization leases a warehouse under a long-term, non-cancelable, operating lease arrangement. The lease expires in January of 2028. An operating lease provides for increases in future minimum annual rental payments. The weighted-average discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term. Operating leases with a term of 12 months or less are not recorded on the statement of financial position. Operating lease costs for the year ending June 30, 2024, were \$184,088.

The weighted-average remaining lease term related to the Organization's lease liabilities as of June 30, 2024, was 3.6 years. The discount rate related to the Organization's lease liabilities as of June 30, 2024, was 3.8%. The Organization elected to use the risk-free rate as the discount rate.

Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease terms in excess of one year are as follows as of June 30:

<u>Maturity Analysis</u>	<u>Operating Leases</u>
2025	\$ 93,587
2026	97,331
2027	101,224
2028	<u>60,548</u>
Total undiscounted cash flows	352,690
Less: present value discount	<u>(22,927)</u>
Present Value of Lease Liabilities	<u>\$ 329,763</u>

Organization's Short-Term Leases

The Organization leases two office spaces at \$1,824 and \$418 per month. The first office space is rented through September 2024 and the second through December 2024. The Organization also leases two delivery trucks with a fixed lease charge of \$1,261 per month. The trucks are currently being rented on a month-to-month basis.

The Organization has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE K – HABITAT RESTORE

The Organization operates a discount home improvement & other household merchandise retail center (The “ReStore”). The ReStore receives donations of building supplies, furniture, and appliances and sells these items to the general public. As of June 30, 2024, the inventory balance was \$924,239. The breakdown for net ReStore revenue is as follows:

Donations to Habitat ReStore	\$ 3,066,584
Sales of donated and purchased items	3,310,592
Fair market value of items sold	(2,829,531)
Purchased Inventory	<u>(244,322)</u>
Net Revenue from Habitat ReStore operation	<u>\$ 3,303,323</u>

NOTE L – NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2024:

Specific Purpose	
Construction of Wapiti Commons	\$ 200,000
Confluence Build	175,347
Modular Facility	<u>203,871</u>
Total Net Assets With Donor Restrictions	<u>\$ 579,218</u>

Net assets released from net assets with donor restrictions are as follows for the year ended June 30, 2024:

Satisfaction of Purpose Restrictions	
Construction of Wapiti Commons	\$ 2,092,696
Modular Facility	253,629
Confluence Build	90,522
Basalt – Stott	<u>7,892</u>
Total Satisfaction of Purpose Restrictions	<u>\$ 2,444,739</u>

NOTE M – RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan in accordance with Internal Revenue Service rules and regulations. Covered employees are allowed salary deferral contributions and the Organization matches employee contributions up to three percent of qualified compensation. The Organization’s contributions for the year ended were \$47,097.

NOTE N – CONTRIBUTION TO HABITAT FOR HUMANITY INTERNATIONAL, INC.

Each year the Organization contributes to Habitat for Humanity International for their international housing programs. For the year ended June 30, 2024, contributions to Habitat for Humanity International were \$10,000. The Organization also contributes annual affiliate fees to both Habitat for Humanity of Colorado and International in the amount of \$5,000.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE O – AVAILABILITY AND LIQUIDITY

The Organization monitors the liquidity required to meet its operating needs and other contractual commitments on an ongoing basis. The Organization regularly receives significant contributions and ReStore sales to be available to pay general expenditures over the next twelve months. Contributions restricted by donors for expenditures central to its annual operations are treated as available to pay general expenditures within the next year. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient support and sales to cover general expenditures over the next twelve months. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,350,000). As part of the Organization's loan with the USDA, a debt service reserve account is required to be held in a separate bank account with monthly deposits of 10% of the monthly loan payment until one annual installment is accumulated. As part of its liquidity plan, excess cash is invested in a savings account.

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 389,773
Unconditional Promises to Give - Current	110,000
Mortgage Loans Receivable – Current	5,004
Grants Receivable	1,044,470
Inventory	924,239
Other Receivables	6,398
Homes Held for Sale	1,325,826
Homes Under Construction – BVAHP, LLC	2,144,793
Total	<u>\$ 5,950,503</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ 579,218
Less net assets with purpose restrictions to be met in less than a year	<u>(579,218)</u>
	<u>\$ 0</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,950,503</u>

SUPPLEMENTAL INFORMATION

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM, OR CLUSTER TITLE</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Name</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	21.027	State of Colorado	H4AHIG31639	\$892,191
U.S. Department of Housing and Urban Development Community Project Funding	14.251			457,239
Total Expenditures of Federal Awards				<u>\$1,349,430</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A	BASIS OF PRESENTATION The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Habitat for Humanity of the Roaring Fork Valley, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Habitat for Humanity of the Roaring Fork Valley, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Habitat for Humanity of the Roaring Fork Valley, Inc.
NOTE B	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
NOTE C	DE MINIMUS INDIRECT COST RATE Habitat for Humanity of the Roaring Fork Valley, Inc. has elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.
NOTE D	SUBRECIPIENTS Habitat for Humanity of the Roaring Fork Valley, Inc. had no awards passed through to sub recipients for the year ending June 30, 2024.

OTHER REPORTING REQUIRED BY GOVERNMENTAL
AUDITING STANDARDS



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Habitat for Humanity of the Roaring Fork Valley, Inc.
Gunnison, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Habitat for Humanity of the Roaring Fork Valley, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Habitat for Humanity of the Roaring Fork Valley, Inc.'s major federal programs for the year ended June 30, 2024. Habitat for Humanity of the Roaring Fork Valley, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Habitat for Humanity of the Roaring Fork Valley, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Habitat for Humanity of the Roaring Fork Valley, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Habitat for Humanity of the Roaring Fork Valley, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Habitat for Humanity of the Roaring Fork Valley, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Habitat for Humanity of the Roaring Fork Valley, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Habitat for Humanity of the Roaring Fork Valley, Inc.'s compliance with the requirements of each major federal program as a whole.



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance - continued

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Habitat for Humanity of the Roaring Fork Valley, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Soronon, Donley, Patterson CPA's PC
January 8, 2025



**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit Of Financial Statements Performed in
Accordance With Government Auditing Standards**

To the Board of Directors
Habitat for Humanity of the Roaring Fork Valley, Inc.
Gunnison, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-01 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habitat for Humanity of the Roaring Fork Valley, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Habitat for Humanity of the Roaring Fork Valley, Inc.'s Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on Habitat for Humanity of the Roaring Fork Valley, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Habitat for Humanity of the Roaring Fork Valley, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinions on the response.



Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance With *Government Auditing Standards* – continued

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Soronen Donley Patterson

Soronen, Donley, Patterson CPA's, P.C.
January 8, 2025

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc. were prepared in accordance with GAAP.
2. One significant deficiency in internal control was disclosed during the audit of the financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc.
3. No instances of noncompliance material to the financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in the internal control over major programs were disclosed during the audit of Habitat for Humanity of the Roaring Fork Valley, Inc.
5. The auditors' report on compliance for the major federal award programs for Habitat for Humanity of the Roaring Fork Valley, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The following programs were tested as major programs:

<u>Program</u>	<u>CFDA No.</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
8. The threshold for distinguishing type A and B programs was \$750,000.
9. Habitat for Humanity of the Roaring Fork Valley, Inc. was determined not to be a low risk auditee.
10. No audit findings were disclosed during the audit of Habitat for Humanity of the Roaring Fork Valley, Inc. that the auditor is required to report under 2 CFR 200.516(a).

B. FINDINGS – FINANCIAL STATEMENT AUDIT

CURRENT YEAR

Significant Deficiencies

2024-01 – Preparation of Financial Statements by Auditor

Condition: The Organization is responsible for the preparation and accuracy of its financial statements. The auditor, as a service to the Organization, prepared the financial statement reports. As part of assessing risk of misstatement on your financial statements, we tried to identify whether your staff maintains knowledge and addresses changes in Generally Accepted Accounting Principles (GAAP) sufficient enough to prepare financial statements. If someone in the Organization does not have the knowledge necessary to write the report then it is a control deficiency. The deficiency question becomes, if the staff had that knowledge, would they make different decisions on how the financial statements are presented?

C. FINDINGS AND QUESTIONED COSTS – MAJOR AWARD PROGRAMS AUDIT

CURRENT YEAR

None

APPENDIX C

**HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC. CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

(attached)

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HABITAT FOR HUMANITY
OF THE ROARING FORK VALLEY, INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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Independent Auditors' Report

To the Board of Directors
Habitat for Humanity of the Roaring Fork Valley, Inc.
Grand Junction, CO

Opinion

We have audited the accompanying financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of the Roaring Fork Valley, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with audit standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of our Financial Statements section of our report. We are required to be independent of Habitat for Humanity of the Roaring Fork Valley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of the Roaring Fork Valley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of the Roaring Fork Valley, Inc.'s internal control. Accordingly, no such opinion is expressed.



Independent Auditors' Report - Continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of the Roaring Fork Valley, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Soronen Donley Patterson

Soronen, Donley, Patterson, CPA's PC
December 27, 2023

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$389,366
Unconditional Promises to Give - Current	150,000
Mortgage Loans Receivable - Current	5,004
Grants Receivable	791,526
Other Receivables	26,365
Inventory	687,501
Homes Under Construction	3,895,250

TOTAL CURRENT ASSETS	<u>5,945,012</u>
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PROPERTY & EQUIPMENT

Building	5,251,120
Land	2,625,039
Equipment	481,778
Loan Fees	96,146
Less: Accumulated Depreciation	(998,303)

NET PROPERTY & EQUIPMENT	<u>7,455,780</u>
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OTHER ASSETS

Restricted Cash	235,789
Unconditional Promises to Give - Non-Current	195,000
Home Held for Sale	123,824
Land Available for Construction	99,117
Mortgage Loans Receivable - Non-Current	34,137

TOTAL OTHER ASSETS	<u>687,867</u>
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TOTAL ASSETS	<u><u>\$14,088,659</u></u>
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LIABILITIES & NET ASSETS

CURRENT LIABILITIES

Current Portion of Long-Term Debt	\$150,715
Accounts Payable	331,266
Accrued Liabilities	192,382

TOTAL CURRENT LIABILITIES	<u>674,363</u>
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LONG-TERM LIABILITIES

Construction Loan	1,861,035
Notes Payable - Long-Term	6,045,216

TOTAL LONG-TERM LIABILITIES	<u>7,906,251</u>
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NET ASSETS

Without Donor Restrictions	5,123,045
With Donor Restrictions	385,000

TOTAL NET ASSETS	<u>5,508,045</u>
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TOTAL LIABILITIES & NET ASSETS	<u><u>\$14,088,659</u></u>
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See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and Grants	\$1,324,479	\$1,500,267	\$2,824,746
In-Kind Donations	30,246	0	30,246
Program Income			
Sale of Houses	570,000	0	570,000
Habitat ReStore, net (See note K)	3,096,487	0	3,096,487
Special Events	148,044	0	148,044
Less: Costs of Direct Benefits to Donors	(123,923)	0	(123,923)
Off-Site Construction Income	93,210	0	93,210
Solar Rebate	6,213	0	6,213
Other	193,225	0	193,225
Net Assets Released from Restrictions	2,475,763	(2,475,763)	0
TOTAL REVENUE AND SUPPORT	<u>7,813,744</u>	<u>(975,496)</u>	<u>6,838,248</u>
EXPENSES			
Program Services			
Construction of Houses	1,756,206	0	1,756,206
Habitat ReStore	3,416,572	0	3,416,572
Supporting Services			
Management & General	130,837	0	130,837
Fund-Raising	226,842	0	226,842
TOTAL EXPENSES	<u>5,530,457</u>	<u>0</u>	<u>5,530,457</u>
CHANGE IN NET ASSETS	2,283,287	(975,496)	1,307,791
NET ASSETS - BEGINNING	<u>2,839,758</u>	<u>1,360,496</u>	<u>4,200,254</u>
NET ASSETS - ENDING	<u><u>\$5,123,045</u></u>	<u><u>\$385,000</u></u>	<u><u>\$5,508,045</u></u>

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Construction of Houses</u>	<u>Habitat ReStore</u>	<u>Total</u>	<u>Management & General</u>	<u>Fund-Raising</u>	<u>Total</u>
Compensation and Related Expenses						
Compensation	\$236,503	\$1,624,256	\$1,860,759	\$76,137	\$76,137	\$2,013,033
Payroll Taxes	61,191	130,540	191,731	6,119	6,119	203,969
Retirement	14,119	30,120	44,239	1,412	1,412	47,063
Employee Benefits	78,631	16,783	95,414	787	787	96,988
Total Compensation and Related Expenses	390,444	1,801,699	2,192,143	84,455	84,455	2,361,053
Advertising & Marketing	53,917	290,358	344,275	5,250	5,250	354,775
Bank Charges	0	71,592	71,592	0	0	71,592
Construction Cost of Houses						
Cost on Sale of Houses	1,113,311	0	1,113,311	0	0	1,113,311
Other Construction Expenses	27,199	0	27,199	0	0	27,199
Contract Labor	0	91,295	91,295	0	0	91,295
Depreciation and Amortization	0	191,139	191,139	0	0	191,139
Dues, Fees, Subscriptions	0	10,197	10,197	0	0	10,197
Homeowner's Expenses	14,830	0	14,830	0	0	14,830
Insurance	37,600	109,820	147,420	3,760	3,760	154,940
Interest Expense	0	174,062	174,062	0	0	174,062
Other	1,109	43,593	44,702	45	10,459	55,206
Outside Donations	5,000	5,000	10,000	0	0	10,000
Professional Fees	86,349	21,952	108,301	36,173	121,764	266,238
Rent	0	141,010	141,010	0	0	141,010
Repairs & Maintenance	0	81,304	81,304	0	0	81,304
Supplies	9,215	94,298	103,513	861	861	105,235
Taxes	2,931	136,148	139,079	293	293	139,665
Travel & Meals	14,301	11,692	25,993	0	0	25,993
Utilities	0	102,455	102,455	0	0	102,455
Vehicle Expense	0	38,958	38,958	0	0	38,958
Total Expenses	<u>\$1,756,206</u>	<u>\$3,416,572</u>	<u>\$5,172,778</u>	<u>\$130,837</u>	<u>\$226,842</u>	<u>\$5,530,457</u>

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$1,307,791
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:	
Operating Activities:	
Depreciation and Amortization	191,139
(Increase) Decrease in Operating Assets:	
Unconditional Promises to Give	(177,500)
Grants Receivable	(791,526)
Other Receivables	48,165
Inventory	(2,832)
Homes Under Construction	(2,947,099)
Home Held for Sale	(123,824)
Land Available for Construction	467,286
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	228,974
Accrued Liabilities	21,324
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,778,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Improvements and Equipment	(14,074)
Payment of Loan Fees	(34,234)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(48,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
New Borrowings:	
Short-Term	0
Long-Term	1,861,035
Debt Reduction:	
Short-Term	0
Long-Term	(145,935)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>1,715,100</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(111,310)
BEGINNING CASH AND CASH EQUIVALENTS	<u>736,465</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$625,155</u></u>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	<u><u>\$174,062</u></u>

See accompanying notes to the financial statements

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE A – NATURE OF ACTIVITIES

Description of the Organization

Habitat for Humanity of the Roaring Fork Valley, Inc. (the Organization) was incorporated in 1999, and works with economically disadvantaged people (program recipients) to help them create a better human habitat in which to live and work in the Roaring Fork Valley of Colorado. Its current program is to build houses and sell them through third party lenders who provide low-interest affordable mortgages to program recipients who would not ordinarily qualify for mortgages on the open market. The program recipients are required to contribute a certain number of hours of their own time constructing the house. The organization is an affiliate of Habitat for Humanity International which assists with information resources, training, and publications, but Habitat for Humanity of the Roaring Fork Valley, Inc. is primarily responsible for its own operations.

The Organization also operates a ReStore, which accepts donations of used or surplus building supplies, furniture, appliances, and other household items and then resells them to the general public. Profits from the ReStore go toward building Habitat for Humanity homes in the Roaring Fork Valley area.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Basalt Vista Affordable Housing Partnership, LLC (BVHP, LLC), a wholly owned subsidiary. All significant intercompany transactions and balances are eliminated in consolidation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation

The financial statements of Habitat for Humanity of the Roaring Fork Valley, Inc., have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organization's ongoing mission. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The following provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows:

Cash and Cash Equivalents	\$389,366
Restricted Cash for USDA Loan Reserve	<u>235,789</u>
Cash and Cash Equivalents on Statement of Cash Flows	<u>\$625,155</u>

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Inventory

The Organization has inventory at their ReStore consisting of building supplies, furniture, and appliances. Most of the inventory is donated, although a small portion is purchased. Both donated and purchased inventory are recorded at the lower of cost or net realizable value.

Mortgage Loans Receivable

Homes are sold to qualified buyers. Third party lenders provide low-interest affordable mortgages. Prior to June 30, 2014, non-interest-bearing mortgages were accepted as payment for the homes sold. Home sales were recorded at the discounted value of payments to be received over the lives of the mortgages. Non-interest-bearing mortgages were discounted to various rates based upon prevailing applicable federal rates. The Organization has a perfected security interest in all homes they sell. The value of each home is generally greater than the respective carrying value of the mortgage due.

Mortgage loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. At year end, management believes mortgage loans receivable to be fully collectible, therefore no allowance has been recorded.

Homes Held for Sale

These are homes that are held for sale to program homeowners or to the general public that were foreclosed on and bought back from program homeowners, or construction has been completed but transfer to the homeowner has not yet taken place yet.

Homes Under Construction

Homes under construction include the direct and indirect costs of construction, land, and the donated value of materials and professional services used in the construction of homes.

Land Available for Construction

The Organization acquires land for future housing projects. Purchased land is capitalized at cost and donated land is capitalized at the fair value at the date of donation. Once construction on the land has begun, the recorded cost of the land is reported in the homes under construction. Land available for construction includes lot development costs for future home building and includes the cost of the land and land development costs.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$2,500 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 40 years for buildings and improvements, and 5-7 years for equipment.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501 (c) (3).

The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Revenue Recognition

The Organization recognizes contributions when an unconditional promise to give is received. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been substantially met. Some grant contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability. Grants that are recorded as exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Revenue is recognized on the sale of homes when title passes to eligible purchasers. The amount of revenue recognized from the sale of houses is the selling price of the home.

The Organization's ReStore sales revenue is recognized at a point in time when it transfers control of its products and the risk of loss to a customer. Control is generally transferred when the ReStore products are provided to the customer at the ReStore location in exchange for cash. The Organization does not have significant financing components or payment terms related to ReStore sales.

Sales Tax

The State of Colorado and local governmental entities impose sales tax on ReStore sales. The Organization collects sales tax from customers and remits them to the proper governmental entities. The Organization's accounting policy is to include the tax collected in ReStore sales, and to include the amount paid or accrued to tax expense. For the year ended, the Organization had \$129,896 of sales tax collected and remitted.

Functional Reporting of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Advertising & Marketing	Time and Effort
Compensation and Related Expenses	Time and Effort
Insurance	Time and Effort
Other	Direct Costs
Outside Donations	Direct Costs
Professional Fees	Direct Costs
Supplies	Time and Effort
Taxes	Direct Costs
Travel & Meals	Direct Costs
Utilities	Time and Effort
Vehicle Expense	Direct Costs

Advertising Costs

The Organization uses advertising to promote the ReStore, various organizational events, and their mission. Advertising costs are expensed as incurred. Advertising costs for the year ended June 30, 2023, were \$354,775.

Subsequent Events

Management has evaluated subsequent events through December 27, 2023, the date the financial statements were available to be issued.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

Adoption of FASB ASC 842

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Organization to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. As a result, the Organization reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

NOTE C – IN-KIND CONTRIBUTIONS

The Organization's in-kind contributions consisted of the following as of June 30, 2023:

	<u>Amount</u>	<u>Usage</u>
ReStore Inventory	\$ 3,350,322	Restore Inventory
Fundraising Events	14,500	Fundraising Events
Predevelopment Construction Costs	<u>15,746</u>	Predevelopment Construction Costs
	<u>\$ 3,380,568</u>	

ReStore Inventory is valued using estimated average prices of identical or similar products or services using pricing data of similar products or services under a "like-kind" methodology, considering the utility and condition of the goods at the time of the contribution. Professional services are recognized at the fair value of the services received if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No in-kind contributions were restricted. The Organization sells donated gifts of inventory and only uses services, goods and facilities for its own program or supporting service activities.

NOTE D – PROMISES TO GIVE

The Organization has recorded pledges of future cash contributions as unconditional promises to give, to the extent such pledges are unconditional promises to make contributions.

Pledges of future cash contributions, which have been received subject to annual review by the contributors, unsigned pledges, verbal pledges of future donated services, have not been recorded in the financial statements. Unrecorded conditional pledges receivable at period end were approximately \$1,593,101.

Recorded unconditional pledges expected to be collected
in the year ending June 30:

2024	\$ 150,000
2025	85,000
2026	65,000
2027	<u>45,000</u>
Total	<u>\$ 345,000</u>

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE E – MORTGAGE LOANS RECEIVABLE

The Organization currently holds one non-interest bearing mortgage loan. The mortgage loan's repayment period is ten years.

Mortgage loans receivable at fair value are summarized as follows:

Principal payments expected to be collected in the year ending June 30:	
2024	\$ 5,004
2025	5,004
2026	5,004
2027	5,004
2028	5,004
Thereafter	14,772
Less unamortized discount	(651)
Mortgage Loans Receivable as of June 30, 2023	<u>\$ 39,141</u>

NOTE F – HOMES UNDER CONSTRUCTION

Homes Under Construction includes land cost, direct material, labor costs, and other costs incurred for construction. A summary of home building activity is as follows:

	<u>Number</u>	<u>Costs</u>
Homes Under Construction, July 1, 2022	2	\$ 948,151
Additional Costs Incurred and New Homes Started During the Year	12	4,060,410
Homes Transferred During the Year	<u>(2)</u>	<u>(1,113,311)</u>
Homes Under Construction, June 30, 2023	<u>12</u>	<u>\$ 3,895,250</u>

NOTE G – LONG-TERM DEBT

Note payable – USDA Loan

Payable in monthly installments of \$25,210, including principal and interest at a rate of 2.75%. The final payment is due May 10, 2053. The note is collateralized by the ReStore building and an assignment of income from sales at the ReStore building. A debt service reserve account is required with monthly deposits of 10% of the monthly loan payment until one annual installment is accumulated.

\$ 6,144,491

Construction Loan

Construction loan of \$3,500,000, interest only payments are made Monthly at a variable rate which was 8.5% as of June 30, 2023. The entire balance is due at the maturity date of December 13, 2025. The loan is collateralized by property. The Organization incurred interest costs of \$18,251 for the year ended June 30, 2023, on this loan that were capitalized as construction costs.

1,861,035

Note payable – Financial Institution

Payable in monthly installments of \$1,456, including principal and interest at a rate of 4.5%. The final payment is due August 2026. The note is collateralized by a vehicle.

51,440

Less: Current-Portion

(150,715)

Total

\$ 7,906,251

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE G – LONG-TERM DEBT - continued

Maturities of long-term debt in the year ending June 30 are as follows:

2024	\$ 150,715
2025	155,202
2026	2,020,863
2027	149,779
2028	163,369
Thereafter	<u>5,417,038</u>
Total	<u>\$ 8,056,966</u>

NOTE H – BASALT VISTA AFFORDABLE HOUSING PARTNERSHIP, LLC (BVAHP, LLC)

The Basalt Vista Affordable Housing Partnership, LLC (LLC) is an LLC formed in August 2018 and is owned 100% by Habitat for Humanity of the Roaring Fork Valley, Inc. (Organization). The purpose of the LLC was to create a joint venture with the Roaring Fork RE-1 School District (School District), & Pitkin County (County), to build twenty-seven affordable housing units in the Basalt, Colorado area. The School District contributed land for the joint venture, the County is contributing money for construction costs, and Habitat for Humanity of the Roaring Fork Valley, Inc. contributes personnel to act as the general contractor, and to manage the project. The joint venture agreement grants security interests to the School District and the County. The security interest allows the School District and County to foreclose on the Organization's membership interest at their discretion if the Organization should default on the agreement. The Organization is not obligated to contribute monies to the construction costs, but if there are budget shortfalls, they may voluntarily contribute to the costs. Fourteen of the units will go to School District qualifiers and thirteen units will go to County qualifiers. The School District and County will determine qualifiers and purchasers. The joint venture will be dissolved after the completion of the project. Since the Organization owns 100% of the LLC the financial statements were consolidated. Below is a summarized financial statement of the LLC before consolidation with the Organization's other activities. The project was completed during the fiscal year in July 2022.

Basalt Vista Affordable Housing Partnership, LLC Statement of Financial Position June 30, 2023		Basalt Vista Affordable Housing Partnership, LLC Statement of Activities June 30, 2023	
Assets		Revenue & Support	
Current Assets		Sale of Houses	
Homes Under Construction	\$ 0	Habitat Expenses Incurred	\$ 570,000
Total Current Assets	<u>0</u>	Total Support	<u>570,000</u>
Total Assets	<u>\$ 0</u>	Expenses	
Liabilities & Net Assets		Construction	1,113,311
Current Liabilities		Wages & Related Expenses	0
Accounts Payable	\$ 0	Other Expenses	330,867
Net Assets	0	Total Expenses	<u>1,444,178</u>
Total Liabilities & Equity	<u>\$ 0</u>	Change in Net Assets	(874,178)
		Net Assets - Beginning	874,178
		Net Assets - Ending	<u>\$ 0</u>

NOTE I – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash accounts in three financial institutions. Accounts are guaranteed by Federal Deposit Insurance up to \$250,000. At various times during the year, cash accounts may exceed the Federal Deposit Insurance Limit. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE J – OPERATING LEASES

The Organization leases a warehouse in Glenwood Springs, Colorado. The rent is a monthly base rent of \$4,935 and CAM charges of \$2,275 for a total monthly rent of \$7,210. There is another space rented at \$1,754 per month through September 2023. The Organization also leases two delivery trucks with a fixed lease charge of \$1,261 per month. The trucks are currently being rented on a month-to-month basis. Total rent expense for the year ended June 30, 2023, was \$141,010.

The Organization has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset.

Minimum future lease payments for the years ending
June 30, are as follows:

2024	\$ 48,522
Total	<u>\$ 48,522</u>

NOTE K – HABITAT RESTORE

The Organization operates a discount home improvement & other household merchandise retail center (The “ReStore”). The ReStore receives donations of building supplies, furniture, and appliances and sells these items to the general public. As of June 30, 2023, the inventory balance was \$687,501. The breakdown for net ReStore revenue is as follows:

Donations to Habitat ReStore	\$ 3,093,655
Sales of donated and purchased items	3,389,137
Fair market value of items sold	(3,090,823)
Purchased Inventory	<u>(295,482)</u>
Net Revenue from Habitat ReStore operation	<u>\$ 3,096,487</u>

NOTE L – NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2023:

Specific Purpose	
Construction of Wapiti Commons	\$ 345,000
Modular Facility	<u>40,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 385,000</u>

Net assets released from net assets with donor restrictions are as follows for the year ended June 30, 2023:

Satisfaction of Purpose Restrictions	
Construction of BVAHP, LLC Houses	\$ 874,178
Construction of Wapiti Commons	1,434,085
Passage of Time	<u>167,500</u>
Total Satisfaction of Purpose Restrictions	<u>\$ 2,475,763</u>

NOTE M – RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan in accordance with Internal Revenue Service rules and regulations. Covered employees are allowed salary deferral contributions and the Organization matches employee contributions up to three percent of qualified compensation. The Organization’s contributions for the year ended were \$47,063.

NOTE N – CONTRIBUTION TO HABITAT FOR HUMANITY INTERNATIONAL, INC.

Each year the Organization contributes to Habitat for Humanity International for their international housing programs. For the year ended June 30, 2023, contributions to Habitat for Humanity International were \$5,000.

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE O – AVAILABILITY AND LIQUIDITY

The Organization monitors the liquidity required to meet its operating needs and other contractual commitments on an ongoing basis. The Organization regularly receives significant contributions and ReStore sales to be available to pay general expenditures over the next twelve months. Contributions restricted by donors for expenditures central to its annual operations are treated as available to pay general expenditures within the next year. In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient support and sales to cover general expenditures over the next twelve months. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,350,000). As part of the Organization's loan with the USDA, a debt service reserve account is required to be held in a separate bank account with monthly deposits of 10% of the monthly loan payment until one annual installment is accumulated. As part of its liquidity plan, excess cash is invested in a savings account.

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 389,366
Unconditional Promises to Give - Current	150,000
Mortgage Loans Receivable – Current	5,004
Grants Receivable	791,526
Inventory	687,501
Other Receivables	26,365
Homes Under Construction – BVAHP, LLC	<u>3,895,250</u>
Total	<u>\$ 5,945,012</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ 385,000
Less net assets with purpose restrictions to be met in less than a year	<u>(385,000)</u>
	<u>\$ 0</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,945,012</u>

APPENDIX D

**MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING PLANT IN
RIFLE, COLORADO**

(attached)

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**MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING
PRODUCTION PLANT IN RIFLE, COLORADO**

A Report to

HABITAT FOR HUMANITY® OF THE ROARING FORK VALLEY

From

GRUEN GRUEN + ASSOCIATES

*Urban Economists, Market Strategists and Land Use/Public Policy Analysts
Pre-Development Services*

August 2024

C1669



**MARKET ANALYSIS FOR THE PROPOSED HABITAT MODULAR HOUSING
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CHAPTER I

INTRODUCTION AND PRIMARY FINDINGS AND CONCLUSIONS

INTRODUCTION AND PURPOSE

Habitat for Humanity® of the Roaring Fork Valley (“Habitat”) intends to construct and operate an approximately 65,000-square-foot modular housing production plant on 10.5 acres of land that it has leased from the City of Rifle. The production plant will be designed and operated to produce modular housing units for Habitat-sponsored projects and modules for sale to third parties exclusively for installation in other “deed restricted” affordable workforce housing developments in western Colorado. The modular housing units will be built to a “net zero” energy efficiency standard.

Habitat retained Gruen Gruen + Associates (“GG+A”) to prepare a market analysis to estimate the potential demand for deed restricted affordable housing reserved for income-eligible workforce households. The purpose of the market study is to identify the primary and secondary geographic market areas likely to be served by the plant, estimate the potential demand for modular workforce housing units in these market areas, identify potential sources of supply competition, and estimate the volume of demand potentially served by the Habitat plant.¹

According to representatives of Habitat, the proposed plant is projected to have an initial production capacity of approximately 54,000 to 65,000 square feet of housing floor area in its first operating year. The expected production capacity is projected to increase to approximately 90,000 to 110,000 square feet of housing floor area in the second operating year, and further increase to 144,000 to 173,000 square feet by the third operating year.²

Typical module sizes are expected to range from about 720 square feet (a 16’ x 40’ box) up to 864 square feet (a 16’ x 54’ box). Thus, estimates provided by a representative of Habitat indicate the plant could produce approximately 80 to 100 larger attached single-family homes in a typical year, or up to 200 smaller multi-family housing units, once the plant is fully operational. These annual production figures could roughly double if module demand and sales are sufficient to support a second shift at the plant.

¹ GG+A was not engaged to evaluate the feasibility of developing and operating the modular housing plant itself, nor assess whether Habitat has the qualifications or financial and organizational capacity to successfully operate the plant.

² If a second shift is added after stabilized operations are achieved in 2027, the annual production capacity could increase to an estimated 345,000 square feet of housing floor area.



According to representatives of Habitat, excluding onsite construction, soft, and land costs, the modular housing units are projected to have the following sales prices:

TABLE I-1: ESTIMATED MODULE SALES PRICES PER SQUARE FOOT¹				
	Year 1	Year 2	Year 3	Year 4
Proforma Estimate	\$160	\$165	\$170	\$175
¹ Per square foot of structure space. Excludes all onsite construction, soft, and land costs. Finished modules are expected to range from about 720 to 860 square feet in size.				
Sources: Habitat for Humanity® Roaring Fork Valley; Prosono.				

The estimated average “offsite” modular sales price (assuming the volume outlined in the third paragraph above) is projected at \$160 per square foot in the first year, with prices increasing thereafter. By Year 4 at full production capacity, modular sales prices are projected to be \$175 per square foot.

WORK COMPLETED

To estimate the potential demand for a modular housing facility that Habitat intends to build and operate in Rifle, Colorado, GG+A completed the following tasks:

- Identified the primary and secondary geographic market areas the Habitat modular housing production plant is projected to serve (the “market area”);
- Estimated the potential demand for affordable deed restricted workforce housing units within the market areas;
- Conducted interviews with five potential buyers of modular housing units;
- Identified other modular housing plants serving the market area and conducted an interview with a senior representative of the closest modular plant to the proposed Habitat plant;
- Evaluated the real estate economics of traditional “stick built” housing development in the market area, primarily to identify prices (and corresponding income levels) the private market may be able to serve;
- Estimated the potential cost advantages of modular housing developments (over traditional stick-built projects) in markets that lack production builders, and which have a shortage of subcontractors and labor;
- Identified examples of recent modular housing developments and the share of new housing construction activity these projects have comprised; and
- Synthesized the results of the research and analysis to estimate the number of modular housing units Habitat could sell per year assuming product quality and pricing meets buyers’ expectations. Estimates of order-of-magnitude potential cost and scheduling advantages associated with modular units are also described.



REPORT ORGANIZATION

The following section of Chapter I presents the principal findings, conclusions, and recommendation drawn from the research and analysis summarized in this report. Chapter II summarizes GG+A's review of the housing inventory in the market areas and analysis of real estate economics of traditional housing and modular housing developments. Chapter III describes the potential demand from municipal governments and private developers for modular housing units. Chapter III also identifies direct supply competition. Chapter IV presents an estimate of the demand for workforce housing and the share of project demand Habitat can potentially capture given supply competition and potential comparative advantages Habitat may have.



PRINCIPAL CONCLUSION

The potential annual demand for deed-restricted workforce housing in the geographic market areas likely to be served by the proposed Habitat modular plant is substantial. Up to 2,500 units could be needed each year to accommodate the needs of "missing middle" workforce households -those who earn too much to qualify for traditional low-income housing assistance but not enough to afford market-rate housing. If the real estate economics outlined in this report persist, it is likely that modular housing production will continue to gain market share and acceptance. This is particularly true for new workforce housing production in the Roaring Fork Valley and surrounding bedroom communities, where existing housing is incredibly scarce and expensive.

Table I-2 presents a summary of the projected demand for modular housing unit production at the proposed Habitat plant.

TABLE I-2: SUMMARY OF FORECAST MARKET AREA HOUSING UNIT DEMAND AND ESTIMATED CAPTURE RATE OF PROPOSED HABITAT MODULAR PLANT			
	Primary Market Area	Secondary Market Area	Total
Estimate of Annual Market Area Demand ¹			
Housing Unit Turnover	810	1,010	1,820
Housing Unit Need from Employment Growth	308	369	677
Annual Units of Potential Market Area Demand	1,118	1,379	2,497
Projected Habitat Plant Modular Unit Production ²	113	37	150
Required Market Capture Rate	10%	3%	6%
<i>Remaining Annual Units of Demand for Other Modular Suppliers and/or Traditional Stick-Built Construction</i>	<i>1,005</i>	<i>1,342</i>	<i>2,347</i>
¹ Target market defined as workforce households with annual incomes of 80 percent to 160 percent of Area Median Income (AMI).			
² Projected annual production with fully operational plant (one shift). Assumes a roughly equal mix of multi-family and single-family units are produced.			
Source: Gruen Gruen + Associates			

The annual unit demand in the primary and secondary market areas, driven by the turnover of existing properties (household moves), is estimated at 1,820 middle-income workforce units per year. Additionally, projected growth in the middle-income workforce in these areas is expected to generate demand of 677 units annually. As a result, the total potential demand over the next 10 years is estimated to average nearly 2,500 units per year. This conservative estimate does not account for the housing needs of lower-income households, which could also be a secondary source of demand for modular housing production.



To achieve its planned annual production output of 144,000 to 173,000 square feet at full capacity, the Habitat modular plant will need to capture around six percent of the overall target workforce housing market. This projection is based on producing 150 units annually, with an equal mix of single-family and multi-family homes. The findings from the market assessment and interviews (detailed further starting on Page 6) indicate that this capture rate would be obtainable for several reasons:

1. The potential annual demand for workforce housing among households earning 80-160 percent of AMI far exceeds what new “stick-built” construction and existing housing stock can supply. A professionally managed modular plant in Rifle could begin to address the unmet housing needs. The current economics of traditional stick-built development does not support the feasible construction of workforce housing in areas within the market areas that lack production builders and adequate supply of subcontractors and labor.
2. Modular unit prices, estimated at \$160 to \$175 per square foot by a Habitat representative, are likely to be highly competitive if the finished products can be delivered of the required quality within that cost range.
3. The plant's proximity to local buyers and builders/developers should help reduce shipping and transportation costs and minimize concerns and liabilities related to product defects upon delivery.
4. Unlike manufacturers and suppliers delivering from outside the local market area, Habitat is uniquely positioned to integrate modular housing production with development of its own projects for which it enters transactions with government or other landowners and obtains entitlement for those projects; and/or assists other developers with obtaining necessary entitlements and provides housing assistance to the ultimate workforce housing buyers or renters.

The workforce housing demand analysis and capture rate estimate reflect the identification of direct supply competition which could expand to serve additional demand as well as the identification of other potential sources of supply competition. Success for the Habitat modular housing production plant, however, does not depend upon siphoning demand currently served by other modular housing producers. Rather, the estimated overall annual market demand and the projected capture rate for the Habitat modular plant highlights significant opportunity for other modular housing providers and traditional private developments to also serve middle-income workforce housing needs. For example, Fading West, an identified direct competitor, has the potential capacity to produce up to 700 units per year if it doubles its current output. Even if Fading West captured eight to 10 percent of the projected market demand—equivalent to about 200 to 250 modular units annually—there would still be the potential unmet demand for more than 2,000 workforce units per year across the primary and secondary market areas.



EXECUTIVE SUMMARY OF MARKET ASSESSMENT AND INTERVIEW FINDINGS

Persistent Limited Housing Availability and High Prices:

The apartment rental market is characterized by extremely low vacancy rates and high and increasing rents. Effective vacancy rates throughout the market area remain below two percent, despite considerable recent construction.

- Earlier this year, a statewide vacancy survey indicated only 30 physically vacant apartment units throughout all of Garfield, Eagle, and Summit counties.
- Typical asking rents for two-bedroom rentals in high-cost communities (e.g., Aspen and Snowmass) are reported to exceed \$7,000 per month. In less costly communities such as Glenwood Springs or Carbondale, typical two-bedroom rents are still reported to range from about \$2,600 to \$4,000 monthly. Recently built apartment developments command much higher rents.

The for-sale housing market can be characterized similarly with a limited number of homes available for purchase at prices that would be attainable to middle-income workers. Most current listings are in the Aspen/Snowmass submarkets, where luxury homes comprise the bulk of the market.

- Median single-family sales prices through the first seven months of 2024 were reported at \$12 million and \$7.2 million in Aspen and Snowmass, respectively.
- The inventory of existing homes for sale is much scarcer in the more affordable submarkets. Only 112 single-family homes are for sale in Glenwood Springs, New Castle, Rifle, and Silt – representing less than four months of supply.

Housing Development Costs and Production “Gaps”:

A production “gap” refers to types and price points of additional housing that is needed but is not financially feasible for the private market to produce. Two prototypical stick-built workforce housing developments were reviewed, with the resulting costs and gaps outlined below. An important basic takeaway is that new privately developed stick-built housing will be challenged to produce housing units that are affordable to income levels below 180-200 percent of AMI throughout much of the market areas. In higher-cost communities such as Aspen, Snowmass, or Vail, this minimum threshold is much higher.

- The total development cost (before profit) for a prototypical multi-family unit in a walk-up building with surface parking is estimated to be about \$475,000 per unit or \$500 per square foot of gross building area.
 - Average monthly market rents of about \$4,200 per unit would be needed to support this development cost and provide a feasible return on private investment, requiring a household



income equivalent to approximately 170 percent of Area Median Income (AMI) in the market area.

- If multi-family units were sold for ownership housing (rather than rented), the minimum market-rate sales price for the average unit would be about \$560,000, which includes a profit margin and typical selling costs of 15 percent of the sales price. First-time buyers with limited down payments would require annual incomes of approximately 190 percent of AMI to afford such units.
- Typical development costs for a larger prototypical attached townhome unit (before profit) are estimated to be about \$610,000 per unit or \$490 per square foot.
 - The minimum market-rate sales price for the attached townhome product would be \$720,000 per unit. Buyers would need incomes equivalent to about 205 percent of AMI to affordably purchase townhome units with minimal down payment.
 - If the townhome units were developed as rental housing, the minimum feasible rent is estimated at about \$5,300 monthly. This would require average household incomes of 185 percent of AMI.

Estimated Improvement in Project Timelines:

Modular construction techniques could accelerate project timelines by 20 to 50 percent according to McKinsey & Company.³ The potential to avoid adverse winter conditions which can prevent on-site construction activity is a major advantage of modular housing construction.

Estimated Modular Cost Savings:

Including typical site improvements and other onsite construction work (foundations, installation, “set and stitch”, exteriors and roofing, etc.), the overall “hard” construction cost with a modular product is estimated to range from about \$300 per square foot for attached townhome units and up to about \$320 per square foot for smaller multi-family units. Relative to the “stick-built” estimates described above, overall hard construction costs may be about 14 to 16 percent lower with a modular construction product. Total per-unit development costs including land and soft costs are estimated at approximately \$405,000 for modular multi-family units and \$530,000 for modular attached townhome units. (A McKinsey & Company report suggests modular housing construction has the potential for a 20 percent savings over traditional construction.³ According to recent analysis of the Harvard Joint Center for Housing Studies, a manufactured housing “CrossMod” product including 1,568 square feet and a single-car garage in western states was found to be 20 percent of a comparable

³ See “Modular Construction: From Projects to Products,” June 18, 2019, McKinsey & Company. <https://www.mckinsey.com/capabilities/operations/our-insights/modular-construction-from-projects-to-products>



site-built home. This excluded the cost of land; increasing the total costs to reflect land costs would reduce the percentage savings relative to site-built housing.)⁴

To produce new units at prices affordable to below 160 percent of AMI, deed restricted modular developments will still typically require subsidies like local or state funding, land dedication, and municipal fee waivers. All else being equal, however, modular production may help to reduce these requirements. Units built to a “net zero” energy efficiency standard will also provide potential operating cost savings to the occupants of the units.

Potential Sources of Demand for Modular Housing Units:

Governmental units have surplus real estate or underutilized land that may be used for development of workforce housing for government employees. A recent land inventory analysis sponsored by the West Mountain Regional Housing Coalition⁵ identified 120 acres of public- or institutionally owned land with “high” to moderate development potential for workforce housing just in the communities of Aspen, Snowmass Village, Basalt, Carbondale, and Glenwood Springs. Even at very low densities, development of these properties could accommodate well over 1,500 additional workforce housing units.

Recruiting and retaining government workers is challenging given the housing shortage. Potential sources of demand (in addition to land supply) include counties and municipalities, school districts, and transportation and other public districts. The Roaring Fork School District, for example, has three properties it may not need for school purposes, and which would be suitable for housing development. A conservative estimate of workforce housing need for Roaring Fork School District workers over the next 10 years would be approximately 100 modular housing units.⁶

Interviews with four developers indicate potential demand for over 500 modular units for workforce housing within the market area, either required as part of entitlements of larger projects or as part of public-private partnerships with governments contributing property for workforce housing development. For some developers, Habitat’s potential assistance with obtaining entitlements and aiding the buyers or renters of the workforce units are important advantages to Habitat serving as a source of modular housing units.

Both government and private buyers of modular housing units will want assurance of competitive pricing and quality and ability to deliver the units on schedule. Government purchasers are risk averse. An interviewee recommended that Habitat develop a demonstration project or pilot test so it can show would-be buyers “model units” in advance of an actual development.

⁴ See also pages 20 and 21 of “Comparison of the Costs of Manufactured and Site-Built Housing”, Herbert, Reed, and Shen, July 2023, Joint Center for Housing Studies, Harvard University. <https://www.jchs.harvard.edu/blog/comparing-costs-manufactured-and-site-built-housing>

⁵ Documents available here: <https://www.wmrhousing.org/links>.

⁶ If this estimate of need is representative of all government employers in Garfield, Pitkin, and Eagle counties, total government employment would suggest a proportional need for approximately 1,600 modular workforce housing units in 10 years.



Modular Supply Competition:

The primary direct competing source of supply of modular units would be Fading West out of Buena Vista which has an established product line, a proven track record, known production costs, as well as surplus capacity. Fading West reportedly produces about 350 modular units per year or 350,000 square feet of housing space. It has the plant capacity to produce more units by adding shifts and would benefit from a larger stream of bigger orders. Fading West has built three walk-up apartment products but most of its production includes attached or detached single-family homes of 900 to 1,600 square feet. Its transportation and shipping costs for in-state projects would not affect the ability to serve the primary and secondary market areas with competitively priced modular housing units, although local net zero energy efficiency requirements will favor minimal shipping distances.

Other modular plants have also previously supplied units to local housing developments in the Roaring Fork Valley and Vail Valley. These include Guerdon, NorthStar Systembuilt, and Plant Prefab. Each is located outside of Colorado with plant locations in Idaho, South Dakota, and California, respectively, although modular suppliers such as these can be expected to continue to represent a source of competition. The proximity of the proposed Habitat plant to immediate sources of demand should provide a cost advantage with respect to shipping and transportation relative to out-of-state modular housing producers.⁷

Market Area Definition:

The primary geographic market area is expected to include Garfield, Pitkin, and Eagle counties. The primary market area is anticipated to generally extend west to east along Interstate 70 from Parachute into Eagle County, and north to south along Colorado Highway 82 from Glenwood Springs to Aspen (the Roaring Fork Valley). Given the accessibility of the proposed plant to Interstate 70, it may serve broader deed-restricted housing construction needs beyond this primary market area. Mesa and Summit counties, both readily accessible via Interstate 70, are considered to represent an ancillary source of modular housing demand or the “secondary” market area. Other nearby mountain resort communities challenged with construction labor shortages, such as Telluride, Steamboat Springs or Crested Butte may also represent additional sources of modular demand.

“Missing Middle” Target Market Households:

Habitat intends to primarily serve workforce households whose incomes are too high to qualify for most traditional low-income housing assistance, and not high enough to afford new market-rate housing construction prices. For purposes of the market assessment and demand estimates, the “target market” is defined as workforce households with annual incomes ranging from 80 percent to 160 percent of AMI in the market area counties.

⁷ A modular bid for the Burlingame Phase III development in Aspen was previously awarded to Guerdon from Idaho. Its original cost estimate included shipping costs of about \$13,500 per unit (in late 2020). An estimate from Fading West indicated a comparable cost in today’s dollars (\$15,000-\$20,000 per unit) could be associated with “longer haul” transportation to/from the coasts.



Modular Housing Market Share in Mountain Communities:

Modular construction is reported to comprise only two percent of new housing production throughout Colorado and about six percent nationwide. The modular housing “market share” within mountain communities, including those in the market area, is likely much higher based on our tabulation of recently completed projects and overall recorded new housing permits.⁸

- Fading West’s initial development in Buena Vista delivered about 130 modular detached and attached single-family homes from 2016 through 2023. A total of 1,418 new housing permits were recorded throughout all of Chaffee County over the same period, indicating a single modular project delivered about nine percent of all new construction in the county.

Higher-cost communities within the market area have already experienced a higher share of modular housing construction. For example:

- Phase III of the Burlingame Ranch workforce housing development in Aspen, including 79 units, began in 2021 and was completed in late 2023. A total of 232 new housing permits were recorded throughout Pitkin County from 2021 through 2023, indicating that one modular development represented about 40 percent of new countywide housing production.
- Six modular housing projects in Eagle County are estimated to have delivered about 250 new units since 2018, nearly all of which have been-deed restricted workforce housing developments. A total of 2,166 new housing permits were recorded in all of Eagle County from 2018 through 2023, indicating recent modular construction has likely comprised about 12 percent of the total new construction market in Eagle County (much of the market is still custom single-family homes).

If the real estate economics described in this report continue to apply for future developments, it is likely that modular housing units will continue to comprise a larger share of total new housing production. Three of the largest entitled developments in the primary market area are currently planned to be built entirely with offsite modular construction. These include the Aspen Lumberyard, Timber Ridge Village Apartments in Vail, and the Siena Lake subdivision in Gypsum, which total nearly 1,200 prospective new modular units.

Average Annual Turnover Demand from Existing Middle-Income Workforce Households in the Market Area:

Approximately 5,600 existing renter households residing in the primary and secondary market areas are currently estimated to have at least one active member of the workforce and annual household incomes of 80 percent to 160 percent of AMI. An additional 2,700 existing homeowners with a housing cost burden are estimated to meet those same workforce participation and income criteria.

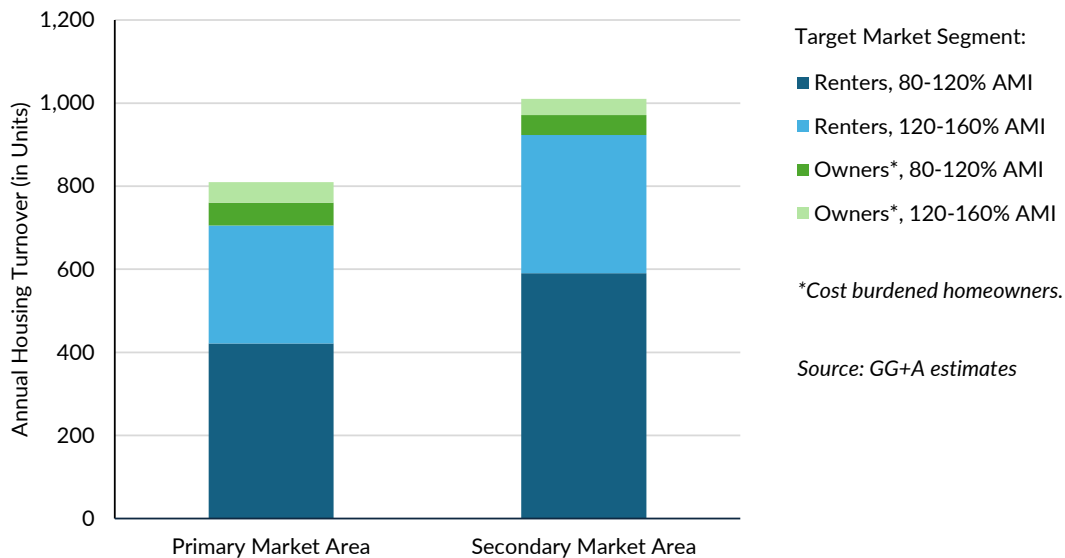
⁸ Local governments do not specifically track building permits for projects constructed with offsite modular production, given that modular construction must generally comply with the same local building and energy codes as stick-built construction.



Based on recent American Community Survey mobility data for counties in the market area, for purposes of estimating internally generated demand from typical housing moves/turnover of existing workforce households, we assume that 18 percent of renters and seven percent (7%) of homeowners will move within the market area each year.

Figure I-1 summarizes the resulting estimate of average annual turnover demand among existing households that could be candidates for deed-restricted workforce housing.

FIGURE I-1: ANNUAL MARKET AREA WORKFORCE HOUSEHOLD TURNOVER DEMAND



Potential annual demand resulting from the turnover or relocation of qualified workforce households already living within the primary market area is estimated to total 810 units per year. Annual turnover demand of qualified workforce households in the secondary market area is estimated to total 1,010 units per year. Total annual turnover demand within the combined market area is estimated at 1,820 units per year. The largest segment of potential turnover demand is attributable to existing workforce households who currently rent housing and have annual incomes ranging from 80 percent to 120 percent of AMI.

Additional Workforce Housing Needed to Accommodate Future Job Growth:

According to recent projections from the DOLA State Demography Office, the primary market area is expected to add approximately 11,700 jobs over the next 10 years. The secondary market area is projected to add an additional 14,100 jobs over 10 years. A considerable amount of additional workforce housing will be needed to simply “keep up” with expected growth (a labor shortage already exists for many segments of the local economy).



Consistent with the “target market” definition of middle-income workforce households, and based on employment projections from state agencies, we estimate that an additional 6,400 workforce households with incomes ranging from 80 percent to 160 percent of AMI will be added in the market area over 10 years. This estimate accounts for the typical number of workers per household, multiple job holdings, and workers that typically reside in higher- or lower-income households (above 160% AMI, below 80% AMI). The projected cumulative workforce housing demand in the primary and secondary market areas over 10 years, and the average annual demand, is summarized below in Table I-3.

TABLE I-3: PROJECTED CUMULATIVE AND ANNUAL WORKFORCE HOUSING DEMAND ATTRIBUTABLE TO FUTURE GROWTH IN THE MARKET AREA			
	Primary Market Area	Secondary Market Area	Combined Market Area
Cumulative (10-Year) Workforce Household Growth 80-160% AMI	2,925	3,507	6,431
Cumulative Market Area Workforce Housing Demand with 5% Frictional Vacancy	3,078	3,691	6,770
Average Annual Workforce Unit Demand	308	369	677
Source: Gruen Gruen + Associates			

Workforce housing demand for households with income between 80 percent and 160 percent of AMI is projected to grow by approximately 6,400 households. To account for frictional vacancy in the market area, a five percent vacancy rate has been added to household growth. This results in an estimated market demand of nearly 6,800 additional workforce housing units or approximately 680 units annually.



PRE-PRODUCTION RECOMMENDATIONS

No shortage exists of physical land and prospective workforce housing builders, developers, and partners in the market area. A shortage does exist of entitled, ready to develop land that is already approved for housing (including modular housing units). The estimates of demographic-, employment- and income-based demand presented in this report assume sufficient entitlements are approved to permit the amount of housing identified as needed to serve the “missing-middle” workforce to be developed.

While the modular housing plant is in planning and under construction, the results of the interviews suggest the importance of Habitat “educating” municipal staff and leaders and potential end users about modular housing in terms of the feedback loops between design, building (production) efficiency, and local development processes. Many communities such as Carbondale have design standards that require “four-sided architecture” and housing units of varying heights, roof pitches, and facades etc. In order to achieve production economies, it may be necessary to obtain variances from design standards or other requirements that cause costs to increase or result in delays in obtaining necessary approvals. Proactively collaborate with municipalities to identify and implement any needed changes to design standards or other regulatory policies to facilitate obtaining necessary entitlements and approvals and the efficient and cost-effective production of modular housing units.

Additionally, many prospective third-party buyers of modules from the proposed Habitat plant will want to see proof of concept and a pilot project prior to making financial commitments. Begin developing a roll-out plan to address these preferences.



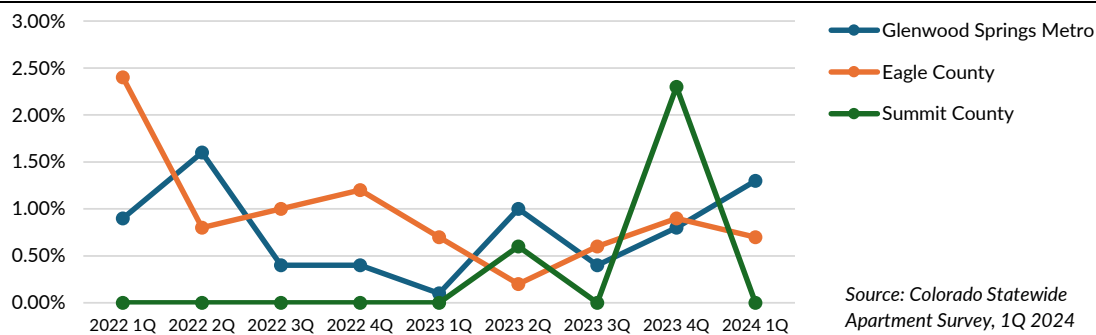
CHAPTER II

REVIEW OF HOUSING INVENTORY AND REAL ESTATE ECONOMIC ANALYSIS OF TRADITIONAL HOUSING AND MODULAR HOUSING DEVELOPMENT

LIMITED EXISTING HOUSING AVAILABILITY

Existing housing, irrespective of the cost, remains scarce and difficult to obtain throughout the western slope region of Colorado and especially in mountain resort towns. The apartment rental market is characterized by extremely low vacancy rates and high and increasing rents.

FIGURE II-1: APARTMENT VACANCY RATES



As of early 2024, for example, a statewide survey sponsored by the Colorado Housing and Finance Authority (CHFA) identified only 30 physically vacant apartment units throughout all of Garfield, Eagle, and Summit counties. The apartment vacancy rate in the greater Glenwood Springs market area was estimated at 1.3 percent in early 2024, with vacancy rates fluctuating between 0.1 and 1.6 percent during the prior two years. Apartment availability remains incredibly low even as several new large-scale apartment developments have been delivered in recent years.⁹ The statewide vacancy survey did not even include rental properties in the Aspen/Snowmass area because their inclusion would significantly “distort the usefulness of the data for the remainder of the Glenwood Spring area.” In other nearby mountain market areas, the physical vacancy rates are even lower: 0.7 percent in Eagle County and zero percent in Summit County (not a single available unit reported).

A rental market study and survey sponsored by the West Mountain Regional Housing Coalition¹⁰, generally covering the Roaring Fork Valley and communities in Eagle County, identified similar regional trends affecting renters. The findings note that “in every community in this study, vacancy rates for long-term rentals are extremely low...[in] each community the vacancy rate is under 2%.”

⁹ New developments in the Roaring Fork Valley such as the Six Canyon Apartments, Altitude Apartments, Green Leaf, Hayden Place, and Tree Farm Lofts delivered about 700 new market-rate apartment units between 2020 and 2023.

¹⁰ Documents available here: <https://www.wmrhousing.org/links>.



Typical asking rents for two-bedroom units in high-cost communities such as Aspen and Snowmass Village are reported to exceed \$7,000 per month. In the less costly communities of Glenwood Springs, Carbondale, and Basalt, typical two-bedroom rents are reported to range from about \$2,600 to \$4,000 monthly. Recently built apartment developments command much higher rents. The Tree Farm Lofts in Basalt (built in 2023), for example, includes two-bedroom apartment units of 930 to 1,130 square feet in size with current asking rents \$4,500 to \$6,400 per month.

For-Sale Housing Market

Table II-1 summarizes available single-family and townhome/condominium housing units in the Roaring Fork Valley.

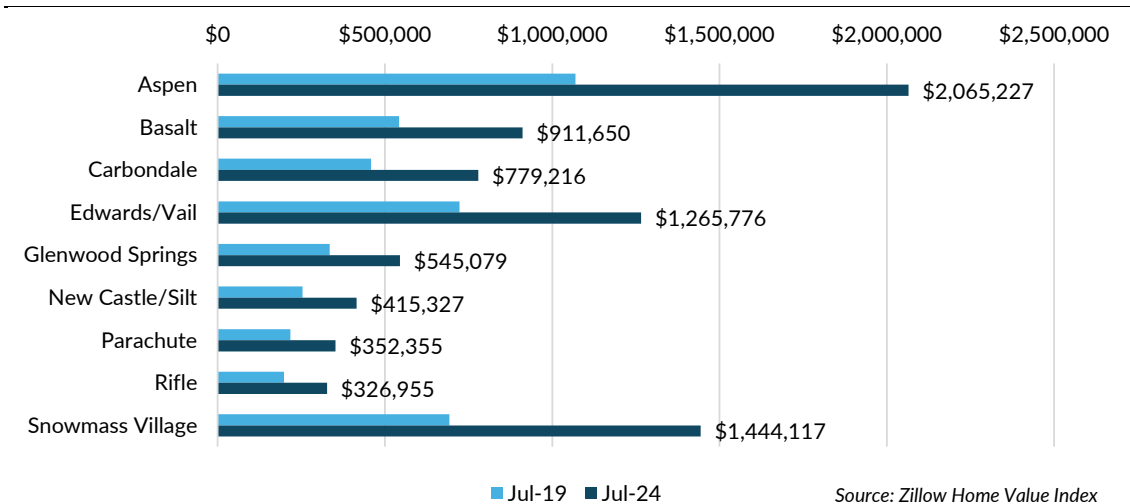
TABLE II-1: AVAILABLE HOMES FOR-SALE IN ROARING FORK VALLEY MARKET				
	Single Family		Townhouse/Condo	
	# Active Listings (July 2024)	Months Supply of Inventory	# Active Listings (July 2024)	Months Supply of Inventory
Aspen	102	15.7	103	10.0
Basalt	31	8.1	28	7.5
Carbondale	66	6.0	21	5.4
Glenwood Springs	45	4.3	9	1.8
New Castle	23	4.1	8	2.3
Rifle	26	2.5	5	1.9
Silt	18	1.7	1	0.7
Snowmass Village	20	5.9	55	5.6
Sources: Aspen Board of Realtors®; Gruen Gruen + Associates.				

The Aspen and Snowmass submarkets comprise exactly one-half of all region wide home listings as of July 2024. The median single family and townhouse/condo sales prices through the first seven months of 2024 were \$12,000,000 and \$3,000,000, respectively, in the Aspen submarket and \$7,175,000 and \$1,800,000 in the Snowmass Village submarket. The inventory of existing homes for sale is much scarcer in the more affordable submarkets shown on Table II-1. Only 112 single-family homes are for sale in Glenwood Springs, New Castle, Rifle, and Silt – representing less than four months of supply. Even fewer attached units (23 units) are for sale, representing only two months’ supply.



For perspective on typical for-sale home prices, Figure II-1 summarizes the Zillow Home Value Index for two-bedroom housing units for communities located in Garfield, Pitkin, and Eagle counties. Note the index quantifies the estimated typical value for a unit in the 35th to 65th percentile of all existing units.

FIGURE II-1: VALUATION TRENDS FOR 2-BEDROOM HOUSING UNITS IN GARFIELD, PITKIN AND EAGLE COUNTY COMMUNITIES



A modest existing two-bedroom housing unit in Aspen is estimated to have a current value (i.e., expected sales price) of approximately \$2.1 million. A similar two-bedroom unit in nearby Snowmass Village is estimated to have a typical value of about \$1.4 million. Further east in Eagle County, a typical two-bedroom unit in the Edwards/Vail submarket is estimated to have a current value of nearly \$1.3 million.

In the less costly communities of Glenwood Springs, Carbondale, and Basalt, typical two-bedroom housing unit sales prices are estimated at \$545,000, \$779,000, and \$912,000 (respectively).



AFFORDABLE WORKFORCE HOUSING PRICES

Table II-2 summarizes estimated affordable housing costs by number of bedrooms that households with 80 percent to 160 percent of AMI can afford to pay for housing. The estimates are based on 2024 income limits by county (included in Appendix A).

TABLE II-2: AVERAGE AFFORDABLE WORKFORCE HOUSING PRICES AT 80 PERCENT TO 160 PERCENT OF AREA MEDIAN INCOME ¹				
		----- Number of Bedrooms ² -----		
		1	2	3
For-Sale Housing (Affordable Sales Prices) ³				
Garfield County	160% AMI	\$370,000	\$445,000	\$510,000
	120% AMI	\$275,000	\$330,000	\$385,000
	80% AMI	\$235,000	\$280,000	\$325,000
Pitkin County	160% AMI	\$450,000	\$545,000	\$625,000
	120% AMI	\$340,000	\$410,000	\$470,000
	80% AMI	\$225,000	\$270,000	\$315,000
Eagle County	160% AMI	\$470,000	\$560,000	\$650,000
	120% AMI	\$350,000	\$420,000	\$485,000
	80% AMI	\$235,000	\$280,000	\$325,000
Rental Housing (Affordable Monthly Gross Rents) ⁴				
Garfield County	160% AMI	\$3,100	\$3,700	\$4,250
	120% AMI	\$2,300	\$2,750	\$3,200
	80% AMI	\$1,950	\$2,350	\$2,700
Pitkin County	160% AMI	\$3,800	\$4,500	\$5,200
	120% AMI	\$2,800	\$3,400	\$3,900
	80% AMI	\$1,900	\$2,250	\$2,600
Eagle County	160% AMI	\$3,900	\$4,700	\$5,400
	120% AMI	\$2,900	\$3,500	\$4,050
	80% AMI	\$1,950	\$2,350	\$2,700
¹ Figures are rounded. ² Conversion of 2024 income limits to affordable housing prices reflects the assumption of 1.5 persons per bedroom. ³ Affordable monthly ownership costs equal 30 percent of 2024 income limits. Maximum prices based on income to cost multiplier of 3.0 (e.g., \$100,000 income could afford \$300,000 purchase). ⁴ Affordable monthly gross rents equal 30 percent of 2024 income limits.				
Sources: Colorado Housing Finance Authority; Gruen Gruen + Associates.				



Households in the primary market area with annual incomes of 80 percent of AMI are estimated to be able to afford homes priced from \$230,000 for one-bedroom units to \$325,000 for three-bedroom units. Primary market area households with annual incomes of 160 percent of AMI are estimated to be able to afford one-bedroom homes priced from \$370,000 to \$470,000. Households with income of 160 percent of AMI could afford large three-bedroom units priced from about \$510,000 to \$650,000.

Renter households within the primary market area with annual incomes of 80 percent of AMI are estimated to be able to afford gross rents of approximately \$1,900-\$1,950 for one-bedroom units to about \$2,300 for two-bedroom units. Renters up to 160 percent of AMI could afford two-bedrooms units priced from about \$2,800 to \$3,500, depending upon the county.

PROTOTYPICAL HOUSING DEVELOPMENT COSTS

Stick-Built Development Costs

Table II-3 summarizes the estimated current development costs for a typical “stick built” walk-up apartment and attached townhome project in the market area. Order-of-magnitude cost estimates are drawn from interviews with local housing producers, secondary data sources such as the Colorado Housing and Finance Authority cost dashboard, the Mountain Region 2023 Workforce Housing Report¹¹, and recent proformas for publicly funded developments.

TABLE II-3: STICK-BUILT DEVELOPMENT COSTS FOR PROTOTYPICAL WORKFORCE HOUSING PROJECTS IN MARKET AREA				
	Walk-Up Multifamily Units (24 units/acre)		Attached Townhome Units (12 units/acre)	
	Cost Per-Unit	Cost Per GSF	Cost Per-Unit	Cost Per GSF
Entitled Land ¹	\$36,300	\$38	\$72,600	\$58
Site Improvements (Horizontal)	\$30,000	\$32	\$60,000	\$48
Hard Construction (Vertical)	\$332,500	\$350	\$375,000	\$300
Permit Fees and Soft Costs ²	\$78,500	\$83	\$102,000	\$82
Total Development Cost	\$476,900	\$502	\$609,600	\$488
¹ Assumes \$20 per square foot of land.				
² Building permits; construction use tax; utility tap/impact fees; design, consulting, and legal fees; development fee/overhead; construction financing costs; etc.				
Source: Gruen Gruen + Associates				

Note that in the highest-cost mountain resort communities (e.g., Aspen, Snowmass, and Vail), hard construction costs for a stick-built project are frequently quoted to be significantly higher than those summarized above in Table II-3. This primarily relates to difficulties obtaining skilled subcontractors

¹¹ [Northwest Colorado Council of Governments, 2023 Workforce Housing Report.](#)



for workforce housing projects in these localized construction submarkets and because affluent buyers tend to opt for luxury, custom built housing units for which developers and subcontractors find more lucrative than working on standard housing projects. Denser projects with structured or underground parking, greater building height, elevators, and so forth will also tend to be much more costly.¹²

The total development cost (before profit) for a prototypical multifamily unit in a walk-up building is estimated to be about \$475,000 per unit or \$500 per square foot of gross building area. This assumes an economical average unit size of 825 square feet (mix of one- and two-bedroom units) with minimal common building areas. Approximately 75 percent of the typical cost or nearly \$365,000 per unit is related to hard construction (sitework and vertical). Other development costs related to land, entitlement, and soft costs such as permit, design, and financing fees comprise the remaining quarter of typical costs.

The total development costs (before profit) for a prototypical attached townhome unit are estimated to be about \$610,000 per unit or \$490 per square foot. This assumes an average unit size of 1,250 square feet (mix of two- and three-bedroom homes) with no garages. Garages can add significantly to the costs of producing housing.

Modular Housing Development Costs

Table II-4 summarizes an estimate of total development costs using modular construction for the same prototypical walk-up apartment and attached townhome projects in the market area.

TABLE II-4: MODULAR DEVELOPMENT COSTS FOR PROTOTYPICAL WORKFORCE HOUSING PROJECTS IN MARKET AREA				
	Walk-Up Multifamily Units (24 units/acre)		Attached Townhome Units (12 units/acre)	
	Cost Per-Unit	Cost Per GSF	Cost Per-Unit	Cost Per GSF
Entitled Land ¹	\$36,300	\$38	\$72,600	\$58
Site Improvements (Horizontal)	\$30,000	\$32	\$60,000	\$48
Onsite Building Construction ²	\$118,800	\$125	\$143,800	\$115
Offsite (Modular) Construction	\$156,800	\$165	\$168,800	\$135
Permit Fees and Soft Costs	\$64,400	\$68	\$86,200	\$69
Total Development Cost	\$406,300	\$428	\$531,400	\$425
¹ Assumes \$20 per square foot of land.				
² Includes foundations, final utility connections, roofing and exteriors, and other onsite finishing and installation costs.				
Sources: Fading West; Gruen Gruen + Associates.				

¹² For example, the recently approved “The Benedict” affordable housing project in Glenwood Springs has a published hard construction cost of \$480 per gross square foot. The project is 4-stories on a small infill site with underground parking.



Including typical sitework, total hard construction costs with a modular product are estimated to range from about \$300 per square foot for attached townhome units and up to about \$320 per square foot for smaller multi-family units. The modular construction cost estimates are based on information provided by Fading West Development.

Total development costs including typical land and soft costs are estimated at approximately \$406,000 for multi-family units and \$531,000 for attached townhome units. Relative to the “stick built” cost estimates, the total development costs are estimated to be 13 percent to 15 percent lower with a modular construction product in the market area.¹³ Successful deed-restricted modular production will still require subsidies like state or federal funding, land dedication, and municipal fee waivers.

WORKFORCE HOUSING PRODUCTION GAPS

High development costs throughout the primary market area make it difficult, and in most cases infeasible, for the private market to produce new housing at prices or rents that are affordable to most of the local workforce. Based on the development cost estimates reviewed above, Table II-5 translates these costs into “minimum” prices or rents that would likely be required to encourage the feasible private production of new housing. Feasible sales prices or rents are expressed in terms of the percent of Area Median Income, adjusted for household size.

TABLE II-5: ESTIMATED PRODUCTION GAPS WITH STICK-BUILT HOUSING DEVELOPMENTS		
	Walk-up Multifamily \$ Per-Unit	Attached Townhomes \$ Per-Unit
Total Development Cost (Stick-Built)	\$477,000	\$610,000
Minimum Feasible Market Rate Sales Price ¹	\$560,000	\$720,000
Affordable Sales Price at 100% AMI	\$295,000	\$350,000
Percent of AMI Required to Afford Market Price	190% AMI	205% AMI
Minimum Feasible Monthly Market Rent ²	\$4,200	\$5,300
Affordable Monthly Rent at 100% AMI	\$2,400	\$2,900
Percent of AMI Required to Afford Market Rent	170% AMI	185% AMI
¹ Feasibility calculation assumes a minimum gross builder margin (including selling costs/commissions) equal to 15% of the average sales price.		
² Gross rents. Feasibility calculation assumes a minimum 7% yield on development cost and operating expenses equal to one-third of gross rents.		
Source: Gruen Gruen + Associates		

¹³ Beyond the market area and western slope, such as in the Front Range or other communities in which public home builders operate, housing development costs are lower than modular housing costs because of economies of scale, a larger base of subcontractors, and volume purchasing.



Total development costs for walk-up multi-family product is estimated at \$477,000 per unit. Including a need for a profit margin and typical selling costs of 15 percent of the sales price, the minimum market rate sales price for the multi-family unit would be \$560,000. Households with annual incomes of 100 percent of AMI can only afford a sales price of \$295,000, extremely short of the required sales price. To afford the minimum feasible sales price of \$560,000 households would need annual incomes of 190 percent of AMI.

Multi-family apartment rents affordable to households with 100 percent of AMI of \$2,400 per month are 57 percent of the needed minimum feasible monthly market rents of \$4,200. To afford the minimum feasible monthly market rent of \$4,200 would require households to have annual incomes equivalent to 170 percent of AMI.

Total development costs for attached townhome are estimated at \$610,000. The minimum market rate sales price for the attached townhome product would be \$720,000. Households with annual incomes of 100 percent of AMI can only afford to pay \$350,000 for the townhome unit. Households would need incomes equivalent to 205 percent of AMI to afford to purchase townhome units. The minimum feasible rent for townhome units is estimated at \$5,300. Households with incomes of 100 percent of AMI can only afford \$2,900 in monthly rent. To be able to afford minimum feasible monthly townhome unit rents would require household incomes of 185 percent of AMI.



CHAPTER III

POTENTIAL DEMAND FROM MUNICIPAL GOVERNMENTS AND PRIVATE DEVELOPERS FOR MODULAR HOUSING UNITS AND IDENTIFICATION OF DIRECT SUPPLY COMPETITION

GOVERNMENT UNITS REPRESENT A SOURCE OF MODULAR DEMAND AND HAVE SURPLUS REAL ESTATE OR UNDERUTILIZED LAND WHICH MAY BE ALLOCATED FOR THE DEVELOPMENT OF WORKFORCE HOUSING

Governmental units have surplus real estate or underutilized land which may be allocated for the development of workforce housing for government employees. A recent land inventory analysis sponsored by the West Mountain Regional Housing Coalition¹⁴ identified 120 acres of public- or institutionally owned land with “high” to moderate development potential for workforce housing in the communities of Aspen, Snowmass Village, Basalt, Carbondale, and Glenwood Springs. Even at very low densities, development of these properties could deliver well over 1,500 additional workforce housing units.

Because recruitment and retention of government workers has become extremely challenging with the current housing shortage, the use of government owned land not needed for service delivery for housing is expected to help with labor recruitment and retention. According to the Chief Operating Officer of the Roaring Fork School District (“District”), the District has three properties which potentially could be used for the development of workforce housing. Two sites of 15 acres and 10 acres of land, respectively, are currently reserved for the development of future schools. However, the District does not anticipate needing to use the land for the development of school facilities. Based on projected enrollment, the sites could be declared surplus and dedicated for the development of workforce housing. Both sites and a smaller three-acre parcel are in unincorporated Eagle and Garfield counties.

While the District has not yet completed a master housing plan, a conservative estimate of housing need by District workers over the next 10 years would be approximately 100 modular housing units. Within the next year, the District expects to begin planning the use of one of the sites for the development of modular housing.

With a total current workforce of 673 full-time equivalent employees, 100 modular units would equate to approximately 15 percent of the District workforce. If this estimate of need is representative of all government employers in Garfield, Pitkin, and Eagle counties, total government employment would suggest a potential need for approximately 1,600 modular workforce housing units.¹⁵

¹⁴ Documents available here: <https://www.wmrhousing.org/links>.

¹⁵ According to DOLA State Demography Office estimates, the three-county area contained 10,658 jobs in State Government and Local Government as of 2022.



HABITAT MAY HELP OBTAIN NECESSARY ENTITLEMENTS FOR PRIVATE DEVELOPMENTS, MAY BE OF ASSISTANCE TO RENTAL OR BUYER HOUSEHOLDS THAT PARTICIPATE IN REQUIRED INCLUSIONARY HOUSING PROGRAMS, AND COULD PROVIDE MODULAR UNITS FOR THOSE PROGRAMS

Another interviewee, a developer (Realty Capital Management) which has constructed more workforce housing in the Roaring Fork Valley than any other developer in the past decade, indicated it intends to obtain entitlements for a master planned community on the 280-acre Sanders Ranch property just south of Glenwood Springs. The developer indicated it hopes to have housing units available in about 30 months. While the development program is not fully defined, the developer anticipates several hundred workforce housing units will be required as part of obtaining entitlements. The developer would be interested in having Habitat support the project, assist the households selected for workforce housing, and source the modular housing units with the expectation they will be lower in cost than units built completely on site.

Servitas, a nationwide student housing and workforce housing developer, has four workforce housing, deed restricted public-private developments in the western slope in design phase. These projects include 39 units in Telluride, 153 units in Summit County, 253 units outside Crested Butte, and 58 units in Pagosa Springs. Servitas is also bidding on the Aspen Lumberyard project for which it has proposed 277 units. These units would be needed starting in 2026. Modular product would be considered for all of these workforce housing developments because of lower costs and faster scheduling.

Pinnacle Development Group, which does not currently have any Colorado projects but is pursuing public-private partnerships for the development of workforce housing, believes modular housing units will be competitive in terms of price and schedule in high-cost resort mountain communities which lack production builders and have a shortage of subcontractors and labor. Essentially, Pinnacle Development Group sees modular housing unit development as a way to outsource construction in a controlled environment. It would want assurance of a competitively priced product that meets best practice quality standards and prefers to source within the region as opposed to from Boise or other out-of-state locations of other modular plants.

Other privately planned developments in the market area will also include land use components that address affordable housing or workforce housing needs. Storied Development is planning to acquire and develop the large 5,000-acre Spring Valley Ranch property (also south of Glenwood Springs in unincorporated Garfield County). It is currently seeking a PUD amendment to develop approximately 500 custom single-family home lots and various private amenities on portions of the property. The development proposal commits to the provision of at least 75 affordable housing units that will be primarily reserved for existing county residents/workers, allocated via the Garfield County Housing Authority, and with prices affordable to income levels ranging from about 80 percent to 120 percent of AMI. The developer has also proposed a two percent real estate transfer fee (on all lot and home sales) that would provide significant philanthropic resources to address local workforce housing needs.



In addition to government landowners seeking workforce housing for recruitment and retention purposes and to contribute to mitigating the housing shortage and private developers entering public-private partnerships or seeking lower cost housing to meet inclusionary housing requirements, public housing authorities also represent potential sources of demand.

COMPETING MODULAR SUPPLY

One interviewee indicated an advantage relative to potential competing supply of modular units is Habitat can offer access to low-interest loans for buyers and for-profit developers benefit from its socially positive reputation in obtaining entitlements. One competing source of supply of modular units would be Fading West out of Buena Vista which has an established product line, a proven track record, and known costs. The Roaring Fork School District Chief Operating Officer indicated the District expects to issue a Request for Proposals for the provision of modular units and would include Fading West in the solicitation.

While Realty Capital Management has considered Guerdon, a modular housing provider based in Boise, Guerdon does not manufacture single-family housing. Guerdon specializes in large-scale, multi-family, hospitality, assisted living, and student housing products. This developer has not identified any modular housing supplier in the western slope and would prefer to have a local supplier with the attendant lower transportation costs and risks of damage to the units during shipping.

Servitas and Pinnacle Development Group each indicate that Idaho, where Guerdon's plant is located, is too far from the Roaring Fork Valley to represent a viable competing source of supply. The added shipping time increases the product cost. In addition, the potential risk for product to be damaged during shipment can serve as a course of conflict on identifying liability for quality defects.

FADING WEST REPRESENTS PRIMARY MODULAR SUPPLY COMPETITION

Fading West based in Buena Vista has been in existence for three years. Fading West operates a 110,000-square-foot modular housing factory with 90 workers. It has taken about three years to refine the design, value-engineering, and manufacturing process to become efficient in producing seven basic products that can be configured in multiple ways. Initially, Fading West could not attract sufficient skilled labor from within the community and surrounding communities and so the firm has recruited and trained workers from Texas, New Mexico, and Mexico.

The primary market Fading West has served are mountain towns and rural areas in Colorado where public home builders do not operate. Public builders in the Front Range or more suburban locations serving as growth poles for housing can produce traditional homes at lower prices than modular homes can be produced. Mountain towns and rural and resort areas with labor shortages and low volume custom builders are the primary markets.

The costs to ship module units which can weigh 25,000 pounds, are typically about \$2,000 per unit if shipped within the state. Drywall can crack during shipping which is fixed on-site. Fading West has



not experienced any problems with windows, doors, or other elements from shipping products within the state.

Since opening the factory, Fading West has shifted to performing the on-site finishing and installation work with its own staff or with pre-selected and trained general contractors. Vertical integration is key to delivering a quality and cost-effective finished product.

About 75 percent of the modular units produced are pre-sold to third parties including nonprofit home builders, state agencies such as the Department of Corrections and the Department of Transportation, local and county municipalities, and some for-profit developers building affordable housing. About 25 percent of the units produced are used by Fading West for its own workforce housing developments.

Fading West produces 350 modular units per year or about 350,000 square feet of modular units. Fading West has the plant capacity to produce more units by adding shifts and would benefit from a larger stream of bigger orders. Fading West has built three walk-up apartment products but most of its production includes attached or detached single-family homes of 900 to 1,600 square feet.

The delays in entitlements, the varied municipal building codes, and challenging building permit processes in many communities make it challenging to build speculative units; all of the units built-to-date have been presold. Because of the rise in interest rates, delays in would-be customers obtaining entitlements, and a slowdown in development deals, demand is not sufficient to support additional shifts or plant expansion. If demand increased, however, an additional shift or shifts could be implemented with their existing labor force without needing to expand the plant.

Excluding land with entitlements, the costs for producing modular units are typically allocated as follows:

<u>Category</u>	<u>Percentage of Overall Cost</u>
Factory Production	40%
Transportation	1-2%
Onsite Construction (Site, Foundations, Installation or “Set and Stitch”, Utility Connections, Landscaping, etc.)	35-40%
Fees and Soft Costs (GC Fees, Warranty, Design, Permit Fees, General Conditions, Financing, etc.)	± 20%

Pricing for attached and detached single-family housing tends to be \$130 to \$165 per square foot. Multi-family is higher cost and not less than \$165 per square foot out of the factory. Habitat is projecting initial module sales prices that would be comparable to the prices of Fading West. Net zero requirements and market demand are sufficient to support both plants, as reviewed next in Chapter IV.



CHAPTER IV

THE DEMAND FOR AFFORDABLE WORKFORCE HOUSING AND ESTIMATES OF THE SHARE HABITAT CAN SERVE WITH MODULAR HOUSING UNITS

PRIMARY MARKET AREA DEFINITION

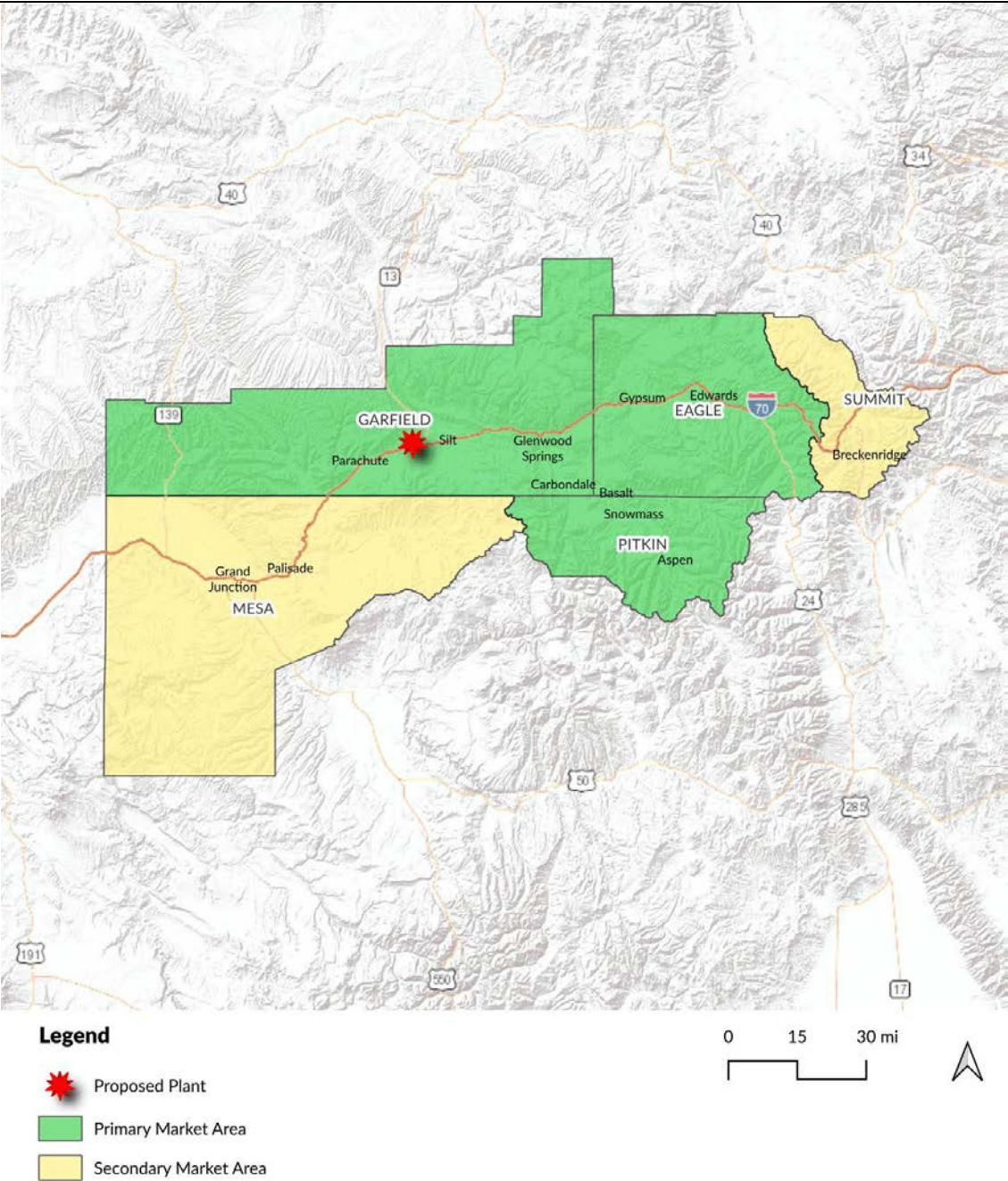
The primary geographic market area is expected to include the Roaring Fork Valley and Colorado River Valley in Garfield and Pitkin counties, located on the western slope of Colorado. The primary market area will also include portions of Eagle County; it is anticipated to generally extend east to west along Interstate 70 from Edwards to Parachute, and north to south along Colorado Highway 82 from Glenwood Springs to Aspen.

Given the accessibility of the proposed plant to Interstate 70, the proposed plant may serve a broader area of deed-restricted housing construction needs further east and west of the primary market area, extending west into Mesa County and east into Summit County. These two counties are considered to represent the “secondary” market area for the purposes of this analysis. Other nearby mountain resort communities challenged with construction labor shortages, such as Telluride, Steamboat Springs or Crested Butte may also represent additional sources of modular demand.



Map IV-1 shows the market area as defined above.

MAP IV-1: COUNTIES REPRESENTING THE PRIMARY AND SECONDARY MARKET AREAS



HISTORICAL GROWTH IN THE MARKET AREA

Table IV-1 summarizes the historical growth of population, employment, and housing units in the primary and secondary market area from 2010 through 2022.

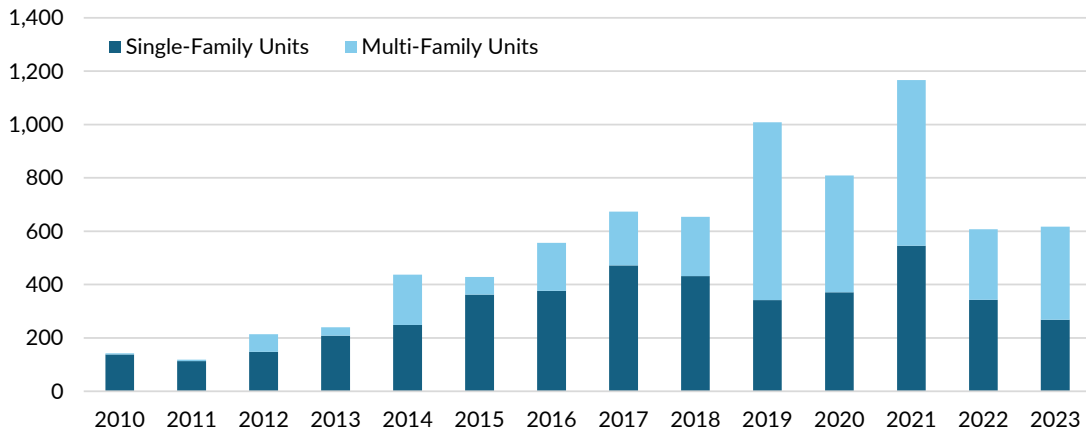
TABLE IV-1: HISTORICAL POPULATION, EMPLOYMENT, AND HOUSING UNIT GROWTH IN PRIMARY AND SECONDARY MARKET AREAS						
	Primary Market Area			Secondary Market Area		
	Population # People	Employment # Jobs	Housing # Units	Population # People	Employment # Jobs	Housing # Units
2010	125,363	86,161	66,190	175,228	95,602	92,855
2011	125,515	86,877	66,362	176,044	96,008	93,135
2012	125,776	88,199	66,518	176,324	97,308	93,338
2013	126,381	89,585	66,755	176,786	98,062	93,693
2014	127,050	92,327	67,018	177,372	100,625	94,142
2015	127,976	93,990	67,417	179,042	101,723	94,650
2016	128,893	94,679	67,830	181,163	102,175	94,948
2017	130,253	96,448	68,502	183,281	104,852	95,560
2018	131,617	98,284	69,071	185,142	106,966	96,416
2019	132,790	100,426	69,700	186,299	109,081	97,710
2020	134,813	93,190	70,531	186,989	103,363	99,096
2021	135,285	97,108	71,509	188,426	107,451	100,457
2022	134,401	100,114	72,905	189,117	110,254	102,164
Change 2010-2022	9,038	13,953	6,715	13,889	14,652	9,309
Average Annual Growth Rate	0.58%	1.26%	0.81%	0.64%	1.20%	0.80%
Sources: Colorado Department of Local Affairs, State Demography Office; Gruen Gruen + Associates.						

The population in the primary market area has increased by over 9,000 people to 134,410 in 2022. The population in the secondary market area has increased by nearly 14,000 people to over 189,000 in 2022. Employment has grown faster (at an average annual rate of over 1.20 percent than population (which increased at an average annual rate of 0.58 percent in the primary market area and 0.64 percent in the secondary market area) and housing units (which grew at an average annual rate of approximately 0.80 percent) with nearly 14,000 jobs added in the primary market area to over 100,000 in 2022 and nearly 15,000 jobs to over 110,000 jobs the secondary market area in 2022.



Figure IV-1 summarizes the number of new construction housing permits in the primary market area from 2010 through 2023.

FIGURE IV-1: NEW CONSTRUCTION HOUSING PERMITS IN PRIMARY MARKET AREA

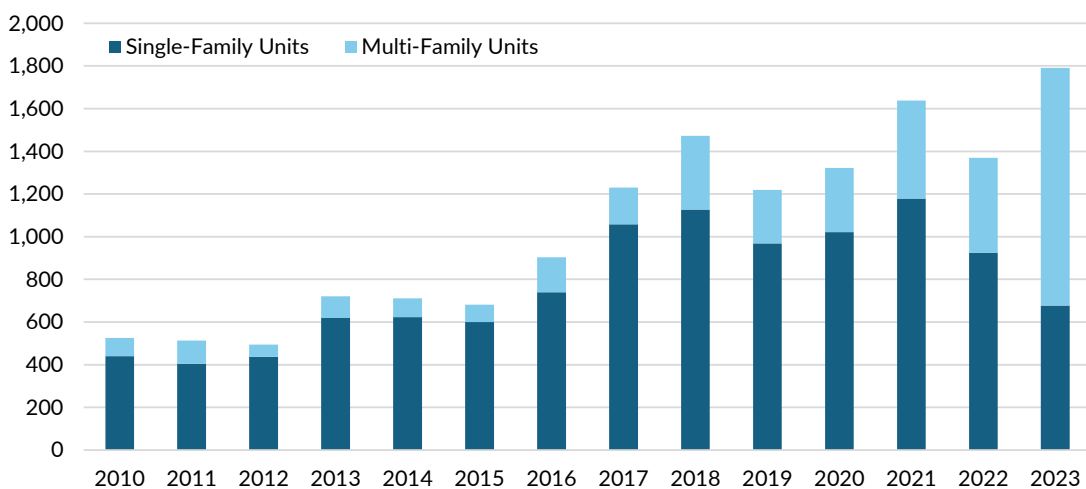


Source: U.S. Census Bureau Building Permits Survey

Less than 400 permits were issued annually from 2010 through 2013. Less than 600 housing permits were issued from 2014 through 2016. Less than 700 housing permits were issued in 2017 and 2018 and 2020. In only two years have issued housing permits exceeded 1,000: in 2019 and 2021. In 2022 and 2023, building permit issuance declined to under 600 units each year. While employment increased by about 14,650 jobs, only 12,000 new housing permits were issued in the same period.

Figure IV-2 summarizes the number of new construction housing permits in the primary market area from 2010 through 2023.

FIGURE IV-2: NEW CONSTRUCTION HOUSING PERMITS IN SECONDARY MARKET AREA



Source: U.S. Census Bureau Building Permits Survey



Less than 600 permits were issued annually from 2010 through 2012. Less than 2,100 housing permits were issued from 2013 through 2015. About 800 housing permits were issued in 2016. Since 2017, housing permits have ranged from a peak of about 1,600 in 2021 to about 1,200 in 2019. While employment increased by nearly 14,000 jobs, only 8,800 new housing permits were issued in the same period.

DEMOGRAPHIC CHARACTERISTICS OF MARKET AREA HOUSEHOLDS

To quantify the depth of the potential demand from existing market area households, and to identify the number and proportion of households with income and workforce attributes that would make them candidates for deed-restricted modular workforce housing units, this section reviews the characteristics of existing households in the primary and secondary market areas.

Households by Income and Housing Tenure

Table IV-2 summarizes the income distribution of households in the primary market area and secondary market area.

TABLE IV-2: MARKET AREA HOUSEHOLDS BY INCOME AND TENURE (2022 ESTIMATE)				
	Primary Market Area		Secondary Market Area	
	#	%	#	%
Homeowners:				
Less than \$50,000	6,873	19.8	14,059	26.3
\$50,000 to \$74,999	4,693	13.5	10,370	19.4
\$75,000 to \$99,999	4,721	13.6	7,594	14.2
\$100,000 to \$149,999	7,475	21.5	10,496	19.6
\$150,000 or more	10,947	31.5	10,998	20.6
Subtotal	34,709	100.0	53,517	100.0
Renters:				
Less than \$50,000	6,048	38.1	11,136	52.2
\$50,000 to \$74,999	3,534	22.3	4,151	19.5
\$75,000 to \$99,999	1,922	12.1	2,559	12.0
\$100,000 to \$149,999	2,697	17.0	2,101	9.8
\$150,000 or more	1,678	10.6	1,384	6.5
Subtotal	15,879	100.0	21,331	100.0
Sources: U.S. Census, 2022 American Community Survey; Gruen Gruen + Associates.				

Within the primary market area, 69 percent of the 50,600 total households are homeowners. Within the secondary market area, 72 percent of the 74,800 total households are homeowners. As of 2022, the primary market area was estimated to contain approximately 34,700 homeowners. Approximately 53 percent of homeowners in the primary market area, or about 18,400 households, had annual household incomes of at least \$100,000 in 2022. More than 31 percent of all homeowners in the primary market area had annual incomes exceeding \$150,000. Nearly 6,900 primary market



homeowners or nearly 20 percent of total households are estimated to have annual incomes less than \$50,000. Another 13.5 percent or of nearly 4,700 households are estimated to have annual incomes of \$50,000 to \$75,000.

The primary market area contained about 15,900 renter-households as of 2022. Over 38 percent of renter-households in the primary market area have annual household incomes below \$50,000. Another approximately 22 percent of renter-households have estimated annual incomes of \$50,000 to \$75,000. Over 1,900 households or 12 percent of total renter-households have annual incomes of \$75,000 to \$100,000. Nearly 28 percent of renter-households have annual incomes of over \$100,000 or higher (compared to 53 percent of homeowner households).

The secondary market area including Mesa County (and the city of Grand Junction) has a higher share of lower-income households and a smaller share of higher-income households relative to the primary market area. Over 26 percent of homeowner households within the secondary market area have annual incomes less than \$50,000. Over 19 percent of homeowner households have annual incomes of between \$50,000 and \$75,000. About 40 percent of homeowner households have annual incomes of above \$100,000. Over 52 percent of renter-households in the secondary market area have annual incomes less than \$50,000. Another nearly 20 percent have annual incomes of \$50,000 to \$75,000. Only 16 percent of renter-households have annual incomes above \$100,000.

Workforce Households

Table IV-3 summarizes the estimate distribution of workers in households in the primary market area and secondary market area.

TABLE IV-3: MARKET AREA HOUSEHOLDS BY NUMBER OF WORKERS IN HOUSEHOLD				
	Primary Market Area		Secondary Market Area	
	#	%	#	%
No workers	9,805	19.4	21,916	29.3
1 worker	18,469	36.5	27,417	36.6
2 workers	17,899	35.4	20,650	27.6
3 or more workers	4,415	8.7	4,865	6.5
Total	50,588	100.0	74,848	100.0
Sources: U.S. Census, 2022 American Community Survey; Gruen Gruen + Associates.				

Nearly 20 percent of households in the primary market area and over 29 percent in the secondary market area have no employed workers. Nearly 37 percent of households in each market area have only one worker. In the primary market area over 35 percent of households have two workers compared to nearly 28 percent of households in the secondary market area. Nearly nine percent and nearly seven percent of workers in the primary and secondary market area have three or more workers.



Resident Mobility or “Turnover” Rates

Table IV-4 shows annual turnover characteristics of households living in owner- and renter-occupied housing units in the primary and secondary market areas.

TABLE IV-4: ANNUAL TURNOVER CHARACTERISTICS OF PRIMARY PLUS SECONDARY MARKET AREA HOUSEHOLDS		
	Owners %	Renters %
Did not move in past year	89.7	74.8
Moved in past year:		
Within same county	5.6	14.3
To elsewhere in Colorado	2.5	6.0
To different state	2.2	4.9
Subtotal – Moved in past year	10.3	25.2
Sources: U.S. Census, 2022 American Community Survey; Gruen Gruen + Associates.		

According to 2022 American Community Survey estimates, approximately 10.3 percent of the population living in owner-occupied housing units moved in the previous year. Most of these moves occurred within the same county. A much higher share, 25.2 percent, of the population living in rental units moved in the previous year.

Based on the American Community Survey turnover data, for purposes of estimating potential deed-restricted housing demand, we assume that seven (7) percent of existing homeowners and 18 percent of existing renters will move within the market area each year.



TARGET MARKET HOUSEHOLDS

Habitat intends to serve cost-burdened workforce households whose incomes are too high to qualify for traditional subsidized affordable housing programs such as the Housing and Urban Development (HUD) “Housing Choice Voucher (Section 8) Program” which provides rental housing assistance to low-income households by paying private landlords on behalf of the tenants; or the “Low-Income Housing Tax Credit” (LIHTC) program which subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants.

Households with annual incomes of 80 percent to 160 percent of Area Median Income (AMI) often have too much income to qualify for traditional housing assistance programs but not enough income to afford market rate housing in high-cost communities or regions, such as those included in the primary market area. Households in this income range may be cost-burdened homeowners or renters, first-time buyers without sufficient cash equity to be able to purchase housing, or otherwise fall into the “missing middle” that housing assistance programs do not typically address. Recent state housing programs and policies in Colorado also increasingly recognize the difficulty of addressing middle-income housing needs in mountain resort communities.¹⁶ State funding authorized by Proposition 123, for example, allows mountain resort communities to pursue funding for housing projects serving up to 160 percent of AMI.

¹⁶ Eason, B (2024, July 18). *Colorado is steering affordable housing money to the middle class — and away from the working poor*. Colorado Sun. <https://coloradosun.com/2024/07/18/colorado-affordable-housing-middle-income-tax-credit/>



ESTIMATE OF POTENTIAL TURNOVER DEMAND FOR DEED-RESTRICTED WORKFORCE HOUSING IN THE PRIMARY AND SECONDARY MARKET AREAS

Table IV-5 presents an estimate of annual turnover demand, or demand from the internal relocation of households, whose needs change or are priced out of existing housing units within the primary and secondary market areas.

TABLE IV-5: ESTIMATE OF ANNUAL TURNOVER DEMAND WITHIN THE PRIMARY MARKET AND SECONDARY MARKET AREAS AND DEMAND POTENTIALLY SERVED BY HABITAT PLANT					
	Primary Market Area Workforce Households		Secondary Market Area Workforce Households		TOTAL
	Existing Renters	Existing Cost Burdened Homeowners	Existing Renters	Existing Cost Burdened Homeowners	
Income 80-120% AMI	2,340	780	3,280	680	7,080
Income 120-160% AMI	1,580	710	1,850	560	4,700
Subtotal 80-160% AMI	3,920	1,490	5,130	1,240	11,780
Annual Turnover Rate ¹	18.0%	7.0%	18.0%	7.0%	15.4%
Annual Turnover Demand Within Market Area²	706	104	923	87	1,820
¹ Percentage of existing renters and homeowners likely to move within the market area each year.					
² Figures rounded to nearest full unit.					
Sources: U.S. Census Bureau; 2022 Public Use Microdata Samples (PUMS); Gruen Gruen + Associates.					

Existing renters in the primary market area with annual household incomes of 80 percent to 120 percent of AMI are estimated to total 2,340 workforce households. Another 1,580 renters with annual income of 120 percent to 160 percent of AMI also reside in the primary market area. About 18 percent of renters are estimated to move within the market area each year, indicating potential annual demand from housing turnover or relocation of existing renters in the primary market area of 706 workforce units per year (3,920 renters multiplied by 18 percent).

Within the primary market area an estimated 1,490 workforce households also meet two criteria: (a) being homeowners with a housing cost-burden; and (b) having annual incomes of 80 percent to 160 percent of AMI. About seven percent of existing homeowners are estimated to move within the market area each year. This indicates that existing cost-burdened homeowners, with incomes that would qualify them for deed-restricted workforce housing, represent additional annual turnover demand of about 100 housing units per year (1,490 cost-burdened owners multiplied by seven percent).

Existing renters in the secondary market area with annual household incomes of 80 percent to 160 percent of AMI are estimated to total 5,130 workforce households. Another 1,240 cost-burdened homeowners with annual incomes of 80 percent to 160 percent of AMI are estimated to reside in the secondary market area. Based on the same annual turnover rates applied to workforce households in



the primary market area, potential demand from housing turnover or relocation in the secondary market area is estimated at 1,010 workforce units per year.

Potential annual demand resulting from the turnover or relocation of qualified workforce households already living within the primary market area is estimated to total 810 units per year. Annual turnover demand of qualified workforce households in the secondary market area is estimated to total 1,010 units per year. **Total annual turnover demand within the combined market area is estimated at 1,820 units per year. The largest segment of potential turnover demand is attributable to existing workforce households who currently rent housing and have annual incomes ranging from 80 percent to 120 percent of AMI.**

DEMAND FOR ADDITIONAL DEED-RESTRICTED WORKFORCE HOUSING UNITS ATTRIBUTABLE TO FUTURE EMPLOYMENT (JOB) GROWTH

Job creation and new employment opportunities within a housing market area typically account for the largest source of additional housing needed. Additional jobs attract new workers (labor) and their households. This condition is particularly true of the primary market area where the local unemployment rate was reported at 3.4 percent as of July 2024 (Colorado Department of Labor and Employment (DOLE) estimates for Garfield, Pitkin and Eagle counties).

An estimate of the incremental future growth in workforce housing demand in the primary and secondary market areas is based on the predicted increase in local employment. Table IV-6 presents a 10-year projection of employment growth in the primary and secondary areas based on the Colorado Department of Local Affairs (DOLA) overall job forecasts by county and Colorado Department of Labor and Employment job forecasts by industry sector for the western slope region.

TABLE IV-6: MARKET AREA EMPLOYMENT PROJECTION, 2024-2034		
Industry Sector	Primary Market Area 2024-2034 # Jobs Added	Secondary Market Area 2024-2034 # Jobs Added
Construction	1,759	2,109
Retail Trade	1,172	1,406
Professional and Business Services	1,759	2,109
Education and Healthcare Services	2,931	3,515
Leisure and Hospitality	2,345	2,812
Government	586	703
Other Sectors	1,172	1,406
Total Job Growth	11,724	14,058
Sources: DOLA, State Demography Office; Colorado Department of Labor and Employment; Gruen Gruen + Associates.		



The primary and secondary market areas over the next 10 years are forecast to experience a gain of nearly 26,000 jobs. About 25 percent of the expected increase in jobs is attributable to anticipated growth in the education and healthcare sectors (over 6,400 jobs). Anticipated growth in leisure and employment hospitality makes up another 20 percent of the increase in jobs. Anticipated growth in construction employment makes up about 15 percent of the increase in jobs (nearly 3,900 jobs).

Table IV-7 presents the projection of additional workforce households by AMI bracket. The conversion from additional workers to additional workforce households is based on the estimated distribution of workers by household income and the average number of workers per household.

TABLE IV-7: PROJECTED WORKFORCE HOUSEHOLD GROWTH IN THE MARKET AREA, 2024-2034		
	Primary Market Area 2024-2034 # Households Added	Secondary Market Area 2024-2034 # Households Added
Less than 80% AMI	2,181	2,615
80% to 120% AMI	1,594	1,911
120% to 160% AMI	1,331	1,596
160% AMI and Above	2,098	2,516
Total Workforce Household Growth	7,203	8,637
Sources: DOLA, State Demography Office; U.S. Census, 2022 Public Use Microdata Samples; Gruen Gruen + Associates.		

Approximately 4,800 households, representing 30 percent of the total potential new workforce households over 10 years, are projected to have incomes below 80 percent of AMI. Another 4,600 households or about 29 percent of new workforce households are projected to have incomes at 160 percent of AMI or higher. Thus, projected new workforce households with annual incomes of 80 percent to 160 percent of AMI total about 6,400 households or 40 percent of projected new workforce households over 10 years.



Table IV-8 summarizes the 10-year projection of demand for housing units due to employment growth.

TABLE IV-8: ESTIMATE OF ANNUAL AND CUMULATIVE (10-YEAR) EMPLOYMENT GROWTH-RELATED DEMAND FOR MODULAR PLANT			
	Primary Market Area	Secondary Market Area	TOTAL
10-Year Growth Projection:			
Household Growth 80-120% AMI	1,594	1,911	
Household Growth 120-160% AMI	1,331	1,596	
Total Workforce Household Growth 80-160% AMI	2,925	3,507	6,431
Cumulative (10-Year) Market Area Unit Demand ¹	3,078	3,691	6,770
Average Annual Unit Demand	308	369	677
¹ Five percent (5%) frictional vacancy rate applied to household growth.			
Source: Gruen Gruen + Associates			

Workforce housing demand for households with income between 80 percent and 160 percent of AMI is projected to total approximately 6,400 households. To account for frictional vacancy in the market area, a five percent vacancy rate has been added to household growth. This results in market demand of nearly 6,800 workforce housing units over ten years or about 680 units annually.



SUMMARY OF MARKET AREA WORKFORCE HOUSING UNIT DEMAND ESTIMATE AND ESTIMATED CAPTURE RATE OF PROPOSED HABITAT MODULAR PLANT

Table IV-9 presents a summary of the projected demand for modular housing unit production at the proposed Habitat plant.

TABLE IV-9: SUMMARY OF FORECAST MARKET AREA HOUSING UNIT DEMAND AND ESTIMATED CAPTURE RATE OF PROPOSED HABITAT MODULAR PLANT			
	Primary Market Area	Secondary Market Area	Total
Estimate of Annual Market Area Demand ¹			
Housing Unit Turnover	810	1,010	1,820
Housing Unit Need from Employment Growth	308	369	677
Annual Units of Potential Market Area Demand	1,118	1,379	2,497
Projected Habitat Plant Modular Unit Production ²	113	37	150
Required Market Capture Rate	10%	3%	6%
<i>Remaining Annual Units of Demand for Other Modular Suppliers and/or Traditional Stick-Built Construction</i>	<i>1,005</i>	<i>1,342</i>	<i>2,347</i>
¹ Target market defined as workforce households with annual incomes of 80 percent to 160 percent of Area Median Income (AMI). ² Projected annual production with fully operational plant (one shift). Assumes a roughly equal mix of multi-family and single-family units are produced.			
Source: Gruen Gruen + Associates			

The annual demand for housing units in the primary and secondary market areas, driven by the turnover of existing properties (household moves), is estimated at 1,820 middle-income workforce units per year. Additionally, projected growth in the middle-income workforce in the market area is expected to generate demand of 677 new units annually. As a result, the total potential demand over the next 10 years is estimated to average nearly 2,500 units per year. This conservative estimate does not account for the housing needs of lower-income households, which could also be a secondary source of demand for modular housing production.

To achieve its planned annual production output of 144,000 to 173,000 square feet at full capacity, the Habitat modular plant will need to capture around six percent of the overall target workforce housing market. This projection is based on producing 150 units annually, with an equal mix of single-family and multi-family homes. The required capture rate of six percent overall is obtainable given the locational advantages and added benefits associated with housing assistance Habitat can provide ultimate workforce housing buyers and renters and the assistance with entitlement support Habitat can provide landowners and government bodies.



The workforce housing demand analysis and capture rate estimate reflect the identification of direct supply competition which could expand to serve additional demand as well as the identification of other potential sources of supply competition. Success for the Habitat modular housing production plant, however, does not depend upon siphoning of demand currently served by other modular housing producers. Rather, the estimated overall annual market demand and the projected capture rate for the Habitat modular plant highlights significant opportunity for other modular housing providers and traditional private developments to also serve middle-income workforce housing needs. For example, Fading West, an identified direct competitor, has the potential capacity to produce up to 700 units per year if it doubles its current output. Even if Fading West captured eight to 10 percent of the projected market demand—equivalent to about 200 to 250 modular units annually—there would still be the potential unmet demand for more than 2,000 workforce units per year across the primary and secondary market areas.



APPENDIX A

SUPPLEMENTAL DATA

CURRENT (2024) INCOME LIMITS FOR COUNTIES IN THE MARKET AREA

Table A-1 summarizes 2024 annual income limits by household size for each county in the market area.

TABLE A-1: 2024 ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE							
		----- Household Size (Number of Persons) -----					
		1	2	3	4	5	6
Garfield County	160% AMI	\$114,720	\$131,200	\$147,520	\$163,840	\$176,960	\$190,080
	120% AMI	\$86,040	\$98,400	\$110,640	\$122,880	\$132,720	\$142,560
	80% AMI	\$73,040	\$83,520	\$93,920	\$104,320	\$112,720	\$121,040
Pitkin County	160% AMI	\$140,800	\$160,960	\$180,960	\$201,120	\$217,280	\$233,280
	120% AMI	\$105,600	\$120,720	\$135,720	\$150,840	\$162,960	\$174,960
	80% AMI	\$70,400	\$80,480	\$90,480	\$100,560	\$108,640	\$116,640
Eagle County	160% AMI	\$145,760	\$166,560	\$187,360	\$208,160	\$224,800	\$241,600
	120% AMI	\$109,320	\$124,920	\$140,520	\$156,120	\$168,600	\$181,200
	80% AMI	\$72,880	\$83,280	\$93,680	\$104,080	\$112,400	\$120,800
Summit County	160% AMI	\$136,480	\$156,000	\$175,520	\$194,880	\$210,560	\$226,080
	120% AMI	\$102,360	\$117,000	\$131,640	\$146,160	\$157,920	\$169,560
	80% AMI	\$68,240	\$78,000	\$87,760	\$97,440	\$105,280	\$113,040
Mesa County	160% AMI	\$105,600	\$120,640	\$135,680	\$150,720	\$162,880	\$174,880
	120% AMI	\$79,200	\$90,480	\$101,760	\$113,040	\$122,160	\$131,160
	80% AMI	\$52,800	\$60,320	\$67,840	\$75,360	\$81,440	\$87,440
Sources: Colorado Housing Finance Authority; Gruen Gruen + Associates.							

In Garfield County, current affordable income limits for 80 percent of AMI range from about \$73,000 for a single-person up to \$121,000 for a six-person household. Current income limits at 120 percent of AMI in Garfield County range from about \$86,000 for a single-person to over \$142,000 for a six-person household. Current income limits at 160 percent of AMI in Garfield County range from over \$114,000 for a single-person to about \$160,000 for a six-person household.

Current affordable income limits in Pitkin County are approximately four percent below those of Garfield County for income at 80 percent of AMI. Current affordable income limits for 80 percent of AMI range from about \$70,000 for a single-person up to over \$116,000 for a six-person household. Current income limits at 120 percent and 160 percent of AMI in Pitkin County are about 23 percent



higher than those of Garfield County. Current income limits at 120 percent of AMI in Pitkin County range from about \$105,000 for a single-person to over \$174,000 for a six-person household. Current income limits at 160 percent of AMI in Pitkin County range from over \$140,000 for a single-person to about \$233,000 for a six-person household.

In Eagle County, current affordable income limits for 80 percent of AMI range from about \$73,000 for a single-person up to \$121,000 for a six-person household. Current income limits at 120 percent of AMI in Eagle County range from about \$109,000 for a single-person to over \$181,000 for a six-person household. Current income limits at 160 percent of AMI in Eagle County range from over \$145,000 for a single-person to about \$241,000 for a six-person household.

In Summit County, current affordable income limits for 80 percent of AMI range from about \$53,000 for a single-person up to \$113,000 for a six-person household. Current income limits at 120 percent of AMI in Summit County range from about \$102,000 for a single-person to over \$169,000 for a six-person household. Current income limits at 160 percent of AMI in Summit County range from over \$136,000 for a single-person to about \$226,000 for a six-person household.

In Mesa County, current affordable income limits for 80 percent of AMI range from about \$68,000 for a single-person up to \$87,000 for a six-person household. Current income limits at 120 percent of AMI in Mesa County range from about \$79,000 for a single-person to over \$131,000 for a six-person household. Current income limits at 160 percent of AMI in Mesa County range from over \$105,000 for a single-person to about \$175,000 for a six-person household.



HISTORICAL EMPLOYMENT BY INDUSTRY SECTOR

Table A-2 summarizes employment by industry sector in the market areas for 2012 and 2022.

TABLE A-2: EMPLOYMENT BY INDUSTRY SECTOR IN THE MARKET AREAS, 2012-2022						
		2012 # Jobs	2022 # Jobs	Change # Jobs	Change %	AAGR ¹ %
Primary Market Area (Garfield, Pitkin, Eagle)	Construction	8,088	10,237	2,149	26.6	2.4
	Retail Trade	8,106	9,096	990	12.2	1.2
	Transportation and warehousing	1,765	2,288	523	29.6	2.6
	Finance, Insurance and Real Estate	8,555	9,179	624	7.3	0.7
	Prof. and Business Services	10,483	13,530	3,047	29.1	2.6
	Education and Health Services	6,578	9,784	3,206	48.7	4.1
	Leisure and Hospitality	20,949	22,618	1,669	8.0	0.8
	Other Services	5,857	5,600	(257)	-4.4	-0.4
	Government	10,718	11,433	715	6.7	0.6
	Other Sectors ²	7,100	6,349	(751)	-10.6	-1.1
	Total Primary Market Area	88,199	100,114	11,915	13.5	1.3
Secondary Market Area (Summit and Mesa)	Construction	6,415	8,742	2,327	36.3	3.1
	Retail Trade	11,667	13,541	1,874	16.1	1.5
	Transportation and warehousing	3,402	3,622	220	6.5	0.6
	Finance, Insurance and Real Estate	7,170	8,145	975	13.6	1.3
	Prof. and Business Services	9,717	10,846	1,129	11.6	1.1
	Education and Health Services	11,793	15,211	3,418	29.0	2.6
	Leisure and Hospitality	15,474	18,333	2,859	18.5	1.7
	Other Services	5,798	5,881	83	1.4	0.1
	Government	12,543	13,950	1,407	11.2	1.1
	Other Sectors ²	13,329	11,986	(1,343)	-10.1	-1.1
	Total Secondary Market Area	97,308	110,257	12,949	13.3	1.3
¹ Average annual growth rate.						
² Aggregate employment in other industry sectors containing fewer than 1,500 jobs individually.						
Sources: DOLA, State Demography Office; Gruen Gruen + Associates.						

Employment in the primary market area grew by 13 percent between 2012 and 2022 from over 88,000 jobs to about 100,000 jobs. Education and healthcare services grew the fastest at 4.1 percent annually with an increase of about 3,200 jobs. Professional and business services also grew rapidly at about 2.6 percent annually with an increase of about 3,000 jobs.



Employment in the secondary market area also grew by about 13 percent between 2012 and 2022 from over 97,000 jobs to over 110,000 jobs. Education and healthcare services grew the fastest at 2.6 percent annually with an increase of about 3,400 jobs.



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APPENDIX E
FORM OF THE GROUND LEASE
(attached)

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**AMENDED AND RESTATED
CITY OF RIFLE/HABITAT FOR HUMANITY
MODULAR HOUSING PRODUCTION FACILITY SITE
GROUND LEASE**

THIS AMENDED AND RESTATED CITY OF RIFLE/HABITAT FOR HUMANITY MODULAR HOUSING PRODUCTION FACILITY SITE GROUND LEASE, is entered into effective this 15th day of January, 2025 (“Lease”), by and between the City of Rifle, Colorado, a Colorado home rule municipality whose address is 202 Railroad Avenue, P.O. Box 1908, Rifle, Colorado 81650 (“Lessor” or “the City”), and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation whose address is 53 Calaway Court, Glenwood Springs, Colorado 81601 (“Habitat”).

WITNESSETH:

WHEREAS, the City is the owner of certain property known as and referred to herein as the “Rifle Property” as generally shown on Exhibit A attached hereto and incorporated herein by this reference;

WHEREAS, the City and Habitat entered into that certain City of Rifle/Habitat For Humanity Modular Housing Production Facility Site Ground Lease dated July 10, 2023 (the “Original Lease”), pursuant to which the City leased a portion of the Rifle Property to be known and referred to as the “Leased Premises”, as more particularly described on Exhibit B attached hereto and incorporated herein by this reference, to Habitat for the purpose of constructing a Modular Housing Production Facility;

WHEREAS, Habitat intends to finance its acquisition, construction, equipping, and installation of the Modular Facility (as hereinafter defined), along with all reserve funds and the payment of certain capitalized interests thereon, through revenue bonds designated “City of Rifle Revenue Bonds (Habitat for Humanity of the Roaring Fork Valley, Inc. Modular Housing Production Facility Project, Service Areas in Aspen and Glenwood Springs, Colorado) Series 2025”, dated as of the date of delivery, in the aggregate principal amount of [Twenty Three Million Four Hundred Ten Thousand and 00/100 Dollars (\$23,410,000.00)] (the “Series 2025 Bonds”), to be issued pursuant to (i) that certain Loan Agreement to be entered into by and between the City and Habitat (the “Loan Agreement”) and (ii) that certain Indenture of Trust to be entered into by and between the City, as “Issuer”, and U.S. BANK TRUST COMPANY, a national banking association duly organized, existing and authorized to accept and execute trusts of the character therein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in Denver, Colorado, as “Trustee” (such Indenture of Trust being referred to herein as the “Indenture”).

WHEREAS, the parties desire to set forth amended and restated terms and conditions of the Original Lease.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the adequacy and sufficiency of which are hereby acknowledged, the parties

City of Rifle/Habitat
Amended & Restated Ground Lease
Page 2 of 29

hereto agree as follows:

**SECTION I
THE MODULAR FACILITY**

This Lease is entered into by the parties to facilitate Habitat’s construction of a Modular Housing Production Facility (the “Modular Facility”). The Modular Facility will encompass up to 66,000 square feet of floor area and shall be designed and operated to produce modular housing units for installation in Habitat workforce housing projects in Western Colorado and for sale to third parties solely for installation in other deed restricted workforce housing developments in Western Colorado. Although design of the Modular Facility will be at Habitat’s discretion, Habitat has worked closely with the City to develop a mutually agreeable site plan and architectural drawings that correspond with the City’s long-term vision for the Rifle Property. Habitat acknowledges and agrees to abide by all City of Rifle ordinances and regulations regarding design, zoning and construction together with applicable Federal and State regulations and guidelines. Operation of the Modular Facility shall include opportunities for workforce training in cooperation with BOCES or similar educational and job training organizations. Subject to the terms hereof, Habitat agrees and covenants to use and occupy the Leased Premises only for the purposes stated in this Section or as allowed in Section XVI, below (collectively, such uses permitted hereunder being hereinafter referred to as the “Permitted Business”). The parties agree and acknowledge that the City’s inducement to enter into this Lease is Habitat’s non-profit status, its mission to assist the housing shortage in the region and the public benefits associated with the Facility.

**SECTION II
LEASED PREMISES**

The City hereby leases unto Habitat for the term and upon the rentals, fees, charges and conditions hereinafter stated the Leased Premises situate in the City of Rifle, County of Garfield, and State of Colorado as shown on Exhibit B (the “Leased Premises”). Upon the completion of construction of the foundation for the Modular Facility, an exhibit showing the actual location of the Modular Facility and adjacent parking and staging areas on the Leased Premises shall be prepared by Habitat and appended to this Lease as Exhibit C. Appurtenant to the Leased Premises, the City hereby further grants to Habitat a right of access across the Rifle Property from adjacent public rights-of-way to the Leased Premises. Further, appurtenant to the Leased Premises, Lessor hereby grants a temporary construction easement reasonably necessary for the construction of the Modular Facility. The parties will negotiate in good faith the details and extent of the temporary construction easement to facilitate Habitat’s construction and memorialize such by separate instrument, if necessary.

SECTION III IMPROVEMENTS

A. Improvements to Leased Premises

Habitat shall, at its own cost and expense, design and construct any site improvements that are necessary to accommodate the construction and operation of the Modular Facility in compliance with the Rifle Municipal Code and as approved by the City in Habitat's site plan application for the Modular Facility. Further, Habitat shall, at its sole cost and expense, provide all work and materials of whatsoever nature in order to construct a first class Modular Facility on the Leased Premises as described in Section I. Habitat's obligation for the Modular Facility will include, but is not limited to: (i) architectural and engineering services for design and construction of the Modular Facility; and (ii) all costs associated with constructing, equipping, and operating the Modular Facility. Construction of the Modular Facility shall be substantially completed by [____], 2026, subject to delays beyond the reasonable control of Habitat. For purposes of this provision, "completion" shall mean the Completion of the Facility as defined below. "Completion of the Facility" means the occurrence of the satisfaction of each of the following conditions: (a) receipt by the Trustee of a certificate of substantial completion issued by the Consulting Architect (as defined in the Loan Agreement) certifying that the Facility has been completed in substantial accordance with the Plans and Specifications; (b) receipt by the Trustee of a certification from Habitat, prepared by the General Contractor (as defined in the Loan Agreement) and in form and substance reasonably acceptable to the Trustee certifying that the Facility has been completed in substantial accordance with the Plans and Specifications (as defined in the Loan Agreement) and in compliance with all governmental requirements and restrictive covenants, if any, affecting the Leased Premises, free and clear of liens or claims for liens for material supplied or for labor or services performed in connection with the construction of the Modular Facility; and (c) receipt by the Trustee of certified copies of certificates of occupancy for each building comprising any portion of the Modular Facility, which certificates shall permit the unconditional occupancy of each of such buildings.

B. Title to Modular Facility

Title to the improvements made to the Leased Premises, including, without limitation, the Modular Facility, shall, during the Term, be in Habitat, but notwithstanding such title, the terms and conditions of this Lease shall govern the construction, use, and operation of such improvements and the exercise of Habitat's rights with respect thereto; and Habitat's right, title, interest, and estate in and to such improvements shall not be separable from the leasehold estate granted to Habitat hereunder. Upon expiration or the earlier termination of the Base Term or any extension term(s), as described in Section V. below, but subject to Section XI below, title to the Modular Facility, including fixtures, shall vest in and become the property of the City without any additional compensation or further instrument of conveyance. Habitat shall, if so requested,

deliver, at no cost or expense to the City, a confirmatory deed or other document requested by the City. The Modular Facility shall be surrendered and transferred to the City free and clear of all liens or claims, and Habitat shall defend and indemnify the City against all liability or loss arising from such liens or claims. Notwithstanding the foregoing, until such expiration or earlier termination of the Base Term or any extension term(s), Habitat alone shall have the right to deduct all depreciation on Habitat's income tax returns for the Modular Facility and any alterations, improvements or additions thereto and title to the Modular Facility shall be vested in Habitat; provided, however, all of Habitat's right, title and interest in and to the Modular Facility shall be non-separable. Habitat specifically covenants not to remove fixtures or other improvements from the Modular Facility during the Base Term and any extension term(s); provided however, that Habitat may repair, remodel and replace the Modular Facility at its sole discretion.

C. Modular Facility—Conditional Use Plan Approval

This Lease is premised upon a mutually agreeable Conditional Use Plan being approved by the City for the Modular Facility. As an expressed condition of the City granting this Lease, Habitat agrees to comply in full with the City's Public District Zone Code and to obtain a Conditional Use Permit prior to any use of the Leased Premises or the construction of any improvements thereon. Habitat agrees to work in good faith with the City, to the extent practicable, to make the Modular Facility energy efficient in furtherance of the City's long-term Energy Village Goals. The Modular Facility shall include a roof mounted solar array and possibly an on-site battery energy storage unit.

SECTION IV ACCESS AND EASEMENTS

A. Common Areas

Habitat will have the non-exclusive right to use all common areas serving the Modular Facility within the Rifle Property, including, without limitation, the access driveways and sidewalks serving the Modular Facility, for the purposes of pedestrian and vehicular ingress and egress and any other purpose reasonably related to Habitat's construction of and use of the Modular Facility for Permitted Business.

B. City Access

The City shall have the right enter upon the Leased Premises at all reasonable times (or at any time in the event of an emergency) to examine same for purposes of determining compliance with this Lease and, within one hundred eighty (180) days of the expiration of the Term or any extension term(s), to exhibit the Modular Facility to prospective purchasers and prospective lessees.

SECTION V TERM

A. Base Term/License

The initial term of this Lease shall commence upon the date of issuance of the Bonds (the "Commencement Date") and expire on the last day of the twenty-fifth (25) year thereafter ("Base Term" and collectively with the extended terms set forth in this Section V, the "Term"). Habitat shall have the unrestricted right to extend the Base Term for one (1) additional twenty-five (25) year period of time and a final term of ten (10) years (60 years total), in accordance with Sections V.B. and C., below. Within 10 days after the Commencement Date, the City and Habitat shall enter into an agreement, in the form attached hereto as Exhibit "E", confirming the Commencement Date, provided, however, the failure of the City or Habitat, or both, to execute and deliver such agreement shall not affect the Commencement Date.

B. 25-Year Option to Extend

1. First Twenty-Five Year Extension. Habitat shall have the right to extend the Term of this Lease for a period of twenty-five (25) years, from the last day of the Base Term, through the last day of the 25th year thereafter, provided that Habitat is not in default under terms of this Lease.

2. Option Exercise. Habitat shall notify the City, through the City Manager, in writing of its intention to exercise the option for the first twenty-year extension term at least 120 days prior to the expiration of the initial term.

C. 10-Year Option to Extend Lease.

Habitat's right to extend the Term of this Lease by exercising the additional ten (10) year option period shall follow the same procedures set forth in Section V.B.2 above with the dates adjusted according to the relevant option period.

D. Lessor's Notice of Failure to Exercise.

Notwithstanding the provisions of Sections V.B. or V.C., above, should Habitat fail to exercise an option to extend the term of this Lease within the time provided in Sections V.B. and V.C., above, Habitat shall not be deemed to have forfeited the option until such time as the City shall give Habitat written notice of failure to timely exercise the option, together with notice of a period of thirty (30) days, after the date of said notice, within which Habitat shall continue to have the right to exercise the option to extend the relevant term of this Lease ("Notice of Failure to

Exercise"). If Habitat shall not have exercised the option, by written notice to the City within the thirty (30) day period provided in the City's Notice of Failure to Exercise, the option shall be forfeited and Habitat shall have no further right to extend the relevant term of this Lease.

E. Holding Over

Should Habitat hold over the use of or continue to occupy the Leased Premises after expiration of the Term, as extended, such holding over shall be deemed a year to year tenancy upon the conditions and agreements as to uses and operations agreed to herein.

F. Title Conveyance and Surrender of Possession.

Upon ending of the Term, as extended, Habitat shall peaceably surrender possession of the Leased Premises and remove all personal property, without further requirement of notice by the City and title to the Modular Facility and associated improvements shall vest in the City and this Agreement shall be terminated by expiration of term.

G. City's Repair and Maintenance "Punch List".

Upon notice to the City, through the City Manager, in conformance with Section V.B and C, above, that Habitat intends to exercise the option to extend the term of this Lease, defined in Section V.B and C, above, i.e., the City Manager or his or her designee shall provide Habitat with a Punch List of repair and maintenance items to be completed by Habitat, at Habitat's sole expense. The Punch List shall be provided to Habitat a minimum of One Hundred Eighty (180) days before each Option Date, and Habitat shall have the One Hundred Eighty (180) day period of time prior to each Option Date in which to complete repair and maintenance to the reasonable satisfaction of the City. Provided that Habitat is proceeding with necessary diligence to complete the Punch List items, Habitat, upon written notice to the City Manager given prior to the expiration of said One Hundred Eighty (180) day period, may extend the time for completion for a period of time not to exceed an additional sixty (60) days. It is specifically understood by the City and Habitat that the repair and maintenance required by the City, evidenced by the Punch List, shall be for the purpose of maintaining improvements in their original state, reasonable wear and tear excepted, and not for new construction.

SECTION VI RENTS, FEES AND CHARGES

A. Rent

1. Rent. In consideration of the public benefits associated with the Facility and Habitat's non-profit status, during the Base Term Habitat shall pay to the City a base rent of Ten

Dollars (\$10.00) per year for the Leased Premises commencing as of the Commencement Date regardless of the commencement date of Modular Facility operations ("Base Rent"). The Base Rent of Two Hundred Fifty and 00/100 Dollars (\$250.00) for each 25-year Lease term and One Hundred Dollars (\$100.00) for the final 10-year term shall be payable in advance. In addition to the Base Rent, the total Rent for the Leased Premises will include Habitat's share of common area expenses, if any, for the Rifle Property ("Common Area Fees").

2. Payments. All payments due and payable under this Lease shall be payable to the order of the City and delivered to the City Clerk's office at Rifle City Hall. This Lease shall not be terminated for non-payment of Rent unless the City has provided written notice of delinquency to Habitat with a period of ten (10) days in which to pay such delinquency.

B. Water and Sewer System Improvement Fees

The City and Habitat acknowledge that pursuant to the Rifle Municipal Code, water and sewer system improvement fees shall be payable to the City upon the issuance of a building permit for the Modular Facility in accordance with Section 13-4-20(b) of the Rifle Municipal Code. Habitat shall have the right to amortize payments for its total water and sewer system improvement fees in equal monthly installments over the first five (5) years of the initial Term of this Lease, commencing on the first day of each calendar month of the Lease.

C. Common Area Fees.

Habitat shall pay Common Area Fees as may be adopted by the City for similarly situated properties.

D. Fair Market Rent Adjustment

1. Notwithstanding the foregoing in this Section VI, any sale, assignment or transfer of Habitat's interest in this Lease in any proceeding for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of Habitat's interest in this Lease under any instrument of assignment or transfer in lieu of the foreclosure of, or exercise of power of private sale under, any Leasehold Mortgage (collectively, "Foreclosure") shall be deemed to be a permitted Transfer of Habitat's interest in this Lease and if such Foreclosure results the successor in interest ("Successor Transferee") using the Leased Property for any purpose other than the Permitted Business, Base Rent shall be adjusted to Fair Market Rent (as hereinafter defined) (a "Fair Market Rent Adjustment").

2. In the event a Fair Market Rent Adjustment is triggered pursuant to Section VI.D.1 above, the City shall make the initial determination of the annual Fair Market Rent (as such term is defined below). The City shall notify the Successor Transferee in writing (the "FMR Notice") of the City's determination of the Fair Market Rent within 30 days. The Successor Transferee

shall notify the City in writing on or before the date that is 30 days after its receipt of the City's FMR Notice whether or not it accepts the City's determination of Fair Market Rent. If the Successor Transferee accepts the City's determination, the Fair Market Rent shall be final and binding and the City shall prepare an amendment to this Lease that amends the base rent to reflect the new Fair Market Rent. The Successor Transferee's failure to respond to the City's FMR Notice within the 30-day period shall be deemed an acceptance by the Successor Transferee of the City's determination of FMR. If the Successor Transferee delivers written notice ("Successor Transferee's Rejection Notice") to the City within the 30-day period rejecting the City's determination of Fair Market Rent, the parties agree to negotiate their differences in good faith within 30 days (the "FMR Negotiation Period") following the City's receipt of Successor Transferee's Rejection Notice. If the parties fail to agree on a Fair Market Rent within the FMR Negotiation Period, then the parties agree to obtain an appraisal to determine the Fair Market Rent in accordance with the terms and conditions contained below.

3. The City and Successor Transferee each shall, within ten (10) days following the expiration of the FMR Negotiation Period, select an appraiser. The City's appraiser and Successor Transferee's appraiser shall then, within ten (10) days following their appointment, designate a third appraiser. If the two appraisers cannot agree on the third appraiser within the ten (10)-day period, the City and Successor Transferee shall promptly make application to a court of competent jurisdiction seated in the county in which the Premises is located, to name the third appraiser. Each of the three appraisers shall: (i) be a member of the American Institute of Real Estate Appraisers or comparable organization; (ii) be licensed in the State of Colorado; and (iii) have a minimum of fifteen (15) years' experience in the business of appraising or managing commercial real estate or acting as a commercial real estate broker or agent Garfield, Pitkin, and/or Eagle County, State of Colorado.

4. Within twenty (20) days after his appointment, the third appraiser acting as an expert and not as an arbitrator, shall choose either the appraised value, made by either the City's appraiser or Successor Transferee's appraiser and such choice of the third appraiser. The third appraiser shall be limited to awarding only one or the other of the two figures submitted by the parties' appraisers. In any litigation between the parties in which the determination of the appraiser is at issue, the determination shall be final and binding on the parties.

5. For the purposes of this Section VI.D., the term "Fair Market Rent" shall mean the rent paid by commercial tenants in the City of Rifle, State of Colorado, taking into account: (i) the transaction is an "arm's length" transaction; (ii) the value of the property is for the land only; and (iii) the value is determined at the Leased Premises' highest and best use.

6. The City and Successor Transferee shall each be responsible for the costs of expenses of their own appraisers and shall each be responsible for one-half of the costs and expenses incurred by the third appraiser.

SECTION VII NEW CONSTRUCTION PROCESS AND APPROVAL REQUIREMENTS

A. Plans and Specifications

1. Preliminary Site Plan, Construction Plans. For new construction on the Leased Premises, Habitat shall submit a preliminary site plan which is consistent with its Conditional Use Permit approval, including elevations, to the City for review. The City shall review and reasonably approve the exterior appearance of the Modular Facility, including massing, details and materials to ensure a cohesive design vocabulary for the Rifle Property. Upon written approval by the City or its designee, Habitat shall submit construction plans and associated building permit applications to the City of Rifle Building Department. All construction, development, and remodeling of improvements shall be built or installed in conformance with the Rifle Municipal Code, City, State and Federal codes and requirements in effect at the time of construction, including without limitation, building and fire codes. Plans and specifications approved for construction shall be prepared and certified by registered architects and engineers. Construction shall be in accordance with the plans so approved.

2. Record Drawings (As-Built), Inventory of Costs. Within thirty (30) days of issuance of a Certificate of Occupancy, and as part of the building permit process, Habitat shall file with the City Manager hard copies of as-Built record drawings and specifications, showing in-place utilities and all other improvements.

B. Signage

Habitat shall comply in full with the Rifle Municipal Code for the signage for the Modular Facility.

SECTION VIII MAINTENANCE AND SECURITY

A. Maintenance of the Modular Facility

The Modular Facility, including its exterior walls, doors and windows shall be maintained by Habitat at its own expense. Habitat shall maintain the Modular Facility in a safe, neat and attractive condition and in good and serviceable repair. Habitat shall repair all damage to the Modular Facility caused by its operations and/or by its employees, customers, guests, contractors, agents and invitees. Habitat shall be responsible for day-to-day maintenance of the Leased Premises for litter and snow accumulation.

B. Security

Security of the Modular Facility shall be the responsibility of Habitat. Nothing in this Lease shall be construed to impose security obligations upon the City. The City shall not be liable for any loss or damages suffered by Habitat from use and occupancy of and operation upon the Leased Premises.

SECTION IX UTILITIES

A. Utility Availability

1. Electricity and Gas. Habitat shall be responsible for the construction of the connections to the electricity and gas lines, including distribution within the Modular Facility.

2. Water and Sewage. Habitat shall have the same responsibilities for extension of water and sewer service to new construction as stated above, regarding extension of electricity and gas.

3. Telephone and Cable Communications. Habitat shall have the same responsibility for construction of the connectors and service lines necessary to extend telephone and cable services as stated above, regarding extension of electricity and gas.

4. Nonexclusive Access Rights for Installation. With respect to electricity, gas, water, waste, telephone and other communications, the City hereby grants Habitat nonexclusive rights over and across the Rifle Property, along reasonably convenient and direct routes, in order to provide utility services to the Leased Premises.

B. Monthly Service Charges

Habitat shall be liable for all set up fees, monthly service charges, and any other fees charged by utility and communication providers.

SECTION X MORTGAGE OR OTHER ENCUMBRANCE OF LEASEHOLD INTEREST

A. Limited Permission

Habitat, and every permitted successor and assign of Habitat, shall have the right to encumber its interest in this Lease, with the City's prior written consent, not to be unreasonably withheld, conditioned or delayed, under any one or more Leasehold Mortgages, provided, however, that all rights acquired under the Leasehold Mortgage(s) shall be subject to each of the

provisions set forth in this Lease and to all rights and interest of the City therein. In accordance with the foregoing, the City hereby consents to Habitat's encumbrance of its interest in this Lease pursuant to a Leasehold Mortgage issued by the City, as issuer, in favor of U.S. Bank Trust Company, as Trustee, pursuant to the Loan Agreement and Indenture (the "Approved Leasehold Mortgage"), which shall secure outstanding principal indebtedness of no more than [Twenty Three Million Four Hundred Ten Thousand and 00/100 Dollars (\$23,410,000.00)]. The City, in its capacity as landlord under this Lease, further consents to any encumbrance of Habitat's interest in this Lease resulting from the refinancing of the indebtedness initially secured by the Approved Leasehold Mortgage. The City's right, title, and interest herein and in the Leased Premises shall not be subordinated to the lien, priority and security title of any encumbrance of this Lease or the interest of Habitat hereunder as security for any indebtedness Habitat may incur, whether by deed to secure debt, mortgage, deed of trust or other security instrument (all or any one of which hereinafter referred to as "Leasehold Mortgage", and the owner or owners of holder or holders of all or any of which hereinafter referred to as "Leasehold Mortgage"), and without limiting the foregoing, the City's right (acting solely in its capacity as landlord hereunder) to receive any other charges due from Habitat shall have priority over any rights of any Leasehold Mortgagee.

B. Consent to Amendment

There shall be no cancellation, surrender, modification, or amendment to this Lease by the City or Habitat without the prior written consent of Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to Leasehold Mortgagee's curative rights set forth in Section X.E. and Section X.F. hereof), nothing herein shall be deemed to prohibit the City from terminating this Lease in accordance with its terms. There shall be no material modification in the Leasehold Mortgage or related documentation without the City's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

C. Notices to Leasehold Mortgagees

The City, upon serving Habitat with any notice of default or termination, shall simultaneously serve a copy of such notice on Leasehold Mortgagee. The Leasehold Mortgagee shall then have the same period of time after service of the notice on it as was given to the Habitat under this Lease to remedy or cause to be remedied Habitat's default under this Lease, and the City shall accept performances by, or at the instigation of, Leasehold Mortgagee as if it had been done by Habitat. Any notice required to be given to Leasehold Mortgagee shall be provided as set forth in Section XX of this Lease.

D. Curative Rights of Leasehold Mortgagees

In addition to the rights granted to Leasehold Mortgagee under Section X.C. hereof, Leasehold Mortgagee shall have an additional period of sixty (60) days to remedy or cause to be remedied any default of which it receives notice, provided such Leasehold Mortgagee shall reimburse the City, at the time of so remedying the default, for all reasonable costs and expenses to the City of maintaining, protecting, insuring, and operating the Premises during the additional sixty (60)-day period.

E. Limitation Upon Termination Rights of the City

If the City shall elect to terminate this Lease by reason of any default of Habitat, Leasehold Mortgagee shall also have the right to postpone and extend the date of termination as fixed by the provisions of this Lease for a period of not more than sixty (60) days from the expiration of the sixty (60)-day period specified in Section X.D. hereof, provided that Leasehold Mortgagee shall have cured, or shall have caused to be cured, any then-existing monetary or nonmonetary defaults (with the exception of Habitat's nonmonetary defaults of such a nature that they cannot be cured by Leasehold Mortgagee) and meanwhile shall pay the Base Rent and other charges required to be paid under this Lease. Leasehold Mortgagee shall take steps necessary to acquire Habitat's interest and estate in this Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the sixty (60)-day period, Leasehold Mortgagee shall be actively engaged in steps to acquire Habitat's interest in the Lease, and all monetary defaults and nonmonetary defaults have been cured (with the exception of Habitat's nonmonetary defaults of such a nature that they cannot be cured by Leasehold Mortgagee), the time for Leasehold Mortgagee to comply with the provisions of this Section X.E. shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity. In no event shall Leasehold Mortgagee have any obligation to cure any default of Habitat under this Lease.

Notwithstanding any language to the contrary contained in this Lease, neither party shall have the right to terminate this Lease so long as the Series 2025 Bonds, as refinanced and supplemented, or other financing agreement(s) between Habitat and the City, as Issuer acting to the benefit of Trustee, remain outstanding.

F. Mortgage Lease

The City agrees that in the event of a termination of this Lease by reason of any default by Habitat, or if Habitat rejects the Lease in a bankruptcy proceeding, and subject to the rights herein granted to Leasehold Mortgagee, the City shall enter into a lease (the "Mortgagee Lease") of the Premises with the Leasehold Mortgagee for the remainder of the Term effective as of the date of termination, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Lease, provided:

1. Leasehold Mortgagee shall make written request upon the City for the execution of such a Mortgagee Lease within sixty (60) days after the date of termination and shall, within thirty (30) days after its receipt from the City of a written statement of all sums then due to the City under this Lease, pay to the City all such sums (with the exception of sums due by reason of Habitat's indemnification obligations set forth below).

2. Leasehold Mortgagee shall pay to the City at the time of the execution and delivery of the Mortgagee Lease any sums that at the time of such execution and delivery would be due pursuant to this Lease but for the termination, and in addition, all reasonable attorneys' fees and expenses which the City shall have actually incurred.

3. Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on Habitat's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the expiration or earlier termination of the Mortgagee Lease or the abandonment or surrender of possession of the Premises under the Mortgagee Lease and shall further remedy any other conditions that Habitat was obligated to perform under the terms of this Lease.

4. Leasehold Mortgagee, as Habitat under the Mortgagee Lease, shall have the same right, title, and interest in and to the Premises, the right to use the improvements thereon as Habitat had under this Lease and the right to exercise the extension options set forth in Section V above.

G. Agreement Between The City and Leasehold Mortgagee

The City, upon request, shall execute, acknowledge, and deliver to Leasehold Mortgagee an agreement, by and among the City, Habitat, and any Leasehold Mortgagee (provided the same has been previously executed by Habitat and such Leasehold Mortgagee) confirming all the provisions of this Section X, in form and substance reasonably satisfactory to Leasehold Mortgagee and the City.

H. No Merger

So long as any Leasehold Mortgage remains outstanding, the fee title and the leasehold estate created by this Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in either the City or the Habitat or a third party, by purchase or otherwise.

I. Subordination of Fee Mortgage

If one or more Leasehold Mortgages is in effect, the following shall apply: (a) all Fee Mortgages shall be expressly subject and subordinate to this Lease, any Mortgagee Lease, and all

amendments, modifications, and extensions thereof and shall include the Fee Mortgagee's agreement to execute and deliver to Leasehold Mortgagee an agreement in accordance with Section X.G. hereof; (b) the City shall not enter into any Fee Mortgage that violates this Section X.I; (c) Habitat shall not subordinate this Lease without the prior written consents of all Leasehold Mortgagees; and (d) concurrently with the execution and delivery of this Lease, the City shall cause all Fee Mortgagees to execute and deliver to Habitat a subordination agreement that is in recordable form and that contains such terms as are reasonably acceptable to Habitat and Leasehold Mortgagee. As used herein, the term "Fee Mortgagee" shall mean the holder of any financing obtained by the City, or its successor in interest, as evidenced by any mortgage, deed of trust, assignment of leases and rents, or other instruments, and secured by the fee interest of Landlord in the Property, including any extensions, modifications, amendments, replacements, supplements, renewals, refinancings, and consolidations thereof.

J. Assignment to Leasehold Mortgagee

Notwithstanding any other provisions of this Lease to the contrary, Habitat, and its permitted successors and assigns, shall have the right to Transfer this Lease or any interest herein or any right or privilege appurtenant hereto which Habitat desires to Transfer to a Leasehold Mortgagee, to the extent permitted in this Section X of this Lease. The City agrees to recognize any Leasehold Mortgagee as a tenant hereunder for the performance of all duties and obligations arising due to the interest of this Lease being so Transferred; provided, however, it is hereby agreed and acknowledged by the City and Habitat that Habitat and its permitted successors and assigns shall not be relieved of its liability for the performance of such duties or obligations by any such Transfer.

**SECTION XI
LIENS, SECURITY AND CONSTRUCTION NOTICE**

A. Liens

In the event any individual or entity attempts to assert a mechanics', materialmen's or other type of lien against the Leased Premises, Habitat shall hold the City harmless from such claim, including the cost of defense, and shall provide the City with a Release of Lien or a Release of Verified Statement of Claim, as appropriate, recorded in the Office of the Garfield County Clerk and Recorder.

B. Landlord's Notice

Habitat and the City recognize that the construction of improvements by Habitat is not secured as a "Public Works" project under the Colorado Contractor's Bonds Lien on Funds Statute, Section 38-26-101, *et seq.*, C.R.S., as amended. The parties further acknowledge that the City's fee interest in the Leased Premises cannot be attached by labor or materialmen in order to secure

payment of money due for the provision of labor, materials, supplies or equipment, under the Colorado Mechanic's Lien Law, Section 38-26-107, *et seq.*, C.R.S., as amended. Therefore, the City and Habitat agree to the posting of the Leased Premises, if and when Habitat begins construction of the Modular Facility or commences a remodeling of the Modular Facility or any other improvement authorized under terms of this Lease.

C. Waiver of Landlord's Lien

Habitat shall have the right, without the City's consent, to finance the furniture, inventory, trade fixtures, and personal property of Habitat at the Leased Premises and grant liens and security interests in such items. The City waives and releases any and all statutory landlord's liens with respect to Habitat's furniture, inventory, trade fixtures, or other personal property of Habitat. The City agrees to execute and deliver to Habitat within fifteen (15) days after written request therefor, a written confirmation in favor of Habitat's lender or the waiver set forth in this Section XI.C, in form reasonable acceptable to Habitat's lender and the City.

SECTION XII INDEMNITY AND INSURANCE

A. Indemnification/Hold Harmless

1. General. Habitat assumes the risk of loss or damage to the Modular Facility and any associated improvements and contents constructed on the Leased Premises, whether if from windstorm, fire, earthquake, snow, water runoff, vandalism or any other cause or causes whatsoever. Habitat hereby agrees to indemnify and hold harmless the City, its officers, employees, agents, and assigns from and against all claims and damages of any kind, including attorney's fees, brought by anyone, arising out of this Lease or out of Habitat's or its contractors', agents', employees', or tenants' use and occupancy of and/or operations on the Leased Premises, other than those resulting from the negligence or willful misconduct on the part of the City, its officers, agents, employees, and assigns. To the extent permitted by law, the City hereby agrees to indemnify and hold harmless Habitat, its officers, employees, agents, and assigns from and against all claims and damages of any kind, including attorney's fees, brought by anyone, arising out of design, construction, maintenance or use of the Common Area.

2. Employees. It is expressly understood by the parties that employees of Habitat and its contractors, agents, and tenants are not employees of the City for any purpose, including but not limited to individuals and entities involved in operations and services engaged in by Habitat and Habitat's construction contractors for improvements built under the terms of this Lease.

B. Insurance

Habitat shall provide the insurance required by the document attached and incorporated herein as Exhibit D.

1. Application of Insurance Proceeds. Habitat shall apply insurance proceeds, payable by reason of loss or damage to the Modular Facility to the restoration of the improvements on the Leased Premises. In the event of damage due to an insurable cause and Habitat's application of proceeds to restoration, this Lease shall continue in full force and effect.

2. Workers' Compensation. Habitat shall carry Workers' Compensation Insurance, as required by Colorado law and regulation. The City, its officers, agents or employees shall not be responsible for any claims or actions occasioned by Habitat's failure to comply with the provisions of this Section. Further, during any construction permitted by this Lease, Habitat shall require proof from Habitat's general contractor documenting the contractor's Workers' Compensation coverage. Habitat shall also require the general contractor to provide proof from each subcontractor that the subcontractor is insured, as required by the Colorado Workers' Compensation Act, or, shall require the general contractor to accept coverage responsibility for subcontractors without insurance or with inadequate Workers' Compensation coverage.

SECTION XIII REMEDIES FOLLOWING DEFAULT

A. Habitat's Monetary Default or Lack of Insurance

In the event of breach by Habitat of the monetary or insurance covenants of this Lease, the City shall provide written notice to Habitat and Habitat shall be deemed to be in default as of the date the payment was due and not paid or the date on which proof of insurance was required to be delivered and no proof was supplied to the City unless such default is cured within ten (10) calendar days of Habitat's receipt of the City's written notice. The City, without termination of this Lease, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Habitat's default. Where Habitat's default results from failure to provide proof of insurance and Habitat is proceeding with necessary diligence to obtain such proof of insurance, Habitat shall be entitled to an extension of said thirty (30) day minimum cure period, not to exceed however an additional thirty (30) calendar days in which to obtain the required Certificates of Insurance and provide proof of insurance to the City.

Said written notice to cure, identifying the breach and stating the date by which cure is required shall be delivered to Habitat in accordance with Section XX., below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to proof of insurance, the City, at its option and with or without termination of this Lease, may enter and

repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the City may be entitled. In such event, Habitat agrees to peaceably surrender the Leased Premises to the City, as required by Section XIV., below, without further notice or demand.

B. Habitat's Non-Monetary Default or Abandonment

In the event of breach by Habitat of the performance of any of the conditions, covenants, agreements or obligations hereunder, other than those described in Section XIII.A., above, or in the event of abandonment by Habitat of its operations on the Leased Premises, the City shall provide written notice to Habitat and Habitat shall be deemed to be in default of this Lease as of the date of the City's notice unless the breach is cured within thirty (30) calendar days of Habitat's receipt of the City's written notice. The City, without termination of this Lease, may thereafter proceed in law or equity to seek injunctive relief, specific performance and/or damages incurred as a result of Habitat's default. In the event of any default hereunder by Habitat, other than abandonment, where Habitat is proceeding with necessary diligence to effectuate a remedy, Habitat shall be entitled to an extension of such minimum cure period not to exceed however an additional thirty (30) calendar days in which to remedy the default unless the situation necessitates a greater time period, in which case a reasonable cure period shall be imposed.

Said notice to cure, identifying the breach and stating the date by which cure is required shall be delivered to Habitat in accordance with Section XX., below. If the identified breach is not cured by 5:00 p.m. on the cure date, or an extension thereof with regard to a default other than abandonment, the City, at its option and with or without termination of this Lease, may enter and repossess the Leased Premises and all improvements. Such re-entry may be with or without process of law and shall be without liability for trespass or forcible entry and without prejudice to any other remedies to which the City may be entitled. In such event, Habitat agrees to peaceably surrender the Leased Premises to the City, as required by Section XIV., below.

C. Notice Period for Summary Proceedings

If the City elects to retake possession of the Leased Premises from Habitat by summary judicial proceedings, demanding payment of Rent and/or other fees and charges and/or proof of insurance and/or compliance with any other term of this Lease or, in the alternative, surrender of possession of the Leased Premises, the parties recognize and agree that the applicable ten (10) or thirty (30) day notice/cure period described above shall control. In such instance, for the purpose of §13-40-104, C.R.S., as amended, the default shall be deemed to have occurred at five o'clock p.m. on the thirtieth day following receipt by Habitat of the City's notice to cure (or the last day of an extended minimum cure period), at which point in time, if Habitat is in possession of the Leased Premises, Habitat shall be holding over without permission of the City and, at the City's

option, shall be subject to summary proceedings under the Colorado Forcible Entry and Detainer statutes, Section 13-40-104, *et seq.*, C.R.S., as amended.

D. Waiver

No failure to strictly enforce the terms of this Lease shall be deemed a waiver by either party unless such waiver is in writing and executed by the party against whom enforcement of the waiver is sought. No waiver by either party of any failure of a party to comply with any term or condition of this Lease shall be construed to be a waiver of any other failure by such party to comply with the same or any other term or condition of this Lease.

**SECTION XIV
SURRENDER OF POSSESSION AND TITLE TO IMPROVEMENTS**

Upon expiration of the Base Term, or any extension term(s), or other termination of this Lease, Habitat's right to use and occupy the Leased Premises and all improvements shall cease and Habitat shall surrender the Leased Premises and its rights and privileges under the provisions of this Lease to the City. Habitat shall leave the Leased Premises and improvements in good and serviceable condition, except for normal wear and tear; vacate the premises without unreasonable delay; and execute and deliver to the City a document of conveyance transferring to the City all right, title and interest to the improvements described in Section III., above, free and clear of liens and encumbrances.

**SECTION XV
COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

The right to use and occupy the Leased Premises, shall be exercised in conformity with the statutes, ordinances, codes, rules and regulations pertinent to Habitat's use of the Leased Premises as such may be promulgated from time to time by the City, the State of Colorado, the federal government, and other governmental and quasi-governmental entities. Habitat shall be responsible to ensure that its employees, representatives, contractors, agents, and tenants comply with such and shall be liable for any and all fines and penalties assessed to the City as a result of action or omission by Habitat or its employees, representatives, contractors, agents, and tenants with regard to such.

Without limiting the generality of the covenants contained in this Section, Habitat specifically agrees to pay all taxes, if any, levied upon personal property and Habitat's improvements to and possessory interest in the Leased Premises. Habitat shall obtain and pay for all licenses, permits, and other authorizations required in order to make improvements to and operate its business.

SECTION XVI REPURPOSING

A. Repurposing of Modular Facility

In the event that Habitat determines, in its sole discretion, that continued operation of the Modular Facility is not economically viable, Habitat shall be entitled to change the purpose, use and operation of the structure and grounds provided that the new use complies with City ordinances and regulations applicable to the Leased Premises. Habitat shall provide written notice to the City of its intent to repurpose the Modular Facility at least ninety (90) days prior to the commencement of any such new use or uses. As required elsewhere in this Lease, only Habitat may utilize the repurposed Facility for a Habitat ReStore, storage or other uses specifically for Habitat and not for a third party. Subject to the terms hereof, any use not benefiting the non-profit purposes of Habitat shall be a default of this Lease.

SECTION XVII QUIET ENJOYMENT BY HABITAT

Upon payment of the rents, fees, and charges provided herein and upon observation of all covenants, warranties, agreements, and conditions of this Lease, Habitat shall have the right to exclusive possession and enjoyment of the Leased Premises during the Base Term and any extension term(s) of this Lease. Habitat recognizes that fee simple title to the Leased Premises is vested in the City. Habitat agrees that nothing herein shall give Habitat any ownership or option to own the Leased Premises.

SECTION XVIII CONSTRUCTION INCONVENIENCES

Habitat recognizes that from time to time during the Base Term and any extension term(s) of this Lease it may be necessary for the City to engage in construction, expansion, relocation, maintenance and repair of the Rifle Property. Such activity may temporarily inconvenience Habitat's operations and will require accommodation by Habitat; however, the City shall make all reasonable efforts to minimize such inconvenience and ensure that access remains open and adequate parking exists to serve the Modular Facility.

SECTION XIX BINDING UPON SUCCESSORS AND ASSIGNS

All of the covenants, conditions, and agreements contained in this Lease shall be binding upon and inure to the benefit of the respective parties as well as their successors in interest of any kind, including assigns.

SECTION XX NOTICE

Every notice or other communication required by this Lease shall be delivered in writing to the addresses stated below, unless a new address is provided by written notice of one party to the other. Such notice of a change of address or of the identity of the contact person shall not require formal amendment of this Lease.

City of Rifle
c/o City Manager
P.O. Box 1908
Rifle, CO 81650

James S. Neu
Karp Neu Hanlon, P.C.
P.O. Drawer 2030
Glenwood Springs, CO 81602

Habitat for Humanity of the Roaring Fork Valley, Inc.
c/o President
53 Calaway Court
Glenwood Springs, CO 81601

Arthur K. Griffin
Fennemore Craig, P.C.
3615 Delgany Street, Suite 1100
Denver, CO 80216

Delivery shall be made in person, by certified return receipt requested U.S. Mail, or receipted delivery service.

SECTION XXI HEADINGS AND NUMBERING

The Section headings and numbering system used herein are for convenience in referencing and are not intended to define or limit the scope of any provision of this Lease.

SECTION XXII PARTIAL INVALIDITY

To the extent that this Lease may be executed and performance of the obligations of the parties may be accomplished within the intent of this Lease, the terms hereof are severable. If any

term or provision of this Lease is declared invalid by a Court of competent jurisdiction or becomes inoperative for any other reason, then the invalidity or failure shall not affect the validity of any other term or provision of this Lease.

SECTION XXIII AMENDMENT

All amendments to this Lease shall be made in writing executed with the same formality as this Lease, except as detailed in Section XX., regarding change of notification information; and in Section VI., above, regarding rent adjustment and licensing, percentage and other fees. No oral amendment shall be of any force or effect whatsoever.

SECTION XXIV MATERIALS AND ENVIRONMENTAL ISSUES

A. Acknowledgments and Responsibilities

Habitat understands and acknowledges that the Leased Premises is located on a former uranium and vanadium processing site and the ore processing operations created radioactive tailings subject to the Uranium Mill Tailings Radiation Control Act ("UMTRCA"). Prior to the City's ownership of the West UMTRCA Site, the Colorado Department of Public Health and Environment owned the property which fell under the jurisdiction of the United States Department of Energy ("DOE") for remediation under UMTRCA. The surface of the West UMTRCA Site has been fully remediated by the DOE and pursuant to the Final Environmental Assessment of Ground Water Compliance at the New Rifle, Colorado UMTRCA Project Site dated July 2003, the groundwater compliance strategy is natural flushing in conjunction with institutional controls and monitoring. Information regarding the West UMTRCA Site (also known as the New Rifle Site) and the Leased Premises can be found at the DOE Office of Legacy Management website at http://www.lm.doe.gov/Rifle/Old_Processing/Documents.aspx. Habitat acknowledges that it has performed adequate due diligence and accepts the Leased Premises "as is" and assumes any associated risks related to the environmental condition of the Leased Premises. Habitat agrees that this Lease is subordinate to the restrictions set forth in the deed conveying the West UMTRCA Site to the City and that a condition of this Lease is Habitat's compliance with the conditions of approval of DOE for the Leased Premises described in Exhibit B attached hereto and incorporated herein by this reference.

The City makes no covenants or warranties, express or implied, regarding the lack of any other environmental degradation. Correction of such conditions or those stated above, if required by the authorized agency, shall be in accordance with pertinent statutory and regulatory law. Habitat shall not be responsible for the cost of investigation or correction unless such is required due to Habitat's or its employee's, contractor's, subcontractor's, agent's or assignee's use and

occupancy of and/or operations on the Leased Premises.

B. Limitations on Habitat's use of Hazardous Materials

Habitat shall not generate, use, handle, store, or dispose of hazardous materials on the Leased Premises except those materials commonly utilized in a Modular Facility which shall be generated, used, handled, stored or disposed of consistently with the applicable laws, orders, rules, ordinances and regulations of the authorities and agencies. No use of the Leased Premises which requires additional fire protection or environmental regulation shall be permitted without advance approval by the City.

SECTION XXV ATTORNEY'S FEES

Should this Lease become the subject of litigation to resolve a claim of default in performance by the City or Habitat, the prevailing party, in addition to such other relief as may be granted, shall be entitled to attorney fees, expenses, and court costs. All rights concerning fees and costs shall survive termination of this Lease.

SECTION XXVI CONTROLLING LAW

This Lease shall be governed by the laws of the State of Colorado and venue for all actions shall be in Garfield County, Colorado.

SECTION XXVII RECITALS; ORIGINAL LEASE

The Recitals set forth above are hereby incorporated herein in their entirety. Notwithstanding any language in this Lease to the contrary, this Lease restates and supersedes the Original Lease in its entirety.

SECTION XXVIII RECORDING

Upon execution by the parties, this Lease shall be recorded in the records of the Garfield County Clerk and Recorder.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to be effective January 15, 2025 no matter the date of execution.

CITY OF RIFLE, COLORADO

Sean Strode
Mayor

[CITY SEAL]

ATTEST:

City Clerk

STATE OF _____)
) ss.
_____ COUNTY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by Sean Strode, as Mayor of City of Rifle, State of Colorado, a Colorado home rule municipality.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

My commission expires: _____
Notary Public

HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.

By _____
Title _____

STATE OF _____)
) ss.
_____ COUNTY)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ as _____ of Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

My commission expires: _____
Notary Public

EXHIBIT “A”

Legal description of Rifle Property

PARENT PARCEL PROPERTY DESCRIPTION

THAT PORTION OF LAND LOCATED IN THE S1/2 OF THE S1/2 OF THE NE1/4 OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST, OF THE 6TH P.M., LYING ADJACENT TO AND SOUTH OF THE SOUTH RIGHT-OF-WAY LINE OF THE D&RG RAILROAD, EXCEPT THE EAST 297 FEET, ALSO LOT 5, SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST, LOT 6, SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST, EXCEPT THE EAST 297 FEET OF SAID LOT 6 ALSO LOTS 7 & 8 IN SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST, LYING ADJACENT TO AND NORTH OF THE INTERSTATE 70 RIGHT-OF-WAY LINE. ALSO TWO TRACTS OF MEANDER LAND SITUATED IN THE S1/2 OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST, 6TH P.M. DESCRIBED AS FOLLOWS:

MEANDER LAND TRACT 1
BEGINNING AT THE SOUTHEAST CORNER OF LOT 6, AND THE EAST LINE OF SAID SECTION 18; THENCE NORTH 86 DEGREES 45 MINUTES WEST 594 FEET; THENCE SOUTH 76 DEGREES 45 MINUTES WEST 660 FEET; THENCE SOUTH 58 DEGREES 00 MINUTES WEST 1188 FEET; THENCE SOUTH 75 DEGREES 00 MINUTES WEST 330 FEET; THENCE SOUTH 250 FEET; THENCE SOUTHEASTERLY TO THE WESTERN MOST POINT OF LOT 8 DESCRIBED ABOVE; THENCE NORTH 49 DEGREES 13 MINUTES EAST 330 FEET; THENCE NORTH 79 DEGREES 45 MINUTES EAST 594 FEET; THENCE NORTH 45 DEGREES 30 MINUTES EAST 844.8 FEET; THENCE SOUTH 69 DEGREES 00 MINUTES EAST 990 FEET TO THE EAST LINE OF SAID SECTION 18; THENCE NORTH TO THE POINT OF BEGINNING.

MEANDER LAND TRACT 2
BEGINNING AT THE SOUTHEAST CORNER OF LOT 7 AND THE EAST LINE OF SAID SECTION 18; THENCE SOUTH 336.6 FEET; THENCE SOUTH 75 DEGREES 55 MINUTES WEST 55.44 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES WEST 152.91 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES WEST, MORE OR LESS, TO THE NORTH RIGHT-OF-WAY LINE OF U.S. INTERSTATE 70; THENCE WEST 810 FEET TO THE SOUTH LINE OF SAID LOT 7; THENCE NORTH 62 DEGREES 15 MINUTES EAST 660 FEET; THENCE NORTH 75 DEGREES 30 MINUTES EAST 554.4 FEET TO THE POINT OF BEGINNING.

COUNTY OF GARFIELD, STATE OF COLORADO.

EXHIBIT “B”

Description of Leased Premises

LEASE PARCEL PROPERTY DESCRIPTION

A PARCEL OF LAND FOR THE PURPOSE OF A LEASE AREA, BEING A PORTION OF THAT PARCEL DESCRIBED IN QUITCLAIM DEED RECORDED JUNE 9, 2004 AS RECEPTION NO. 653729 IN THE GARFIELD COUNTY, COLORADO CLERK AND RECORDER'S RECORDS, SITUATE IN THE S1/2S1/2NE1/4 AND IN THE SE1/4 SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO. ALL BEARINGS RELATIVE TO A BEARING OF S00°42'53"E ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 18, BETWEEN THE NORTH 1/4 CORNER, A FOUND 3" BRASS CAP ON 2-1/2" PIPE STAMPED "1/4 S7 S18 1981 ELDORADO ENGINEERING LS 14060" AND THE SOUTH 1/4 CORNER, A FOUND 3 1/4" ALUMINUM CAP ON #6 REBAR STAMPED "1/4 S18 S19 LS 37075 2006". SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID RECEPTION NO. 653729; WHENCE SAID NORTH 1/4 CORNER SECTION 18 BEARS N00°42'53"W 2112.15 FEET; THENCE ALONG THE WEST LINE OF SAID RECEPTION NO. 653729, ALSO BEING THE SAID NORTH-SOUTH CENTERLINE S00°42'53"E 260.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WEST LINE AND NORTH-SOUTH CENTERLINE S00°42'53"E 660.03 FEET; THENCE DEPARTING SAID WEST LINE AND NORTH-SOUTH CENTERLINE N89°51'31"E 666.06 FEET; THENCE N00°42'53"W 660.03 FEET; THENCE S89°51'31"W 666.06 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL OF LAND CONTAINING 10.092 ACRES MORE OR LESS.

EXHIBIT "C"

As-built location of Modular Facility

EXHIBIT "D"

Insurance Information

EXHIBIT “E”

Form of Commencement Date Certificate

COMMENCEMENT DATE CERTIFICATE

This Exhibit is attached to and made a part of the Amended & Restated Ground Lease (the “Lease”) by and between City of Rifle, Colorado, a Colorado home rule municipality (“City”), and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (“Habitat”), for the parcel in Rifle, Colorado as further described in the Lease. Capitalized terms used but not defined herein shall have the meanings given in the Lease. City and Habitat agree as follows:

1. The Commencement Date under the Lease is _____,
2025 and shall expire in accordance with the terms and conditions set forth in the Lease.

IN WITNESS WHEREOF, City and Habitat have caused this Commencement Date Certificate to be executed and delivered effective as of _____, 202__.

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CITY OF RIFLE, COLORADO

Mayor

[CITY SEAL]

ATTEST:

City Clerk

HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.

By _____
Title _____

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APPENDIX F
FORM OF THE INDENTURE
(attached)

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CITY OF RIFLE, COLORADO
and
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

INDENTURE OF TRUST
Dated as of April 1, 2025

SECURING
\$ _____
CITY OF RIFLE, COLORADO
REVENUE BONDS
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
SERIES 2025A AND TAXABLE SERIES 2025B

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INDENTURE OF TRUST

THIS TRUST INDENTURE (this "Indenture"), dated as of April 1, 2025, by and between the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado (the "Issuer"), and U.S. Bank Trust Company, National Association, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in Denver, Colorado, as Trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Issuer is authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act") and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the "Supplemental Act"), to issue revenue bonds for the purposes set forth therein; and

WHEREAS, the Issuer has authorized the issuance of its Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the "Series 2025A Bonds"), and Taxable Series 2025B (the "Series 2025B Bonds" and, collectively with the Series 2025A Bonds, the "Series 2025 Bonds"), in an aggregate principal amount up to \$25,000,000; and

WHEREAS, the proceeds of the Series 2025 Bonds will be used to finance a project consisting of: (i) the acquisition, construction, equipping and installation of a 66,000 square feet modular housing manufacturing facility located on 10.5 acres leased by the City to the Borrower (defined below) within the boundaries of the Issuer; (ii) the funding of a required 2025A Debt Service Reserve Fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025 Bonds; and (iv) the payment of the costs of issuance of the Series 2025 Bonds (collectively, the "Project"); and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of even date herewith (the "Loan Agreement"), with Habitat for Humanity of Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), specifying the terms and conditions of a loan by the Issuer to the Borrower of the proceeds of the Series 2025 Bonds for the purpose of financing the costs of the Project and the payment by the Borrower to the Issuer of amounts sufficient for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds and certain related expenses; and

WHEREAS, to evidence its obligations to make Loan Payments (as defined in the Loan Agreement) under the Loan Agreement, the Borrower will execute and deliver to the Issuer its promissory note in the amount of \$ _____, dated April __, 2025 (the "Note"), providing for payments at such times and in such amounts as will be required to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, as and when the same become due, and to pay certain related expenses; and

WHEREAS, to secure its obligations under the Loan Agreement and the Note, the Borrower (1) will grant a first mortgage lien in connection with the Series 2025 Bonds on its

right, title and interest in and to the real property portion of the Project pursuant to a Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), dated as of even date herewith (the "Mortgage"), granted by the Borrower to the Public Trustee of Garfield County, Colorado, for the benefit of the Trustee, (2) will grant to the Trustee a first priority security interest in connection with the Series 2025 Bonds in the personal property portion of the Project, in any inventory now or hereafter located at the Project, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's ownership and operation of the Project pursuant to the Mortgage, and (3) will deliver a Guaranty Agreement and Indemnity to the Issuer (the "Guaranty") in which the Borrower unconditionally guarantees the full performance and punctual payment when due of each and all indebtedness, obligations and liability of the Borrower under the Note, the Loan Agreement and the Mortgage;

WHEREAS, the Borrower is obtaining an irrevocable line of credit loan from The Denver Foundation (the "Line of Credit") which it agrees to draw on in its entirety and transfer amounts received thereunder to the Trustee for deposit to the Operating Expense Reserve Fund and has further agreed to transfer to the Trustee other funds as necessary which, together with the draws under the Line of Credit, equal an aggregate amount of \$2,500,000 for deposit in the Operating Expense Reserve Fund no later than the Substantial Completion of the Project as provided in the Loan Agreement; and

WHEREAS, to secure its obligation to pay principal of, premium, if any, and interest on the Series 2025 Bonds to be issued hereunder and for the equal and ratable benefit of the owners of all the Series 2025 Bonds, the Issuer has agreed to (1) assign and pledge to the Trustee, and grant a first priority security interest in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), the Note, the Mortgage, and all revenues, payments, receipts, and money to be received and held thereunder and (2) endorse the Note without recourse or warranty to the order of the Trustee, all pursuant to the granting clauses of this Indenture; and

WHEREAS, the Issuer hereby finds and determines that the financing of the Project will further the purposes and policies of the Act; and

WHEREAS, the execution and delivery of this Indenture, the Loan Agreement and the endorsement without recourse of the Note to the order of the Trustee were authorized by the Bond Ordinance, which was duly adopted and approved on January 15, 2025; and

WHEREAS, the Series 2025 Bonds to be issued, the Trustee's Authentication Certificate to be endorsed on such Bonds, and the Assignment for transfer of such Series 2025 Bonds are to be in substantially the form attached hereto as Exhibit A, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, with bracketed language to be inserted or replaced for the Series 2025 Bonds; and

WHEREAS, all things necessary to make the Series 2025 Bonds, when executed by the Issuer and when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding, and legal obligations of the Issuer according to the import thereof, to constitute this Indenture a valid lien on the interests in property hereby conveyed, a valid grant of a security

interest in the interests in property hereby made, and a valid assignment and pledge of the revenues and receipts hereby made to secure the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and performed, and the creation, execution, and delivery of this Indenture and the creation, execution, and issuance of the Series 2025 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS INDENTURE OF TRUST WITNESSETH THAT:

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series 2025 Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds according to their tenor and effect, the payment of all other sums payable hereunder and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Series 2025 Bonds, does hereby, subject to the terms and provisions of the Loan Agreement, grant, bargain, sell, convey, pledge, and assign, without recourse and irrevocably in trust, unto U.S. Bank Trust Company, National Association, as the Trustee, and unto its successors in trust, and to its assigns forever, and does hereby grant a continuing security interest in (to the extent permitted by law), for the securing of the performance of the obligations of the Issuer and the Borrower hereinafter set forth, the property, real or personal, tangible or intangible, which property is more particularly described below:

GRANTING CLAUSE FIRST

All the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), (b) the Note, which the Issuer does hereby agree to endorse without recourse or warranty to the order of the Trustee, (c) the Assignment of Construction Contracts, and (d) all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the Gross Revenues (as defined in the Loan Agreement) and the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Issuer is or may become entitled to do under the foregoing, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the provisions of the foregoing or impair or diminish the right of the Issuer to enforce compliance with the obligations of the Borrower under the foregoing.

GRANTING CLAUSE SECOND

All the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Series 2025 Bonds and all money held by the Trustee in the funds created under this Indenture (except the Rebate Fund), including the

Revenue Fund, the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund and the Repair and Replacement Reserve Fund created hereunder, or held by the Trustee as special trust funds derived from insurance proceeds, condemnation awards, payments on contractors' performance or payment bonds or other surety bonds, or any other source, together with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to, taking of, or decrease in the value of the real property portion of the Project, to the extent of all amounts which may be secured by this Indenture at the date of receipt of any such award or payment by the Trustee and of the reasonable attorneys' fees, costs, and disbursements incurred by the Trustee in connection with the collection of such award or payment, together with all of the right, title, and interest of the Issuer in and to all unearned premiums accrued, accruing, or to accrue under any and all insurance policies now or hereafter provided pursuant to the terms of this Indenture and all proceeds or sums payable for the loss of or damage to (i) any property encumbered hereby or (ii) rents, revenues, income, profits, or proceeds from leases, franchises, concessions, or licenses of or on any part of the Project.

GRANTING CLAUSE THIRD

All the right, title, and interest of the Issuer in and to all money and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of this Indenture and all other rights of every name and nature and any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, pledged, assigned, or transferred as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

GRANTING CLAUSE FIFTH

All the right, title, and interest of the Issuer in and to the Guaranty and amounts paid pursuant thereto.

IN EACH CASE, whether now owned or hereafter acquired by the Issuer and howsoever its interest therein may arise or appear (whether by ownership, security interest, claim, or otherwise) and whether due or to become due and whether or not earned by performance;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged, conveyed, and assigned, or agreed or intended so to be, to the Trustee and its successors in said trusts and to them and their assigns forever;

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SUBJECT, HOWEVER, to (1) the restrictions, exceptions, reservations, limitations, and other matters, if any, set forth immediately following the specific description of the real property in Exhibit A attached to the Mortgage and (2) "Permitted Encumbrances" as defined in Section 1.01 of the Loan Agreement and incorporated herein by Section 101 of this Indenture;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Series 2025 Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Series 2025 Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid to the owners of the Series 2025 Bonds the principal, interest, and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and if the Issuer shall well and truly keep, perform, and observe all and singular the covenants, conditions, and premises in the Series 2025 Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof and reconvey to the Issuer the estate hereby conveyed and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except cash held by the Trustee for the payment of interest on and retirement of the Series 2025 Bonds; otherwise this Indenture to be and remain in full force and effect until such time as the principal of the Series 2025 Bonds and the interest and premium, if any, thereon have been paid or provided for as hereinafter set out.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Series 2025 Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said revenues, receipts, and property hereby conveyed, pledged, mortgaged, and assigned and which are the subject of a grant of a security interest are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Series 2025 Bonds, or any part thereof, as follows:

[End of Preamble]

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ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101 Definitions. Certain words and terms used in this Indenture shall have the meaning given them in Section 1.01 of the Loan Agreement which by this reference is incorporated herein. In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings set forth below. When used herein, such words and terms shall have the meanings given to them by the language employed in Section 1.01 of the Loan Agreement and in this Article I defining such words and terms, unless the context or use clearly indicates otherwise.

"Defaulted Interest" means any interest on any Bond which is due and payable, but which is not punctually paid or duly provided for on any Interest Payment Date.

"Event of Default" means the events specified in Section 901.

"Issue" means all obligations (i) issued at substantially the same time and (ii) sold pursuant to a common plan of financing, as determined in Section 1.150-1(c) of the Regulations, unless otherwise provided in an opinion of nationally recognized bond counsel furnished to the Arbitrage Calculator.

"Rebate Obligations" means (i) any arbitrage property in which the "sale proceeds" (as defined in Section 1.148-1(b) of the Regulations) of an Issue are invested, (ii) any arbitrage property in which the "investment proceeds" (as defined in Section 1.148-1(b) of the Regulations) of an Issue are invested, (iii) any arbitrage property in which "transferred proceeds" (as defined in Section 1.148-9 of the Regulations) of an Issue are invested, (iv) any arbitrage property in which amounts treated as proceeds of an Issue under Section 1.148-1(c) of the Regulations (relating to invested sinking funds) are invested, (v) any arbitrage property invested in a reasonably required reserve or replacement fund (as defined in Section 1.148-2(f) of the Regulations), (vi) any arbitrage property pledged as security for payment of debt service on an Issue by the Borrower (or a related Person), the Issuer, or a governmental unit or units of which the Issuer is a part, (vii) any arbitrage property invested in amounts received with respect to "acquired purpose obligations" (e.g., payments on the Loan Agreement), (viii) any arbitrage property invested in other amounts used to pay debt service on an Issue, and (ix) any arbitrage property invested in other amounts received as a result of investing the amounts described in (i) through (viii) above with respect to an Issue. The determination of whether an amount is included within this definition shall be made without regard to whether the amount is credited to any fund or account established under this Indenture, or (except in the case of an amount described in (vi) or (viii) above) whether the amount is subject to the pledge of this Indenture. For purposes of (vi) above, an amount is pledged to pay principal or interest with respect to an Issue if there is reasonable assurance that the amount will be available for such purposes in the event that the Borrower encounters financial difficulties. If a decision is made to apply any insurance or condemnation proceeds to the redemption of an Issue instead of using such proceeds for repair or replacement, any arbitrage property in which such proceeds are or were invested become Rebate Obligations on the date of such a decision.

"Regular Record Date" means the 15th day of the month (whether or not a business day) next preceding each Interest Payment Date.

"Special Record Date" means the date fixed by the Trustee for the payment of any Defaulted Interest pursuant to Section 208.

Section 102 Construction of Certain Terms. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) "This Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated "Articles", "Sections", and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words "herein", "hereof", "hereto", "hereby", and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

Section 103 Table of Contents; Titles and Headings. The table of contents, the titles of the Articles, and the headings of the Sections of this Indenture are solely for convenience of reference, are not a part of this Indenture, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 104 Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Indenture and which is precedent to the taking of any action by the Trustee under this Indenture shall include (i) a statement that the Person or Persons making or giving such certificate or opinion have read such covenant or condition herein and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an Accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an Accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or the Borrower or any third party on whom counsel or an Accountant could reasonably rely, unless such counsel or such Accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or the Borrower or the same counsel or Accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Indenture, but different officers, counsel, or Accountants may certify or opine to different matters, respectively.

The Trustee may conclusively rely on certificates and opinions given pursuant to this Indenture and may conclusively presume that such certificates and opinions were given in compliance with this Section 104.

Section 105 Preamble and Granting Clauses Incorporated. The preamble to this Indenture, the Granting Clauses, and other preliminary language are hereby incorporated in this Indenture.

[End of Article I]

ARTICLE II THE SERIES 2025 BONDS

Section 201 Restriction on Issuance of Series 2025 Bonds. No Series 2025 Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of the Series 2025 Bonds that may be issued hereunder is expressly limited to \$25,000,000. Additional Bonds may only be issued hereunder as set forth in Section 212 hereof.

Section 202 Execution; Limited Obligation; Temporary Bonds. The Series 2025 Bonds may be executed on behalf of the Issuer by its Mayor with his manual or facsimile signature and may be attested by the manual or facsimile signature of its City Clerk. All such facsimile signatures shall have the same force and effect as if said officers had manually signed each of the Series 2025 Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2025 Bonds shall cease to be such officer before the delivery of such Series 2025 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, and the Series 2025 Bonds may be issued and delivered as if such officer had remained in office until delivery.

The Series 2025 Bonds, together with interest thereon, shall be special, limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, shall be payable solely from the Security, and shall be a valid claim of the respective owners thereof only against the Security. The Security is hereby again specifically pledged and assigned for the equal and ratable payment of the Series 2025 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, except as may be otherwise expressly authorized in this Indenture. The Series 2025 Bonds shall be special, limited obligations of the Issuer as provided therein payable solely from the Security. The Series 2025 Bonds, the premium, if any, and the interest thereon shall never constitute the debt or indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, shall not constitute nor give rise to a pecuniary liability of the Issuer, the State or any political subdivision thereof or a charge against their general credit or taxing power and shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the Issuer under Article X, Section 20 of the State Constitution. None of the Issuer, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Series 2025 Bonds or other costs incident thereto. The Series 2025 Bonds do not constitute a debt, loan, credit or pledge of the faith and credit or taxing power of the Issuer, the State or any political subdivision thereof. Neither the members of the City Council of the Issuer nor any Person executing the Series 2025 Bonds shall be liable personally on the Series 2025 Bonds by reason of the issuance thereof.

Until Series 2025 Bonds in definitive form are ready for delivery, or by agreement with the purchasers of all Series 2025 Bonds, the Issuer may execute, and upon its request in writing, the Trustee shall authenticate and deliver in lieu of definitive Series 2025 Bonds, subject to the same provisions, limitations, and conditions, one or more printed, lithographed, or typewritten Bonds in temporary form, substantially of the tenor of the Series 2025 Bonds in this Article II described, with appropriate omissions, variations, and insertions as may be required. Series 2025 Bonds in temporary form shall be for such principal amounts as the Issuer shall determine.

Until exchanged for Series 2025 Bonds in definitive form, such Series 2025 Bonds in temporary form shall be entitled to the same security, lien, and benefit of this Indenture and shall have the same rights, remedies, and security hereunder as definitive Series 2025 Bonds to be issued and authenticated hereunder. The Issuer shall, without unreasonable delay, prepare, execute, and deliver definitive Series 2025 Bonds to the Trustee, and thereupon, upon the presentation and surrender of the Series 2025 Bond or Bonds in temporary form to the Trustee at its designated corporate trust office, the Trustee shall cancel the same and authenticate and deliver, in exchange therefor, a Series 2025 Bond or Bonds of the same maturity, interest rate, and series, in definitive form in the authorized denominations, and for the same aggregate principal amount as the Series 2025 Bond or Bonds in temporary form surrendered. Such exchange shall be made without making any charge therefor to any Bondholder.

Section 203 Approval and Authentication. The City Manager or Mayor of the Issuer is hereby authorized to have control of the Series 2025 Bonds and all necessary records and proceedings pertaining to the Series 2025 Bonds pending their investigation, examination, and approval; and their delivery to the Underwriter. Only such Series 2025 Bonds as shall have endorsed thereon a certificate of authentication substantially in the forms set forth hereto as Exhibit A and duly executed by the Trustee shall be entitled to any right, security, or benefit under this Indenture. All Series 2025 Bonds need not be authenticated by the same authorized officer of the Trustee. No Series 2025 Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Series 2025 Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Series 2025 Bond shall be deemed to have been duly executed by it if (a) signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Series 2025 Bonds issued hereunder, and (b) the date of registration and authentication of the Series 2025 Bond is inserted in the place provided therefor on the certificate of authentication.

Section 204 Form; Denomination; Medium of Payment. The Series 2025 Bonds shall be issuable only as fully registered Bonds without coupons in the denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000; provided however if the Series 2025 Bonds or any series thereof receive an Investment Grade rating by one Rating Agency, the Series 2025 Bonds of such series may be registered in denominations of \$5,000. The Series 2025 Bonds shall be substantially in the forms attached hereto as Exhibit A with such variations, insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. Principal of and interest and premium, if any, on the Series 2025 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 205 Mutilated, Lost, Stolen, or Destroyed Bonds. In the event any Series 2025 Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of like date, number, series, interest rate, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided, that, in the case of any mutilated Bond, such mutilated Series 2025 Bond shall first be surrendered to the Trustee, and in

the case of any lost, stolen, or destroyed Series 2025 Bond, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee and the Issuer. In the event any such Series 2025 Bond shall have matured, or shall be about to mature or have been called for redemption, instead of issuing a duplicate Series 2025 Bond the Issuer may pay the same without surrender thereof, provided that the conditions of this Section 205 shall have been satisfied. The Issuer and the Trustee may charge the owner of such Series 2025 Bond with their reasonable fees and expenses in connection with actions taken under this Section and may require the owner of such Bond to pay any tax, fee, or other governmental charge that may be imposed in relation thereto as conditions precedent to the issuance of any replacement Series 2025 Bond(s). The Issuer shall cooperate with the Trustee in connection with the issue of replacement Series 2025 Bonds, but nothing in this Section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Series 2025 Bond.

Every substituted Series 2025 Bond issued pursuant to this Section shall constitute an original additional contractual obligation of the Issuer, whether or not the Series 2025 Bond alleged to have been mutilated, destroyed, lost, or stolen shall be at any time enforceable by anyone, and shall be entitled to all the rights and benefits of this Indenture equally and proportionately with any and all other Series 2025 Bonds Outstanding of the same series duly issued hereunder.

All Series 2025 Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Series 2025 Bonds, and shall preclude any and all other rights or remedies.

Section 206 Cancellation and Destruction of Surrendered Series 2025 Bonds. When any Outstanding Series 2025 Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 205 or transfer or exchange pursuant to Section 207, such Series 2025 Bond shall be promptly cancelled by the Trustee. Cancelled Series 2025 Bonds shall be disposed of pursuant to the Securities Exchange Act of 1934 and the regulations promulgated thereunder.

Section 207 Negotiability; Registration, Transfer, and Exchange. The Series 2025 Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State, and the Bondholders, in accepting any of the Series 2025 Bonds, shall be conclusively deemed to have agreed that the Series 2025 Bonds shall be and have all of said qualities and incidents of negotiable instruments.

The Issuer shall cause books for the registration of the Series 2025 Bonds and for the registration of transfer of the Series 2025 Bonds as provided in this Indenture to be kept by the Trustee which is hereby appointed the Issuer's bond registrar and agent for the transfer and exchange of the Series 2025 Bonds and as such shall maintain the books of the Issuer for the registration of ownership of each Bond as provided in this Indenture. The Trustee, for and on behalf of the Issuer, shall keep the Bond registration record, in which shall be recorded any and

all transfers of ownership of Bonds. No Series 2025 Bonds shall be registered to bearer. Any Bond may be transferred upon the registration books upon surrender thereof by the registered Bondholder in person or by his attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee duly executed by the registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing and upon payment by such registered Bondholder of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture. Upon any such registration of transfer, the Issuer shall cause to be executed and the Trustee shall authenticate and deliver in the name of the transferee a new fully registered Series 2025 Bond or Bonds of authorized denominations and of the same series, maturity or maturities, and interest rate(s) and in the same aggregate principal amount(s), and the Trustee shall enter the transfer of ownership in the registration books. No transfer of any Bond shall be effective until entered on the registration books.

Any Series 2025 Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer in form and with guarantee of signature satisfactory to the Trustee, duly executed by the registered owner or his attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the registered owner thereof, and upon payment by such registered owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Indenture, when not prohibited by law, for an equal aggregate principal amount of Series 2025 Bonds of the same interest rate, and maturity or maturities and of any authorized denominations and registered in the name of the same registered owner. The Issuer shall cause to be executed and the Trustee to which Series 2025 Bonds are presented for exchange shall authenticate and deliver Series 2025 Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding, and the Trustee, as bond registrar, shall enter the exchange in the registration books.

Except as provided herein with respect to exchanges for certain temporary Series 2025 Bonds, the cost of printing, lithographing, and engraving of all Series 2025 Bonds shall be deemed to be an Ordinary Expense of the Trustee, and there shall be no charge to any Bondholder for the registration, exchange, or transfer of Series 2025 Bonds from one Bondholder to another, although in each case the Trustee may require the payment by the Bondholder requesting exchange or transfer of any tax, fee, or other governmental charge required to be paid with respect thereto and may require that such amount be paid before any such new Series 2025 Bond shall be delivered.

The Issuer and the Trustee may deem and treat the registered Bondholder of any Series 2025 Bond as the absolute owner of such Series 2025 Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Indenture and the Loan Agreement, whether such Bond shall be overdue or not, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and interest and premium, if any, on any Series 2025 Bond shall be made to or upon the written order of such registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid.

The execution and attestation by the Mayor and City Clerk of the Issuer of any Series 2025 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange shall be valid, limited obligations of the Issuer, evidencing the same obligation as the Series 2025 Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2025 Bonds surrendered. The Trustee shall not be required to transfer or exchange any Series 2025 Bond (a) after the notice calling such Bond for redemption has been given as herein provided or (b) during a period beginning at the opening of business on the fifteenth (15th) day (whether or not a business day) next preceding either any Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

Notwithstanding any other provision of the Indenture to the contrary, no Series 2025 Bonds may be transferred, sold, assigned or pledged by a Bondholder or beneficial owner thereof unless such transfer, sale, assignment or pledge is to a "qualified institutional buyer" within the meaning of Rule 144A promulgated and adopted by the SEC pursuant to the Securities Act of 1933 or to an Accredited Investor; provided, however, that only the initial sale of the Series 2025 Bonds shall be required to be accompanied by an Investor Letter in the applicable form attached hereto as Exhibit B from each initial Bondholder or beneficial owner; provided, further, that if at any time after the Closing Date the Series 2025 Bonds or any series thereof receive an Investment Grade rating by one Rating Agency, the restrictions on transfer set forth in this clause shall no longer be applicable to such series of the Series 2025 Bonds and such Series 2025 Bonds may be transferred to any purchaser regardless of accreditation. Neither the Trustee, the Issuer nor the City shall be responsible for confirmation that a prospective Bondholder or beneficial owner of the Series 2025 Bonds is an eligible purchaser, transferee, assignee, or pledgee of such Series 2025 Bonds for purposes of this clause.

Section 208 Number and Payment Provisions. The Series 2025 Bonds shall be numbered in such manner as the Issuer, with the concurrence of the Trustee, shall determine. Each Series 2025 Bond shall bear interest from the later of the date of initial delivery or the most recent Interest Payment Date to which interest has been paid or provided for. The Trustee shall insert the date of registration and authentication of each Series 2025 Bond in the place provided for such purpose in the form of certificate of authentication of the Trustee to be printed on each Series 2025 Bond.

Principal of and premium, if any, on the Series 2025 Bonds shall be payable by check to the owner of each Bond upon presentation and surrender of such Bond when due, at the designated corporate trust office of the Trustee in St. Paul, Minnesota, or its successor in trust. Payment of interest on the Series 2025 Bonds shall be made to the Persons in whose names the Series 2025 Bonds are registered at the close of business on the Regular Record Date for such payment and shall be paid by check dated as of such Interest Payment Date and mailed to such Persons at their addresses as they appear on the registration books of the Trustee or at such other addresses as are furnished to the Trustee in writing by such registered owners at least prior to the Regular Record Date or, upon written request of any registered Bondholder of at least \$1,000,000 in principal amount of Outstanding Bonds, by wire transfer in immediately available funds to such Persons at such bank account numbers or addresses as are furnished to the Trustee

in writing by such registered owners at least prior to the Regular Record Date, at the option, risk and expense of any owner upon terms satisfactory to the Trustee of any Bonds Outstanding, irrespective of any transfer or exchange of Bonds subsequent to such Regular Record Date and prior to such Interest Payment Date, unless the Issuer shall default in the payment of interest due on such Interest Payment Date.

Defaulted Interest shall cease to be payable to the registered owner on the relevant Regular Record Date solely by virtue of such registered owner having been such registered owner, and such Defaulted Interest will be paid by the Trustee, as follows:

The Trustee will make payment of any Defaulted Interest on the Series 2025 Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than ten days prior to the date of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be paid solely from amounts held under this Indenture in any fund in the Trustee's discretion, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not less than 15 days preceding such Special Record Date, to each registered owner at his address as it appears in the registration books maintained by the Trustee at the close of business on a day no later than the fifth day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Series 2025 Bonds are registered on such Special Record Date.

Section 209 Issuance of the Series 2025 Bonds. (a) Series 2025A Bonds. The Series 2025A Bonds in the aggregate principal amount of \$_____ shall be designated "City of Rifle, Colorado Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A" and shall be dated the date of delivery. The Series 2025A Bonds shall bear interest from their dated date, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on July 1, 2025 and semiannually thereafter on July 1 and January 1 of each year.

The Series 2025A Bonds shall be issued in the principal amount, shall bear interest at the rate and shall mature on the date, unless earlier called for redemption, as shown below:

Maturity Date	Principal Amount	Interest Rate
	\$	%

(b) Series 2025B Bonds. The Series 2025B Bonds in the aggregate principal amount of \$_____ shall be designated "City of Rifle, Colorado Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B" and shall be dated the date of delivery. The Series 2025B Bonds shall bear interest from their dated date, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on July 1, 2025 and semiannually thereafter on July 1 and January 1 of each year.

The Series 2025B Bonds shall be issued in the principal amount, shall bear interest at the rate and shall mature on the date, unless earlier called for redemption, as shown below:

Maturity Date	Principal Amount	Interest Rate
	\$	%

Section 210 Delivery of Series 2025 Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall register and authenticate the Series 2025A Bonds in the aggregate principal amount of \$_____ and the Series 2025B Bonds in the aggregate principal amount of \$_____, and deliver them to the Persons designated by the Underwriter.

Prior to the registration and authentication by the Trustee of any of the Series 2025 Bonds, there shall be filed with the Trustee:

- (a) closing certificate of the Issuer incorporating a copy of the documents evidencing creation of the Issuer, the Issuer's Charter, and the Bond Ordinance;
- (b) closing certificate of the Borrower incorporating a copy of the Borrower's Articles of Incorporation and Bylaws, and a copy of the resolution of the board of directors of the Borrower authorizing and approving the execution and delivery of the Loan Agreement, the Note, the Guaranty, the Mortgage, the Line of Credit, the Deposit Account Control Agreement and all other documents to be delivered by the Borrower in connection with the transactions contemplated by said instruments;
- (c) the Tax Compliance Agreement;
- (d) original executed counterparts of this Indenture, the Loan Agreement, the Note, the Guaranty, the Mortgage, the Line of Credit, the Collateral Assignment of Project Documents and the Deposit Account Control Agreement;
- (e) the mortgagee's title insurance commitment (or appropriate binder) required by Section 3.05 of the Loan Agreement, the Underwriter's approval of which shall be

evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds;

- (f) a request and authorization to the Trustee on behalf of the Issuer, signed by the Mayor of the Issuer, to authenticate and deliver (i) the Series 2025A Bonds to be issued in the first instance in the aggregate principal amount of \$_____ to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the sum therein specified; and (ii) the Series 2025B Bonds to be issued in the first instance in the aggregate principal amount of \$_____ to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of the sum therein specified;
- (g) opinions dated as of the date of the closing of (a) counsel for the Issuer, (b) Bond Counsel, and (c) counsel for the Borrower, in form and substance satisfactory to the Underwriter, which satisfaction shall be evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds;
- (h) evidence satisfactory to the Underwriter (which satisfaction shall be evidenced by the Underwriter's delivery of the purchase price of the Series 2025 Bonds) to the effect that all insurance policies required by Section 6.04 of the Loan Agreement to be in effect on the date of delivery of the Series 2025 Bonds are in effect and that such policies of insurance meet the requirements of Sections 6.04 and 6.06 of the Loan Agreement; and
- (i) such other documents, certificates, and instruments in connection with the transactions contemplated by this Indenture, in form and substance satisfactory to the Underwriter, as the Underwriter may reasonably request; provided that the Underwriter shall provide the Trustee with a written listing of such other documents, certificates and instruments.

Upon receipt of the foregoing and of the purchase price for the Series 2025 Bonds, the Trustee shall register, authenticate, and deliver the Series 2025 Bonds to or upon the order of the Underwriter.

Section 211 Book-Entry Option. With respect to the Series 2025 Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, or any successor entity thereto ("DTC"), the Issuer and the Trustee shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Series 2025 Bonds from time to time as securities depository (a "Depository Participant") or to any Person on behalf of whom such a Depository Participant holds an interest in the Series 2025 Bonds (an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Series 2025 Bonds or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than an owner of a Series 2025 Bond, of any amount with respect to principal of or interest on the Series 2025 Bonds. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new

nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the owner, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2025 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the letter of representation to DTC with respect to the Series 2025 Bonds. During such time as the Series 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, Series 2025 Bonds to be redeemed in connection with partial redemptions of a maturity will be selected in accordance with DTC's procedures as from time to time in effect.

Section 212 Additional Bonds. (a) General. In addition to the principal amount of Series 2025 Bonds, whose authentication and delivery is provided for herein, so long as (i) no Event of Default under the Bond Documents has occurred and is continuing, and (ii) to the extent permitted by law at the time thereof, Additional Bonds may be issued (A) on a parity with the Series 2025 Bonds only to provide funds to pay for the costs of completing the Project in a principal amount not greater than \$1 million, (B) or to fund the costs of refunding Outstanding Series 2025 Bonds in accordance with the provisions of Section 212(b), or (C) for any purpose upon the written consent of the Majority Holder. Additional Bonds may be issued on a subordinate basis to the Series 2025 Bonds solely as Short-Term Indebtedness. Additional Bonds issued for the purposes described herein may be executed by the appropriate officials of the Issuer and delivered to Trustee for authentication, and thereupon the same shall be authenticated and delivered by Trustee upon the basis permitted by, and upon compliance with the conditions hereof, and upon receipt by Trustee of the following:

1. An ordinance of Issuer authorizing the issuance of the designated series of Additional Bonds and the sale thereof to the original purchaser named therein for the purchase price set forth therein;
2. A direction from Issuer for the authentication and delivery of such Additional Bonds to or upon the order of the original purchaser named therein upon payment of the purchase price set forth therein;
3. A certificate of Borrower requesting the issuance of such Additional Bonds, stating that no Event of Default has occurred under the Bond Documents which has not been cured, that the Additional Bonds of the series to be authenticated have not theretofore been issued and that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Additional Bonds have been complied with;
4. An opinion of Bond Counsel stating that (i) all conditions precedent provided for in this Indenture and the Loan Agreement relating to the authentication and delivery of such Additional Bonds have been complied with; (ii) the series of Additional Bonds whose authentication and delivery are applied for, when issued and executed by Issuer and authenticated and delivered by Trustee, will be the valid and binding obligations of Issuer in accordance with their terms and entitled to the benefits of and secured by the lien of this

Indenture, the Loan Agreement, the Note, the Mortgage, the Guaranty, the Collateral Assignment of Project Documents and the Deposit Account Control Agreement equally and ratably with, or subordinate to, as applicable, the Outstanding Series 2025 Bonds, only to the extent provided herein and in the Loan Agreement; and (iii) the issuance of such Additional Bonds will not affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds;

5. An executed counterpart of the supplemental indenture authorizing such Additional Bonds;

6. The executed Additional Note, an executed counterpart of an amendment to the Loan Agreement, if necessary, providing for additional payments sufficient to provide for the payment of principal of, premium, if any, and interest on all Series 2025 Bonds and Additional Bonds to be Outstanding after the issuance of such series of Additional Bonds;

7. An executed counterpart of an amendment to the Mortgage, if necessary, subjecting any additional property financed with such series of Additional Bonds to the lien of the Mortgage; and

8. A copy of the ordinance of Issuer authorizing the execution and delivery of the supplemental indenture, the amendment to the Loan Agreement, if any, and such series of Additional Bonds.

Any Additional Bonds shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate, if any, permitted by law, shall have stated maturities and may be subject to redemption prior to their stated maturities at such times and prices and on such terms and conditions, all as may be provided by the supplemental indenture authorizing their issuance and in accordance with Article II hereof. All Additional Bonds issued on a parity with the Series 2025 Bonds shall be payable and secured equally and ratably with the Outstanding Series 2025 Bonds and any such Additional Bonds theretofore issued are, only to the extent provided herein and in the Loan Agreement, entitled to the same benefits and security of this Indenture, the Loan Agreement, the Guaranty, the Mortgage and the Deposit Account Control Agreement as supplemented or amended.

(b) Additional Bonds for Refunding Purposes. Additional Bonds may be issued at any time or from time to time, subject to Section 212(a) and the conditions hereinafter stated in this Section for the purpose of providing funds, with any other funds available and committed therefor, for paying at, or redeeming prior to, their stated maturities any or all of the Outstanding Series 2025 Bonds, including the payment of any premium thereon and interest which will accrue on such Series 2025 Bonds to a redemption date or the stated maturities thereof, and any expenses in connection with such refunding. Such Additional Bonds shall be designated substantially as the Series 2025 Bonds to be refunded, with the addition of the term "Refunding."

Prior to authentication and delivery of any Additional Bonds for refunding purposes under this Section there shall be filed with Trustee such documents as shall be required by Trustee to show that provision has been duly made in accordance with the provisions of this

Indenture or any instrument securing the payment or redemption of all of the Outstanding Series 2025 Bonds refunded.

Prior to the issuance of such Refunding Bonds, Issuer shall cause notice of its intention to issue the Refunding Bonds and setting forth the estimated date of delivery of the Refunding Bonds, to be given to the holders of the Series 2025 Bonds being refunded in the manner required by the Act and other applicable law. If any of the Series 2025 Bonds to be refunded are to be called for redemption, Issuer shall cause notice of redemption, including a description of any conditions to such redemption, to be given in the manner required by Article III hereof.

Simultaneously with the delivery of such Additional Bonds under this Section, the Trustee shall apply, after payment of the expenses incident to such financing, the proceeds of the Additional Bonds (including accrued interest) and any other moneys provided to Trustee for such purpose, as follows:

1. the accrued interest received as part of the proceeds of such Additional Bonds shall be deposited to the credit of the Bond Fund; and

2. an amount which, with any other funds that shall be simultaneously deposited with Trustee, or Government Obligations or a combination thereof, will be sufficient for the purpose specified in this Section shall be deposited in a special escrow account as provided in Article VIII hereof.

[End of Article II]

ARTICLE III
REDEMPTION OF SERIES 2025 BONDS BEFORE MATURITY

Section 301 Privilege of Redemption and Redemption Price. The Series 2025 Bonds shall be subject to redemption prior to maturity to the extent and in the manner provided in this Indenture.

Section 302 Optional Redemption. (a) The Series 2025A Bonds may be called for redemption at the election of the Borrower, on July 1, ____, and on any date thereafter in whole or in part, at a redemption price equal to the principal amount of each Series 2025A Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, without premium. At the written request of the Borrower given pursuant to Section 9.03 of the Loan Agreement, the Issuer shall give written notice to the Trustee of its election to redeem Series 2025A Bonds, of the redemption date, and of the principal amount of the Series 2025A Bonds to be redeemed, which notice shall be given at least 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee, in its sole discretion. Any such redemption shall be conditioned on adequate funds therefor being received by the Trustee by the redemption date. In the event notice of redemption shall have been given as provided in Section 308 and all conditions to redemption have been satisfied, the Issuer shall, and hereby covenants that it will, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds which the Issuer has so elected to redeem.

(b) The Series 2025B Bonds are not subject to redemption at the election of the Borrower prior to their maturity date.

Section 303 RESERVED.

Section 304 Special Extraordinary Redemption. The Series 2025 Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in Section 11.02(a) of the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in Section 7.02(c) or Section 11.02(b) of the Loan Agreement. Notwithstanding the foregoing, the Series 2025 Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by Section 11.02(a) of the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by Section 11.02(b) of the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by Section 7.01(c) of the Loan Agreement or Section 7.02(d) of the Loan Agreement, whichever is applicable.

If the Series 2025 Bonds are called for redemption in the events described in the first sentence of the immediately preceding paragraph, the Series 2025 Bonds shall be subject to redemption at any time within 180 days of such event in whole or (in the case of partial redemption as a result of condemnation of a portion of the Project) in part, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If the Series 2025 Bonds are called for redemption in the events described in the second sentence of the

immediately preceding paragraph, the Series 2025 Bonds shall be redeemed by the Issuer at any time within 180 days of such event in whole and not in part at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Notwithstanding any other provision of this Indenture, the Trustee shall apply money provided to it under this Section 304 for redemption of the Series 2025 Bonds prior to maturity as follows:

FIRST, to the payment of accrued interest on the Series 2025 Bonds, pro rata, to the date fixed for redemption; and

SECOND, to the payment of the principal of the Series 2025 Bonds, pro rata, called for redemption.

Section 305 RESERVED.

Section 306 Special Mandatory Redemption of Series 2025A Bonds. The Series 2025A Bonds shall be subject to special mandatory redemption, in whole or in part, from amounts disbursed by the Trustee to the holders of the Series 2025A Bonds in accordance with Section 510, at a redemption price equal to the principal amount of Series 2025A Bonds thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

Section 307 Partial Redemption. Subject to Section 311, if less than all of the Series 2025 Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Series 2025 Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner that all remaining Bondholders own only authorized denominations of the Series 2025 Bonds after such redemption. Upon surrender of any Series 2025 Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2025 Bond so surrendered.

Section 308 Notice of Redemption. If any of the Series 2025 Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Series 2025 Bonds to be redeemed; (ii) the CUSIP number, if any, of the Series 2025 Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Series 2025 Bonds; (v) the interest rate and maturity date of the Series 2025 Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Series 2025 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2025 Bonds so to be redeemed; (ix) in the case of a Series 2025 Bond to be redeemed in part only, also the portion of the principal amount

thereof to be redeemed; and (x) that on the redemption date there shall become due and payable upon each Series 2025 Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this Section 306 shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption pursuant to Section 302 may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2025 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Series 2025 Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Series 2025 Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2025 Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Series 2025 Bonds or portions thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Series 2025 Bonds shall no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Section 309 Payment Upon Redemption. On or prior to each redemption date, the Trustee shall make provision for the payment of the Series 2025 Bonds to be redeemed on such redemption date by setting aside and holding in trust, (a) an amount from the Bond Fund sufficient to pay the principal of and interest on such Bonds, and (b) an amount from the Bond Fund sufficient to pay the premium, if any, on such Bonds. Upon presentation and surrender of any such Series 2025 Bond at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal of and premium, if any, on such Bond from the money set aside for such purpose. Interest on any Series 2025 Bond called for redemption maturing prior to or on the date fixed for redemption shall be payable only to the registered owner of such Bond. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Series 2025A Bonds for payment.

Section 310 Effect of Redemption. Notice of redemption having been given as provided in Section 306, the Series 2025 Bonds or portions thereof designated for redemption

shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Series 2025 Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Series 2025 Bonds are presented and surrendered for payment on such date. If any Series 2025 Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Series 2025 Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Series 2025A Bonds for payment.

Section 311 Purchase of Series 2025 Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Series 2025 Bonds, in excess of any amount set aside for payment of Series 2025 Bonds theretofore matured or called for redemption and past due interest in all cases where such Series 2025 Bonds have not been presented for payment, to the purchase on the open market of Outstanding Series 2025 Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Series 2025 Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Series 2025 Bonds so purchased and cancelled, provided that no such Series 2025 Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Series 2025 Bond purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Series 2025 Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed in writing by the Borrower, purchase Series 2025 Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

Section 312 Cancellation. All Series 2025 Bonds which have been purchased, redeemed, paid, or retired, or received by the Trustee for exchange, shall not be reissued but shall be cancelled and destroyed by the Trustee, in accordance with Section 206.

[End of Article III]

ARTICLE IV
GENERAL COVENANTS

Section 401 Condition of Issuer's Obligation: Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made in the various Sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall never constitute the debt or indebtedness of the Issuer, the State, or any other political subdivision of the State, within the meaning of any provision or limitation of the State Constitution or statutes. The principal of, premium, if any, and interest on the Series 2025 Bonds shall be payable solely from the Security and nothing in the Series 2025 Bonds or in this Indenture shall be considered as pledging any other funds or assets of the Issuer.

The Issuer covenants that it shall promptly pay from the sources provided herein and in the Loan Agreement the principal of, including any applicable premiums, and interest on every Series 2025 Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Series 2025 Bonds, according to the true intent and meaning thereof. The Issuer hereby appoints and designates the designated corporate trust office of the Trustee as the place of payment for the Series 2025 Bonds, and the Trustee as the paying agent for the Series 2025 Bonds, such designation and appointment to remain in effect until written notice of change is filed as provided in Section 1108.

Section 402 Performance of Covenants: Authority of the Issuer. The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, in any and every Series 2025 Bond executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the laws of the State, including particularly the Act and the Supplemental Act, to issue the Series 2025 Bonds authorized hereby and to execute this Indenture, to convey the Trust Estate to the Trustee, and to pledge the receipts, revenues, and collateral hereby pledged in the manner and to the extent herein set forth, that all action required on its part for the issuance of the Series 2025 Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Series 2025 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 403 Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Loan Agreement, the Note, and the Mortgage, for the benefit of the Bondholders, against the claims and demands of all Persons. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee the Trust Estate. Any and all property hereafter acquired which is of the kind or nature provided herein to be and become subject to the lien and security interest hereof shall, without any further conveyance, assignment, or act on the part of the Issuer or the Trustee, be and become subject to the lien and security interest of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as

herein and in the Loan Agreement provided, it has not and will not sell, convey, assign, pledge, encumber, grant a security interest in, or otherwise dispose of, or create or suffer to be created any lien, encumbrance, security interest, or charge upon, any part of the Trust Estate or the income and revenues therefrom or of its rights under the Loan Agreement or enter into any contract or take any action by which the rights of Trustee or the Bondholders may be impaired.

Section 404 Payment of Taxes, Assessments, and Charges. Pursuant to the provisions of Section 6.03 of the Loan Agreement, the Borrower has agreed to pay all lawful taxes, assessments, and charges at any time levied or assessed upon or against the Project, or any part thereof, and, upon request, furnish evidence thereof to the Trustee, the failure of which to pay might impair or prejudice the lien and priority of the Mortgage; provided, however, that nothing contained in this Section shall require the payment of any such taxes, assessments, or charges if the same are not required to be paid under the provisions of Section 6.03 of the Loan Agreement.

Section 405 Maintenance and Repair. Pursuant to the provisions of Sections 6.01 and 8.13 of the Loan Agreement, the Borrower has agreed at its own expense to operate the Project, to cause the Project to be kept in as reasonably safe condition as its operation shall permit, and to cause to be made all needed repairs so that the Project shall at all times be kept in good repair and in good operating condition, and the Borrower may, at its own expense, make, from time to time, additions, modifications, and improvements to the Project under the terms and conditions set forth in Section 6.01 of the Loan Agreement.

Section 406 Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Project and the income and revenues derived from the Project shall at all times be open to inspection by such Accountants or other agents as the Trustee may from time to time designate.

Section 407 Rights Under and Possession of the Loan Agreement, the Note, the Guaranty and the Mortgage. The Loan Agreement, the Note, the Guaranty and the Mortgage duly executed originals or counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the Issuer and the Borrower, including provisions that subsequent to the initial issuance of the Series 2025 Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Loan Agreement, the Note, the Guaranty and the Mortgage, may not be effectively amended, changed, modified, altered, or terminated (other than as provided therein) without the written consent of the Trustee pursuant to Article XIII, and reference is hereby made to the Loan Agreement, the Note, the Guaranty and the Mortgage, for a detailed statement of said covenants and obligations of the Borrower under the Loan Agreement, the Note, the Guaranty and the Mortgage, and the Trustee may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement, the Note, the Guaranty and the Mortgage, and may enforce all rights of the Issuer for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

So long as any of the Series 2025 Bonds remain Outstanding, and for such longer period when required by the Loan Agreement, the Issuer shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Loan Agreement and the Mortgage. The Issuer covenants to maintain, at all times, the validity and

effectiveness of the Loan Agreement, the Note, the Guaranty and the Mortgage, and (except as expressly permitted by the Loan Agreement) shall take no action, shall permit to the extent within its control no action to be taken by others, and shall not to the extent within its control omit to take any action or permit others to omit to take any action, which action or omission might release the Borrower from its liabilities or obligations under the Loan Agreement, the Note, the Guaranty, the Mortgage or the Line of Credit or result in the surrender, termination, amendment, or modification of, or impair the validity of, the Loan Agreement, the Note, the Guaranty or the Mortgage.

The Issuer covenants to diligently enforce all covenants, undertakings, and obligations of the Borrower under the Loan Agreement, the Note, the Guaranty and the Mortgage, and the Issuer hereby authorizes and directs the Trustee to enforce any and all of the Issuer's rights under the Loan Agreement, the Note, the Guaranty and the Mortgage on behalf of the Issuer and the owners of the Series 2025 Bonds.

The Trustee shall retain possession of an executed original or counterpart of or a copy of the Loan Agreement, the Note, the Guaranty and the Mortgage, and shall release the same only in accordance with the provisions thereof and upon written direction of the Issuer. The Loan Agreement, the Note, the Guaranty and the Mortgage shall be available for inspection at reasonable times and under reasonable conditions by the Issuer and the Trustee.

Section 408 Recording and Filing. The security interest of the Trustee created by this Indenture shall be perfected by the filing by the Issuer of financing statements required to be filed pursuant to the State's Uniform Commercial Code - Secured Transactions or by the taking of possession of appropriate collateral. Such financing or continuation statements shall be filed from time to time in accordance with the Loan Agreement, and the appropriate parties shall take or maintain possession of appropriate collateral provided in Section 12.03 of the Loan Agreement or otherwise, is necessary to preserve the security interest of this Indenture.

Section 409 Designation of Additional Paying Agents and Co-Bond Registrar. The Issuer shall, upon the written request from the Borrower and payment of any expenses incurred in connection therewith pursuant to Section 5.02 of the Loan Agreement and with the consent of the Trustee, cause the necessary arrangements to be made through the Trustee for the designation of additional paying agents as specified by the Borrower for the making available of funds for the payment of such of the Series 2025 Bonds as shall be presented when due at the designated office of said additional paying agents. The Trustee may designate, with the consent of the Borrower, a co-bond registrar which may perform the duties of bond registrar on behalf of the Trustee, and all references herein to bond registrar shall include any such co-bond registrar.

Section 410 Tax Covenants. (a) The Issuer, to the extent of matters within its control, shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest on the Series 2025A Bonds shall be exempt from all federal income taxation. In furtherance of the foregoing covenant, the Issuer hereby particularly covenants and agrees with the holders of the Series 2025A Bonds as follows:

No part of the proceeds of the Series 2025A Bonds or any other funds of the Issuer shall be used at any time directly or indirectly to

acquire securities or obligations, the acquisition of which, or which in any other manner, would cause any Bond to be an arbitrage bond as defined in section 148 of the Code and any applicable regulations issued thereunder.

In furtherance of the foregoing, the Trustee hereby agrees as follows:

(i) All of the gross proceeds of the Series 2025A Bonds, other than gross proceeds held in a "bona fide debt service fund" (defined in the Regulations) will be applied as directed by the Issuer and the Borrower in writing in the manner specified in Section 502 on or before the 30th day following the date of initial issuance and delivery of the Series 2025A Bonds, or

(ii) If any part of the gross proceeds of the Series 2025A Bonds has not been expended in the manner and within the time set forth in (i) above, the Trustee shall invest such gross proceeds in such manner as may be directed in writing by the Borrower but subject to the limitation set forth below. The Trustee shall not be liable for any losses incurred as a result of the investment of such gross proceeds which are invested by the Trustee pursuant to and in accordance with this Section 410.

(b) The Issuer, to the extent of matters within its control, further covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Series 2025A Bonds as obligations described in section 103 of the Code, the interest on which is excluded from the "gross income" of the holder for purposes of federal income taxation.

In furtherance thereof, the Issuer, to the extent of matters within its control, specifically covenants as follows:

(iii) To refrain from taking any action that would result in the Series 2025A Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(iv) To refrain from using any portion of the proceeds of the Series 2025A Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which would produce a materially higher yield over the term of the Series 2025A Bonds, other than investment property acquired with --

(A) proceeds of the Series 2025A Bonds invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Series 2025A Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10% of the proceeds of the Series 2025A Bonds;

(v) To otherwise restrict the use of the proceeds of the Series 2025A Bonds or amounts treated as proceeds of the Series 2025A Bonds, as may be necessary, so that the Series 2025A Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(vi) To pay the United States of America at least once during each five year period (beginning on the Closing Date) an amount that is at least equal to 90% of the "excess earnings," within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Series 2025A Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(vii) To maintain such records as will enable the Issuer to fulfill its responsibilities under this Section and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Series 2025A Bonds.

It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Series 2025A Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized Bond Counsel, will not adversely affect the exclusion of interest on the Series 2025A Bonds from gross income under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2025A Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized Bond Counsel, to preserve the exemption from federal income taxation of interest on the Series 2025A Bonds under section 103 of the Code. This Section 410 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder. The requirements of this Section 410 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 (or any successor section) applicable to the Series 2025A Bonds.

[End of Article IV]

ARTICLE V DEPOSIT OF BOND PROCEEDS; FUNDS AND ACCOUNTS; REVENUES

Section 501 Creation of Funds. There are hereby created by the Issuer and ordered established the following named trust funds and trust accounts to be held by the Trustee.

- (a) A Bond Fund, and within such Bond Fund,
 - (i) a General Account;
 - (ii) a Capitalized Interest Account;
 - (iii) an Unrestricted Redemption Account.
- (b) A Revenue Fund;
- (c) A Project Fund, and within such Project Fund,
 - (i) a Construction Account; and
 - (ii) an Issuance Cost Account;
- (d) A 2025A Debt Service Reserve Fund;
- (e) A Supplemental Debt Service Reserve Fund;
- (f) An Operating Expense Reserve Fund;
- (g) A Repair and Replacement Reserve Fund;
- (h) An Administrative Expense Fund;
- (i) An Insurance Fund;
- (j) A Condemnation Fund;
- (k) A Rebate Fund; and
- (l) A Surplus Fund.

Pursuant to Section 4.04 of the Loan Agreement, the Borrower has agreed to establish and maintain the Collections Fund and the Operating Expense Fund as provided therein.

Section 502 Deposits to Funds. (a) Proceeds in the amount of \$_____ shall be received from the sale of the Series 2025A Bonds, which amount represents the principal amount of the Series 2025A Bonds, less an underwriting fee of \$_____, plus an original issue premium of \$_____. Such proceeds from the sale of the Series 2025A Bonds shall be deposited by the Trustee as follows:

(i) \$_____ of the proceeds of the Series 2025A Bonds in the Construction Account of the Project Fund; \$_____ of the proceeds of the Series 2025A Bonds in the Issuance Cost Account of the Project Fund;

(ii) \$_____ of the proceeds of the Series 2025A Bonds to the Capitalized Interest Account of the Bond Fund; and

(iii) \$_____ of the proceeds of the Series 2025A Bonds to the 2025A Debt Service Reserve Fund.

(b) Proceeds in the amount of \$_____ shall be received from the sale of the Series 2025B Bonds, which amount represents the principal amount of the Series 2025B Bonds, less an underwriting fee of \$_____. Such proceeds from the sale of the Series 2025B Bonds shall be deposited by the Trustee as follows:

(i) \$_____ of the proceeds of the Series 2025B Bonds to the Capitalized Interest Account of the Bond Fund; and

(ii) \$_____ of the proceeds of the Series 2025B Bonds to the Issuance Cost Account of the Project Fund.

(c) On or before the Substantial Completion of the Project, the Borrower shall draw on the Line of Credit and transfer amounts received from such draws to the Trustee for deposit in the Operating Expense Reserve Fund and shall otherwise transfer to the Trustee funds which, together with the draws under the Line of Credit, equal an aggregate amount of \$2,500,000, for deposit to the Operating Expense Reserve Fund, as required by Sections 4.05 and 8.05 of the Loan Agreement.

(d) All and any amounts received by the Trustee pursuant to a draw on the Construction Letters of Credit by the Trustee under Section 3.07(k) of the Loan Agreement shall be deposited by the Trustee to the Project Fund.

Section 503 Disbursements from the Project Fund. (a) The Trustee shall disburse money in the Construction Account, on the Closing Date and thereafter no more frequently than once in any calendar month, upon receipt of a Project Fund Requisition for Project Costs in form substantially identical to the form appearing as Exhibit C to the Loan Agreement executed by an Authorized Borrower Representative and approved by the Construction Monitor (for applicable disbursements) and the Borrower's compliance with the other applicable requirements set forth in Section 4.02 of the Loan Agreement. All amounts on deposit in the Construction Account shall be used to pay Project Costs. The Trustee may conclusively rely, without investigation or inquiry, on the information contained in such requisition meeting the requirements of this Section 503(a) and shall have no duty or obligation to determine or confirm whether any disbursements from the Construction Account are used to pay Project Costs.

(b) The Trustee shall disburse money in the Issuance Cost Account upon receipt of a written direction of the Borrower signed by an Authorized Borrower Representative and in the form attached as Exhibit C to the Loan Agreement. Amounts in the Issuance Cost Account shall

be used to pay the Issuance Costs. Upon the Trustee's receipt of a written direction of the Borrower as provided in Section 4.02 of the Loan Agreement, amounts remaining in the Issuance Cost Account shall be transferred to the Construction Account. The Issuance Cost Account shall then be closed. The Trustee may conclusively rely, without investigation or inquiry, on the information contained in such requisition meeting the requirements of this Section 503(b) and shall have no duty or obligation to determine or confirm whether any disbursements from the Cost of Issuance Account are used to pay Issuance Costs.

(c) Upon the completion of construction of the Project, the Borrower, on behalf of the Issuer, shall provide the Trustee with a Substantial Completion Certificate, signed by the Consulting Architect. Upon receipt of such Substantial Completion Certificate, the Trustee shall transfer any amounts then remaining in the Construction Account to the Bond Fund and use such amounts to pay debt service on the Series 2025 Bonds as it becomes due, and the Construction Account shall then be closed.

(d) When the Construction Account and the Issuance Cost Account are closed, the Project Fund shall be closed.

Section 504 The Revenue Fund. (a) The Issuer shall deposit or cause the Borrower to deposit the Gross Revenues with the Trustee as received and no less frequently than weekly, and the Trustee shall upon receipt deposit such amounts in the Revenue Fund.

(b) So long as no Event of Default has occurred and is continuing, money in the Revenue Fund shall be applied on the twenty-fifth day of each month (or, if such day is not a business day, on the next succeeding business day) in the following manner in the order of priority indicated:

(i) first, to the Rebate Fund, to the extent directed in writing by the Issuer (otherwise none) any amount necessary to meet the Rebate Amount; and

(ii) second, to the Administrative Expense Fund, to pay Ordinary Expenses of the Trustee, Extraordinary Expenses of the Trustee, Arbitrage Calculator Fees and Issuer Expenses; and

(iii) third, (A) to the General Account of the Bond Fund, approximately equal proportional amounts each month to accumulate to make the interest payment on the next Interest Payment Date, taking into account amounts on deposit in the General Account of the Bond Fund to be applied to such interest payment, and thereafter an amount equal to one-sixth (1/6) of the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date, provided that no such payment need be made, or a partial payment may be made, if the amount on deposit in the Bond Fund is, or with such partial payment shall be, sufficient to pay the interest due on the Series 2025 Bonds and any parity Additional Bonds, *pari passu*, on the next Interest Payment Date and (B) *pari passu*, (i) commencing July 1, 2027, to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12) of the principal payment due with respect to the Series 2025B Bonds and (ii) to the General Account of the Bond Fund, an amount equal to one-twelfth (1/12) of the next mandatory principal payment due

with respect to any parity Additional Bonds on the next ensuing July 1 as may be due at maturity or by sinking fund redemption as set forth in a Supplemental Indenture, provided that no such payment need be made or a partial payment may be made if the amount on deposit in the General Account of the Bond Fund is, or with such partial payment shall be, sufficient to pay the amount due on the Series 2025B Bonds and any parity Additional Bonds, *pari passu*, on such July 1; and

(iv) fourth, to the Borrower for deposit in the Operating Expense Fund, an amount specified in writing by the Borrower as necessary to pay the Operating Expenses for the succeeding month as set forth in the Annual Budget; and

(v) fifth, to the 2025A Debt Service Reserve Fund, subject to the requirements of Section 507, respectively, an amount sufficient to restore the 2025A Debt Service Reserve Requirement if the total amount in the 2025A Debt Service Reserve Fund is less than the 2025A Debt Service Reserve Requirement, provided, however, that such restoration of the 2025A Debt Service Reserve Requirement shall not extend (a) beyond twelve (12) consecutive months, beginning in the month following a withdrawal from the 2025A Debt Service Reserve Fund, or (b) beyond four (4) consecutive months, beginning in the month following a calculation of the Value of the 2025A Debt Service Reserve Fund at an amount less than the Debt Service Reserve Requirement; and

(vi) sixth, on and after July 1, 2028, to the Operating Expense Reserve Fund, an amount equal to the amount necessary to restore the amount therein to the Operating Expense Reserve Fund Requirement if the total amount in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement; and

(vii) seventh, to the Repair and Replacement Reserve Fund, an amount specified in writing by the Borrower equal to 1/12th of the Repair and Replacement Reserve Fund Requirement for that Fiscal Year plus any monies necessary to replenish such fund pursuant to Section 508(b); and

(viii) eighth, to the Supplemental Debt Service Reserve Fund, an amount sufficient to fund and restore the Supplemental Debt Service Reserve Fund Requirement if the total amount in the Supplemental Debt Service Reserve Fund is less than the Supplemental Debt Service Reserve Fund Requirement; and

(ix) finally, all remaining amounts to the Surplus Fund.

Section 505 Source of Payment of Series 2025 Bonds. The Series 2025 Bonds herein authorized, together with the interest thereon, and all payments required of the Issuer hereunder are not and shall never become debt or indebtedness of the Issuer but are special, limited obligations payable solely and only from the Security and as authorized and provided in this Indenture.

Loan Payments, provided for in Section 5.02 of the Loan Agreement are to be remitted directly to the Trustee for the account of the Issuer and deposited in accordance with Section 504 hereof. Loan Payments are required to be sufficient in amount to pay the principal of, premium, if any, and interest due on the Series 2025 Bonds, and the entire amount of revenues and receipts

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from said Loan Agreement (except amounts paid to the Issuer under its Unassigned Rights) are pledged to the payment of the principal of, premium, if any, and interest due on the Series 2025 Bonds. The Issuer hereby covenants and agrees that it shall not create any lien or security interest upon the Security other than the lien and security interest hereby created, subject to Permitted Encumbrances.

Section 506 The Bond Fund. (a) Use of the Bond Fund. The Bond Fund shall be used as a sinking fund to pay the principal of, premium, if any, and interest on the Series 2025 Bonds. "The General Account", the "Capitalized Interest Account", and the "Unrestricted Redemption Account" are included in the Bond Fund. The Unrestricted Redemption Account of the Bond Fund shall be used to pay principal of, premium, if any, and interest on the Series 2025 Bonds in the event of redemption of the Series 2025 Bonds other than special mandatory redemption of the Series 2025A Bonds pursuant to Section 306.

(b) Payments into the Bond Fund. There shall be deposited into the Bond Fund, on the dates and in the manner specified in Section 504(b), (i) from amounts on deposit in the Revenue Fund to the General Account amounts sufficient to pay the principal of and interest on the Series 2025B Bonds when due and the interest on the Series 2025A Bonds when due and (ii) all other money received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from the Borrower that such money is to be paid into the Bond Fund. All money received by the Trustee for redemption of Series 2025 Bonds including the special mandatory redemption of the Series 2025A Bonds pursuant to Section 306, shall be deposited into the Unrestricted Redemption Account. All other money received by the Trustee for deposit in the Bond Fund shall be deposited into the General Account of the Bond Fund. The Issuer hereby covenants and agrees that so long as any of the Series 2025 Bonds issued hereunder are Outstanding it shall deposit, or cause to be deposited, promptly into the General Account of the Bond Fund for its account sufficient sums from Loan Payments in the Revenue Fund to meet and pay the principal of, premium, if any, or interest on the Series 2025 Bonds as and when the same become due and payable, other than special mandatory redemption payments of the Series 2025A Bonds pursuant to Section 306. Nothing herein shall be construed as requiring the Issuer to use or to provide any funds or revenues from any source other than the Security.

(c) Use of Money in the Bond Fund. Except as provided in Section 517, money in the Bond Fund shall be used solely as a fund for the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds, for the redemption of the Series 2025 Bonds at or prior to maturity, and to purchase Series 2025 Bonds in the open market pursuant to Section 309. Except as provided in Article III or any corresponding article in an indenture supplemental hereto, no part of Loan Payments in the General Account of the Bond Fund shall be used to redeem, prior to maturity, a part of the Series 2025 Bonds Outstanding; provided, however, that whenever the amount in the Bond Fund from any source whatsoever is sufficient to redeem all of the Series 2025 Bonds Outstanding hereunder, to pay interest to accrue thereon to such redemption date, and to pay all costs and expenses accrued and to accrue to such redemption date, if so directed in writing by the Borrower pursuant to the Loan Agreement, the Issuer covenants and agrees to take and cause to be taken the necessary steps to redeem all of said Series 2025 Bonds on the next succeeding redemption date for which the required redemption notice may be given; and provided further that any money in the Bond Fund, other than Loan

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Payments held in the General Account of the Bond Fund, may be used at the written request of the Issuer if so directed by the Borrower pursuant to the Loan Agreement to redeem a part of the Series 2025 Bonds Outstanding on the next succeeding redemption date for which the required notice of redemption may be given or to purchase Series 2025 Bonds pursuant to Section 309 so long as the Borrower is not in default with respect to any payments required to be made under the Loan Agreement and to the extent said money are in excess of the amount required for payment of Series 2025 Bonds theretofore matured or called for redemption and past due interest in all cases where such Series 2025 Bonds have not been presented for payment. Notwithstanding any direction by the Borrower pursuant to the Loan Agreement or failure by the Borrower to give such direction, it is hereby covenanted and agreed by the Issuer that any money in the Bond Fund will be spent to pay principal of, premium, if any, and interest on Series 2025 Bonds or to redeem or purchase Series 2025 Bonds on the earliest possible date, but in any event within a one year period beginning on the date of receipt.

(d) Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest and premium, if any, on the Series 2025 Bonds as the same become due and payable and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal, interest, and premium, if any, which authorization and direction the Trustee hereby accepts.

(e) Insufficient Funds in the Bond Fund. To the extent there are insufficient funds in the Bond Fund after making distributions pursuant to Section 504 hereof to pay the principal or interest of Series 2025 Bonds on the due date, the Trustee shall transfer to the Bond Fund moneys from the following funds in the following order of priority to the pay principal or interest, as applicable, due on such Series 2025 Bonds, *pari passu*: (1) the Surplus Fund, (2) the Repair and Replacement Fund, (3) the Operating Expense Reserve Fund, (4) the Supplemental Debt Service Reserve Fund, and (5) only to pay principal or interest due on the Series 2025A Bonds, the 2025A Debt Service Reserve Fund. A withdrawal of funds from the Funds listed in (1)-(5) in the previous sentence to pay principal and interest, as applicable, due on the Series 2025 Bonds shall not constitute an Event of Default.

Section 507 The Debt Service Reserve Funds. (a) Deposits to the 2025A Debt Service Reserve Fund. On the Closing Date, the Trustee shall deposit in the 2025A Debt Service Reserve Fund an amount equal to the 2025A Debt Service Reserve Requirement. If the Borrower has exercised its option or is obligated to prepay the Loan in whole and not in part pursuant to the terms of Article XI of the Loan Agreement, and has paid the sums as provided therein, all of the money then in the 2025A Debt Service Reserve Fund shall be deposited in the Unrestricted Redemption Account of the Bond Fund by the Trustee. Any money held in the Debt Service Reserve Fund may be paid to the Borrower or its designee when all Series 2025A Bonds have been fully paid, redeemed or defeased pursuant to Article VIII hereof.

(b) Custody of the 2025A Debt Service Reserve Fund. The 2025A Debt Service Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. Subject to Section 507(c), the Issuer hereby authorizes and directs the Trustee to withdraw funds from the 2025A Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series

2025A Bonds, and then all principal of and premium, if any, then due on the Series 2025A Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to Section 509, which authorization and direction the Trustee hereby accepts. The Trustee shall give written notice to the Issuer and the Underwriter of any withdrawal from the 2025A Debt Service Reserve Fund and of any losses from the investment of money in the 2025A Debt Service Reserve Fund.

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025A Bonds is equal to or less than the balance of the Bond Fund and money deposited in the 2025A Debt Service Reserve Fund and the Supplemental Debt Service Reserve Fund, and if all amounts owed under the Loan Agreement and this Indenture have been paid, money held in the 2025A Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding Series 2025A Bonds. If any Event of Default has occurred and is continuing, all funds in the 2025A Debt Service Reserve Fund shall be applied at the written direction of the Majority Holder with respect to the Series 2025A Bonds for which such funds are held.

(c) Deposits to Supplemental Debt Service Reserve Fund. The Trustee shall deposit the amounts described in Section 504(b) in the Supplemental Debt Service Reserve Fund. Any money held in the Supplemental Debt Service Reserve Fund shall be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for in accordance with Article VIII.

(d) Custody of the Supplemental Debt Service Reserve Fund. The Supplemental Debt Service Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Issuer hereby authorizes and directs the Trustee to withdraw funds from the Supplemental Debt Service Reserve Fund to pay, first, all installments of interest then due on the Series 2025 Bonds, and then all principal of and premium, if any, then due on the Series 2025 Bonds in the event there should be insufficient funds for said purposes in the Bond Fund on the date such interest, principal, and premium is due following any payments to be made pursuant to Section 509, which authorization and direction the Trustee hereby accepts. The Trustee shall give written notice to the Issuer and the Underwriter of any withdrawal from the Supplemental Debt Service Reserve Fund and of any losses from the investment of money in the Supplemental Debt Service Reserve Fund. Funds shall be withdrawn from the Supplemental Debt Service Reserve Fund for the purposes set forth in this Section 507(d) prior to withdrawal of any funds from the 2025A Debt Service Reserve Fund as provided in Section 507(b).

When the amount of principal of, premium, if any, and interest on the Outstanding Series 2025 Bonds is equal to or less than the balance of the Bond Fund and money deposited in the Supplemental Debt Service Reserve Fund and the 2025A Debt Service Reserve Fund and if all amounts owed under the Loan Agreement and this Indenture have been paid, money held in the Supplemental Debt Service Reserve Fund may be deposited in the Bond Fund and applied to the redemption in whole but not in part of the Outstanding Series 2025 Bonds. If any Event of Default has occurred and is continuing, all funds in the Supplemental Debt Service Reserve Fund shall be applied at the written direction of the Majority Holder with respect to the Series 2025 Bonds for which such funds are held.

Section 508 The Repair and Replacement Reserve Fund. (a) Deposits to the Repair and Replacement Reserve Fund. The Trustee shall deposit the amounts described in Section 504(b) in the Repair and Replacement Reserve Fund. Commencing June 30, 2028, and every three (3) years thereafter, the Borrower shall cause a Financial Consultant to perform an inspection of the Project and to prepare a report which shall contain recommendations for any adjustment to the Repair and Replacement Reserve Requirement for the next succeeding three Fiscal Years based upon the physical condition of the Project and taking into account the amount of funds then in the Repair and Replacement Reserve Fund. The report shall be delivered to the Trustee with the Annual Budget. The Trustee shall have no duty or obligation to review or analyze such report and shall not be deemed to have knowledge of any information contained therein. Any money held in the Repair and Replacement Reserve Fund shall be paid to the Borrower or its designee when all Series 2025 Bonds have been fully paid or duly provided for in accordance with Article VIII.

(b) Custody of Repair and Replacement Reserve Fund. The Repair and Replacement Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Issuer hereby authorizes and directs the Trustee upon receipt of a request from the Borrower as described in the Loan Agreement to withdraw funds from the Repair and Replacement Reserve Fund pursuant to Section 504(b)(v) from such fund to pay, as long as no Event of Default under the Loan Agreement has occurred and is continuing, the extraordinary maintenance, repair costs and capital expenditures (allowable as such under generally accepted accounting principles) related to the Project which the Borrower is obligated to pay pursuant to Section 6.01 of the Loan Agreement. After the report of the Financial Consultant as set forth in Section 508(a), to the extent the amount in the Repair and Replacement Reserve Fund is less than the then applicable Repair and Replacement Reserve Fund Requirement, the Trustee shall deposit each month from the Revenue Fund to the Repair and Replacement Reserve Fund in accordance with Section 504 one-twelfth of the amount necessary to satisfy the increase in the Repair and Replacement Reserve Fund Requirement. The Trustee shall withdraw any funds on deposit in the Repair and Replacement Reserve Fund to pay the principal of, premium, if any, and interest on the Series 2025 Bonds in the event there shall be insufficient funds for such purposes in the Bond Fund on the date such interest, principal and premium is due, or to pay the Trustee's expenses as described in Section 5.02 of the Loan Agreement, which authorization and direction the Trustee hereby accepts; provided however, that in such event the Trustee shall deposit each month from the Revenue Fund to the Repair and Replacement Reserve Fund, one twelfth of the amount necessary to replenish the Repair and Replacement Reserve Fund Requirement.

Money in the Repair and Replacement Reserve Fund shall be expended in accordance with the provisions of the Loan Agreement, particularly Section 4.06 of the Loan Agreement; provided, however, the Trustee shall use all or any portion of the balance in the Repair and Replacement Reserve Fund to avoid a default in the payment of the principal of or interest on the Series 2025 Bonds, and may transfer the same to the Bond Fund for such purposes. The Trustee is hereby authorized and directed to issue its checks for each disbursement required by the aforesaid provisions of the Loan Agreement.

Section 509 Operating Expense Reserve Fund. The Operating Expense Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer. The Trustee is hereby authorized and directed to disburse funds from the Operating Expense Reserve Fund to

make any payments due under Section 506(e) after applying funds in accordance with the payment priority set forth in Section 506(e). If amounts are not needed for the foregoing uses and no Event of Default exists under the Loan Agreement or the Bond Documents of which the Trustee has notice or is deemed to have notice as provided in Section 1001(h), the Trustee shall at the written request of the Borrower on the Closing Date and thereafter on or after the twenty-fifth day of each month, disburse amounts to the Borrower to fund Operating Expenses not otherwise funded by a transfer under Section 504(b)(iv), as provided in Section 4.05 of the Loan Agreement. To the extent the amount on deposit in the Operating Expense Reserve Fund is less than the Operating Expense Reserve Fund Requirement, on and after July 1, 2028, the Trustee shall transfer from the Revenue Fund to the Operating Expense Reserve Fund in accordance with Section 504(b) the amount necessary to replenish the amounts on deposit to the Operating Expense Reserve Fund Requirement.

Section 510 Surplus Fund. The amounts on deposit in the Surplus Fund will be used to remedy any shortfall in the Revenue Fund with respect to those deposits required by Section 504(b) (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii). To the extent not required to remedy any such shortfall and so long as no Event of Default exists under the Loan Agreement or the Bond Documents, the Trustee shall, within fifteen (15) days following receipt by the Trustee of a certification of the Borrower provided pursuant to Section 8.16 of the Loan Agreement, disburse the amount in the Surplus Fund as follows: 90% of such amount shall be disbursed to the holders of the Series 2025A Bonds to redeem such Bonds pursuant to Section 306 hereof, and 10% of such amount shall be disbursed to the Borrower to use in its discretion. The Trustee may conclusively rely on such Borrower certification for such purpose.

Section 511 Administrative Expense Fund. The Trustee shall deposit from the Revenue Fund (or otherwise received from the Borrower pursuant to Section 5.02 of the Loan Agreement) to the Administrative Expense Fund the amounts required to be deposited in the Administrative Expense Fund pursuant to Section 504 hereof. Amounts in the Administrative Expense Fund shall be used to pay the Arbitrage Calculator Fee, Ordinary Expenses of the Trustee, Extraordinary Expenses of the Trustee and Issuer Expenses, as the case may be, as they become payable pursuant to the Loan Agreement or this Indenture.

Section 512 Non-presentment of Bonds. In the event any Series 2025 Bonds shall not be presented when required for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay such Series 2025 Bonds shall have been made available to the Trustee for the benefit of the owner or owners thereof, all liability of the Issuer and the Borrower to the owner or owners thereof for the payment of such Series 2025 Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the owner or owners of such Series 2025 Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this Indenture or on, or with respect to, said Series 2025 Bonds.

Any money deposited with the Trustee in trust for the payment of the principal of (and premium, if any) or interest on any Series 2025 Bond and remaining unclaimed after such has become due and payable shall be paid pursuant to the laws of the State.

Section 513 Trustee's Fees, Charges, and Expenses. Pursuant to the provisions of the Loan Agreement, the Borrower has agreed to pay, from Gross Revenues, to the Trustee until the principal of, interest, and premium, if any, on the Series 2025 Bonds shall have been fully paid, (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered, as trustee, and its Ordinary Expenses of the Trustee incurred, as trustee, under this Indenture, as and when the same become due; (ii) the reasonable fees and charges of the Trustee, as bond registrar and paying agent and of any paying agents and co-bond registrars for acting as paying agent or co-bond registrar pursuant to Section 409; and (iii) the reasonable fees and charges for the necessary Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. The Borrower may after providing for the payment of such amount, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any of the fees, charges, or expenses referred to herein.

Section 514 Money to be Held in Trust. All money required to be deposited with or paid to the Trustee for the account of the Revenue Fund, the Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other trust fund or reserve under any provision of this Indenture (other than the Rebate Fund) shall be held by the Trustee in trust and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the trust created hereby and any lien or security interest granted with respect to the Trust Estate and shall be and remain entitled to the benefit and shall be subject to the security of this Indenture for the equal and proportionate benefit of the owners of all Outstanding Series 2025 Bonds. The Trustee hereby covenants that all money held in any fund under this Indenture and any collateral securing such funds (other than the Rebate Fund) are a part of the Trust Estate, and that the rights and interests of the Bondholders in and to such money and collateral are and shall be superior to the claims of the creditors and depositors of the Trustee and of any other financial institution in which such money are deposited or which has provided or pledged such collateral. To the extent not invested as provided in Article VI, all such money held by the Trustee in excess of the amount insured by the Federal Deposit Insurance Corporation or a successor federal agency shall be continuously secured, for the benefit of the Issuer and the owners of the Series 2025 Bonds, by a pledge of securities of the type described in Article VI.

Section 515 Insurance and Condemnation Proceeds. Reference is hereby made to Article VII of the Loan Agreement whereunder it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Trustee and deposited in the Insurance Fund and the Condemnation Fund, respectively, and are to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. There is hereby created by the Issuer and ordered established with the Trustee a trust fund to be designated the "Insurance Fund" and a trust fund to be designated the "Condemnation Fund", both of which shall be opened only if funds are required to be deposited therein hereunder and both of which shall be used as provided in Article VII of the Loan Agreement.

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Section 516 Amounts Remaining in Funds and Accounts. Any amounts remaining in the Revenue Fund, the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund (other than the Rebate Fund), account, or reserve created under this Indenture, after payment in full of the principal of, interest, and premium, if any, on the Series 2025 Bonds (or provision for payment thereof as provided in this Indenture), the fees, charges, and expenses of the Trustee and any paying agents, and all other amounts required to be paid hereunder, or under the Loan Agreement shall be promptly paid to the Borrower or its designee.

Section 517 Rebate Fund. (a) Notwithstanding the other provisions of the Indenture, unless (b), (c) or (d) of this Section 517 is satisfied with respect to the Series 2025A Bonds and except as provided in (g) of this Section 517, then on the business day that is no more than thirty days after the date that is one year after _____, 2025, and every fifth year thereafter during the term of the Series 2025A Bonds and on the business day immediately preceding the date that all Outstanding Series 2025A Bonds are redeemed or purchased (the "Determination Date"), (i) the Borrower shall immediately pay an amount equal to all excess investment earnings as confirmed in the certificate of the Arbitrage Calculator as hereinafter provided to the Trustee for deposit to the Rebate Fund, hereby created; and (ii) the Trustee shall (to the extent the Borrower has not paid such amount to the Trustee for deposit in the Rebate Fund) transfer from the Bond Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Revenue Fund, the Project Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund held by the Trustee under this Indenture to the Rebate Fund, hereby created, an amount equal to all excess investment earnings as confirmed to the Trustee by the Borrower by providing a certificate to such effect of an Arbitrage Calculator as hereinafter provided. If the gross earnings on the Bond Fund in any bond year are less than \$100,000 then the investment earnings in the Bond Fund shall not be taken into account as excess investment earnings.

(b) The Borrower shall not have to comply with the requirements set forth in (a) above with respect to the Series 2025A Bonds if all gross proceeds of the Series 2025A Bonds are expended within six months of the date of initial issuance of the Series 2025A Bonds, as applicable and as further described in the Rebate Memorandum and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(c) Notwithstanding the Borrower's failure to comply with the 6-month exception set forth in (b) above, the Borrower shall not have to comply with the requirements set forth in (a) above with respect to the Series 2025A Bonds if all gross proceeds of the Series 2025A Bonds are expended within 18 months of the date of initial issuance of the Series 2025A Bonds and as further described in the Rebate Memorandum, in accordance with the following schedule:

15% within 6 months;

60% within 1 year; and

100% within 18 months.

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and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(d) Notwithstanding the Borrower's failure to comply with either the 6-month exception set forth in (b) above or the 18 month exception set forth in (c) above, the Borrower shall not have to comply with the requirements set forth in (a) above with respect to the that portion of the Series 2025A Bonds that constitutes a Construction Issue, as defined in the Rebate Memorandum (the "Construction Issue") if the portion of the gross proceeds of the Series 2025A Bonds that constitutes the Construction Issue is expended within 2 years of the date of initial issuance of the Series 2025A Bonds and as further described in the Rebate Memorandum, in accordance with the following schedule:

10% within 6 months;

45% within 1 year;

75% within 18 months; and

100% within 2 years

and such expenditure is confirmed to the Trustee by the Borrower providing a certificate to such effect by an Arbitrage Calculator.

(e) Money deposited and held in the Rebate Fund shall not be pledged to secure debt service on the Series 2025A Bonds but shall be held in trust for the benefit of the United States of America and the Borrower. Investment earnings on any money in the Rebate Fund shall be retained therein.

(f) On the date five years after the anniversary of the first Bond Year after the Series 2025A Bonds are issued and every five years thereafter, the entire balance in the Rebate Fund shall be paid by the Trustee on behalf of the Issuer to the United States of America and on the date that all Outstanding Bonds are purchased or redeemed, the entire balance of the Rebate Fund shall be paid to the United States of America in accordance with section 148(f)(3) of the Code and the Borrower shall pay to the United States of America when due any additional amounts that may be due to the United States of America in connection with the Series 2025A Bonds.

(g) Unless all gross proceeds have been expended (i) within six months after the date of initial issuance of the Series 2025A Bonds as described in (b), above, (ii) in accordance with the eighteen (18) month schedule described in (c), above, or (iii) in accordance with the 2-year schedule described in (d), above, and such expenditure has been confirmed to the Trustee in the manner provided herein, the Borrower shall provide annually to the Trustee a certificate of an Arbitrage Calculator which certificate shall state the excess investment earnings to be paid and transferred to the Rebate Fund and that such amount was computed in accordance with section 148(f) of the Code (or any successor section), and the Trustee may conclusively rely on that certificate in making such transfer and in making any payment to the United States of America hereunder. To the extent that amounts in the Bond Fund, the Debt Service Reserve Funds, the Operating Fund and the Repair and Replacement Reserve Fund, the Revenue Fund, the Project

Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, or any other fund held by the Trustee under this Indenture are not sufficient to adequately fund the Rebate Fund, the Borrower shall immediately pay such deficiency to the Trustee. The Trustee shall have no liability to use its funds to make any payment to the United States of America hereunder or to make any calculations or determinations with respect to any arbitrage rebate requirements. The Trustee on behalf of the Issuer shall retain all records concerning determinations of the amount to be rebated to the United States of America for six years after the final maturity of the Series 2025A Bonds.

(h) This Section 517 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder and applicable thereto. The requirements of this Section 517 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 of the Code (or any successor section) applicable to the Series 2025A Bonds.

Section 518 Deposit Account Control Agreement. In connection with the issuance of the Series 2025 Bonds, the Borrower, the Depository Bank and the Trustee have entered into a Deposit Account Control Agreement under which a security interest has been granted by the Borrower to the Trustee in the Collections Fund and the Operating Expense Fund. Upon receipt of a notice of exclusive control provided pursuant to Section 8.16 of the Loan Agreement, the Depository Bank shall be required to transfer the Collections Fund and Operating Expense Fund to the name and credit of the Trustee, except to the extent otherwise provided in Section 8.16 of the Loan Agreement. The Trustee may withdraw any funds on deposit in the Collections Fund and Operating Expense Fund to the extent and for the purposes provided in the Deposit Account Control Agreement to which authorization and direction the Trustee hereby accepts.

[End of Article V]

ARTICLE VI
INVESTMENTS

Section 601 Investment of Funds and Accounts. Subject to Article VIII, any money held as part of the Bond Fund, the Revenue Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, the Rebate Fund, the Surplus Fund, reserves in connection with contested liens, or other special trust funds created under this Indenture or other accounts or funds held by the Trustee (other than the Rebate Fund), to the extent permitted by law shall be invested and reinvested by the Trustee as direct in writing by the Borrower, in accordance with the provisions of Section 4.10 of the Loan Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the account or fund, as the case may be, from which money was derived for such investment, and the interest accruing thereon and any profit realized from such investments shall be credited as set forth in Section 602, and any loss resulting from such investments shall be charged to such account or fund. The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the uses prescribed for money held in such fund or account. The Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of this Indenture. In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at the face value or the cost thereof, whichever is lower. The Trustee shall not be liable for any depreciation in the value of any obligations in which money of funds or accounts shall be invested, as aforesaid, or for any loss arising from any investment. Such investments shall be made only as follows:

(i) money in the Project Fund, the Repair and Replacement Reserve Fund, the Revenue Fund, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Insurance Fund, the Condemnation Fund, and any other accounts or funds only in Permitted Investments as directed in writing by the Borrower maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide money to meet the payments from each such respective fund,

(ii) money in the Bond Fund as directed in writing by the Borrower only in Permitted Investments maturing or redeemable at the option of the holder not later than the next-succeeding principal, mandatory redemption, or interest payment date of the Series 2025 Bonds, and

(iii) money in the Debt Service Reserve Funds as directed in writing by the Borrower only in Permitted Investments; provided that: (a) the weighted average maturity of investments in the Debt Service Reserve Funds at any time may not exceed ten (10) years and (b) the Trustee must determine the value of the investments in the Debt Service Reserve Funds no less frequently than semiannually (or monthly from the date of any deficiency until such deficiency is cured).

In the absence of any direction from the Borrower, the Trustee shall have no duty or obligation to ensure that cash in the funds and accounts hereunder are invested. The Trustee may conclusively

rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Trustee that such directed investments constitute Permitted Investments.

The Issuer covenants that none of the money held under this Indenture will be used in any manner which will cause any Series 2025A Bonds, the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes, to become arbitrage bonds within the meaning of section 148 of the Code and any Regulations proposed or promulgated in connection therewith or to become federally guaranteed within the meaning of section 149(b) of the Code and any Regulations proposed or promulgated in connection therewith.

Section 602 Allocation of Income from Investments. All interest accruing from investments of money in the Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Administrative Expense Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Surplus Fund, and other funds (other than the Rebate Fund) and any profit realized therefrom shall be allocated on each December 25 and July 25 as follows:

- (a) interest and profits from the investments of money of each account held in the Bond Fund shall be retained in the account of the Bond Fund to which such investments relate;
- (b) interest and profits from the investments of money in the Project Fund shall be retained in the Construction Account of the Project Fund unless transferred to the Revenue Fund pursuant to Section 503;
- (c) interest and profits from the investment of money in the Debt Service Reserve Funds, shall be retained in each such Debt Service Reserve Fund, at all times if the balance is less than the 2025A Debt Service Reserve Requirement or Supplemental Debt Service Reserve Fund Requirement, respectively; thereafter and at all times the balance of a Debt Service Reserve Fund is equal to or greater than the 2025A Debt Service Reserve Requirement or Supplemental Debt Service Reserve Fund Requirement, respectively, such interest and profits shall be deposited in the General Account of the Bond Fund;
- (d) interest and profits from the investment of money in the Operating Expense Reserve Fund shall be deposited in the Revenue Fund;
- (e) interest and profits from the investment of money in the Repair and Replacement Reserve Fund shall be deposited in the Revenue Fund;
- (f) interest and profits from the investment of money in the Insurance Fund shall be retained in the Insurance Fund;
- (g) interest and profits from the investment of money in the Condemnation Fund shall be retained in the Condemnation Fund;

- (h) interest and profits from the investment of money in the Surplus Fund shall be deposited in the Revenue Fund;
- (i) interest and profits from the investment of money in the Administrative Expense Fund shall be retained in the Administrative Expense Fund; and
- (j) interest and profits from the investment of money in any other funds shall, unless the Trustee receives written directions of the Authorized Borrower Representative to the contrary, be deposited in the Revenue Fund.

Section 603 Trustee's Own Bond or Investment Department. The Trustee may make any and all investments permitted under Section 601 through its own bond or investment department.

Section 604 Investment Records. The Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation, and application of the money related to the Series 2025A Bonds, including money derived from, pledged to, or to be used to make payments on the Series 2025A Bonds. Such records shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each and every Rebate Obligation, (a) its purchase price, including any accrued interest paid, (b) identifying information, including face amount, coupon rate, and payment dates, (c) the amount received at maturity or its disposition price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity and, if different, the date it became a Rebate Obligation. The Trustee shall also obtain and retain with respect to each Rebate Obligation evidence to establish the fair market value of such Rebate Obligation on the dates it became and ceased to be a Rebate Obligation.

In order to allow the Borrower to perform the calculations required by section 148(f) of the Code, the Trustee acknowledges that it will be necessary to track separately all of the Rebate Obligations contained in funds created hereunder. To that end, the Trustee shall take such accounting measures as are necessary or appropriate and in accordance with the Trustee's standard practices to account fully for all Rebate Obligations and the amount earned thereon. The Trustee agrees to deliver to the Borrower, upon the request of and at the expense of the Borrower, copies of all records maintained pursuant to this Section 604 and such other records available to the Trustee as are reasonably required to allow the Borrower to comply with Sections 4.10, 4.11 and 4.12 of the Loan Agreement.

[End of Article VI]

ARTICLE VII COVENANTS WITH RESPECT TO THE PROJECT

Section 701 Subordination of Rights of the Borrower. Pursuant to Section 12.13 of the Loan Agreement, the Loan Agreement and the rights and privileges thereunder of the Borrower are specifically made subject and subordinate to the rights and privileges of the Trustee and the owners of the Series 2025 Bonds set forth in this Indenture.

Section 702 Release of the Project Site. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 8.05 of the Loan Agreement, whereby the Issuer and the Borrower have reserved the right to withdraw or subordinate the lien of the Mortgage with respect to certain portions of the Borrower's interest in Project Site upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall release from or subordinate the lien of the Mortgage with respect to any such land or interests in land upon compliance with the provisions of the Loan Agreement.

Section 703 Release of Equipment. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 6.02 of the Loan Agreement, whereby the Borrower may withdraw certain items of equipment constituting Equipment upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall release from the security interest of the Mortgage any such item of equipment upon compliance with the provisions of the Loan Agreement.

Section 704 No Amendments to Mortgage, Guaranty and Note. Except as provided in Article XII, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Mortgage, the Guaranty or the Note.

Section 705 Perform Other Contracts. (a) The Issuer will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, and conditions of the Loan Agreement and the Bond Documents. It will not do or to the extent within its control permit anything to be done or omit or refrain from doing anything where such action or non-action might be a ground for declaring a forfeiture or termination of the Loan Agreement or the Bond Documents.

(b) The Issuer hereby covenants to enforce all its rights and obligations under and pursuant to the Loan Agreement and agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement and the Mortgage for and on behalf of the Bondholders, whether or not an Event of Default exists hereunder.

(c) The Trustee shall not execute any release of the obligations of the Borrower under the Loan Agreement, the Guaranty, the Mortgage, the Note, the Assignment of Construction Contracts or the Deposit Account Control Agreement, except pursuant to Section 8.05 of the Loan Agreement or upon payment in full of the Series 2025 Bonds.

(d) The Loan Agreement, the Guaranty, the Mortgage, the Note and the Deposit Account Control Agreement set forth certain covenants and obligations of the Borrower.

Reference is hereby made thereto for a detailed statement of the covenants, obligations, and rights of the Borrower thereunder.

Section 706 Execute Additional Documents. The Issuer will do and/or continue to do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, all and every such further acts, deeds, conveyances, mortgages, assignments, transfers, financing statements, and assurances as the Trustee shall require, for the better assuring, conveying, pledging, confirming, and continuing unto the Trustee, all and singular the Trust Estate hereby pledged, conveyed, or assigned or intended so to be, or which the Issuer may be or may hereafter become bound to pledge, convey, or assign to the Trustee for carrying out the intention or facilitating the performance of the terms of this Indenture.

Section 707 Granting of Easements. Reference is made to the provisions of the Loan Agreement, including, without limitation, Section 8.06 of the Loan Agreement, whereby the Borrower may grant easements and take other action upon compliance with the terms and conditions of the Loan Agreement. The Trustee shall execute or confirm the grants or releases of easements, licenses, rights of way, and other rights and privileges permitted by Section 8.06 of the Loan Agreement upon compliance with the provisions of the Loan Agreement.

[End of Article VII]

ARTICLE VIII DISCHARGE OF LIEN

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made, to or for the owners of the Series 2025 Bonds the principal, interest, and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein and shall pay or cause to be paid all fees and expenses of the Trustee and each paying agent due or to become due under this Indenture and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Series 2025 Bonds and in this Indenture expressed as to be kept, performed, and observed by it or on its part, then this Indenture and these presents and the estate, lien, interests, and rights hereby created and granted shall cease, determine, terminate, and become null and void (except as to any surviving rights of registration, transfer, or exchange of Bonds herein provided for and except for the obligations under Section 604), and thereupon the Trustee cancel and discharge the lien and security interest of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requested by the Issuer and requisite to discharge and satisfy the lien and security interest hereof and convey to the Issuer the estate hereby conveyed and release, assign, and deliver to the Issuer any property at the time subject to the lien and security interest of this Indenture which may then be in its possession, except funds held by the Trustee for the payment of principal of, interest, and premium, if any, on the Series 2025 Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid and defeased within the meaning and with the effect expressed in the first paragraph of this Article with respect to payment of all Series 2025 Bonds Outstanding hereunder if, under circumstances which do not cause interest on any of the Series 2025 Bonds, the interest on which is excluded from the gross income of the owners thereof for federal income tax purposes, to become includable therein on said date, (i) there shall have been irrevocably deposited with the Trustee, in trust, pursuant to an escrow agreement either money in an amount which shall be sufficient, along with any other funds or investments held by the Trustee and available therefor, or direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America (collectively, "Government Obligations") not redeemable by the Issuer, the principal of and interest on which when due, without reinvestment, will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Series 2025 Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and an amount equal to the Trustee's and paying agents' necessary and proper fees, compensation, and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity, (ii) in the event such Series 2025 Bonds are subject to immediate redemption, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Series 2025 Bonds as provided in Section 306, (iii) in the event said Series 2025 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to (a) give notice of redemption of such Series 2025 Bonds as provided in Section 306 not less than 30 days prior to a date on which such Series 2025 Bonds are subject to redemption and (b) give, as soon as practicable in the same manner as a notice of redemption of such Series 2025 Bonds as provided in Section 306, a notice to the owners of such Series 2025 Bonds stating that the deposit required

by (i) above has been made with the Trustee, stating that said Series 2025 Bonds are deemed to have been paid in accordance with this Article, and stating such maturity or redemption dates upon which money are to be available for the payment of the principal of, premium, if any, and interest on such Series 2025 Bonds, (iv) there shall have been submitted to the Issuer and the Trustee an opinion of counsel experienced in matters of bankruptcy and insolvency and acceptable to the Issuer to the effect that the defeasance of the Series 2025 Bonds in accordance with this Article does not involve any preferential transfer within the meaning of United States Bankruptcy Code and the escrow deposit will not be treated as part of the bankruptcy estate of the Issuer or the Borrower in the event that the Issuer or Borrower becomes a "debtor" within the meaning of the United States Bankruptcy Code, (v) there shall have been submitted to the Issuer and the Trustee an opinion of a nationally recognized bond counsel that the Series 2025 Bonds have been legally defeased and are no longer secured by a pledge of and lien on the Trust Estate hereunder, and that such refunding and defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds, (vi) there shall have been submitted to the Issuer and the Trustee a legal opinion as to the validity and enforceability of the escrow agreement required by (i) above, and (vii) there shall have been submitted to the Issuer, and the Trustee a report by a certified public accountant acceptable to the Issuer verifying that the principal and the interest paid on the Government Obligations is sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Series 2025 Bonds prior to the redemption date or maturity date thereof, as the case may be. Neither Government Obligations nor money deposited with the Trustee pursuant to this Section nor principal nor interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Series 2025 Bonds; provided, that to the extent permitted by the escrow agreement any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Series 2025 Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and an amount equal to the Trustee's and paying agents' fees and expenses under this Indenture accrued and to accrue until such redemption date or date of maturity. The escrow agreement required by (i) above shall provide that the Issuer will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (a) the right to make any such redemption had been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds and (b) as a condition of any such redemption there shall be provided a verification report by a certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption.

The deposit required by (i) of the preceding paragraph may be made and the opinion required by (iv) of the preceding paragraph may be submitted with respect to any particular Series 2025 Bonds (whether upon or prior to the maturity or the redemption date of such Series 2025 Bonds), under circumstances which do not cause interest on any Series 2025 Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, to become includable therein, in which case such Series 2025 Bonds shall no longer be deemed to be Outstanding and shall be deemed to be paid within the meaning of this

Article, and the owners of such Series 2025 Bonds shall be secured only by such deposit and not by any other part of the Security; provided, however, that if such Series 2025 Bonds are to be redeemed prior to the maturity thereof, the requirements of (ii) and (iii) of the preceding paragraph shall have been met with respect to such Series 2025 Bonds.

The release of property from the lien and security interest of this Indenture by the Trustee under the provisions of this Article shall operate and be effective as a full and complete discharge and satisfaction of the lien and security interest created by this Indenture as to the property described in such release and may be relied upon by the Clerk and Recorder of Garfield County, Colorado and its successors in office, without the production of the Series 2025 Bonds for endorsement thereon of such release, and such release shall be conclusive evidence that the property therein specifically described has been validly released from the lien and security interest of this Indenture, and any purchaser need not inquire as to the power or authority of the Trustee to give such release nor see to the application of any money in respect thereto.

Notwithstanding any provisions of any other Article of this Indenture which may be contrary to the provisions of this Article, all money or direct obligations of the United States of America set aside and held in trust pursuant to the provisions of this Article and for the payment of Series 2025 Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Series 2025 Bonds (including interest and premium thereon, if any) with respect to which such money or Government Obligations have been so set aside in trust.

Anything in Article XI to the contrary notwithstanding, if such money or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Series 2025 Bonds and interest and premium thereon, if any, and such Series 2025 Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each Series 2025 Bond affected thereby.

[End of Article VIII]

ARTICLE IX
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 901 Defaults; Events of Default. If any of the following events occur, subject to the provisions of Sections 910 and 911, it is hereby defined as and declared to be and to constitute a default and an "Event of Default":

- (a) default in the due and punctual payment of any interest on any Series 2025 Bond;
- (b) default in the due and punctual payment of the principal of any Series 2025 Bond (or premium thereon, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) the occurrence of an "Event of Default" under any of the Bond Documents;
- (d) any breach by the Issuer of any representation or warranty made in this Indenture or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Indenture or in the Series 2025 Bonds contained, subject to the provisions of Section 911;
- (e) the issuance of an order of relief by the Bankruptcy Court of the United States District Court having valid jurisdiction, granting the Issuer relief under federal bankruptcy law, or the issuance by any other court having valid jurisdiction of an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Issuer or any substantial part of its property, affairs, or assets, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or
- (f) the consent by the Issuer to the institution of proceedings in bankruptcy against it, or to the institution of any proceeding against it under any federal or state insolvency laws, or to the filing of any petition, application, or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, or sequestrator (or other similar official) of the Issuer or of any substantial part of its property, affairs, or assets.

Section 902 Acceleration. Subject to the provisions of Section 910, if an Event of Default specified in paragraphs (a) or (b) of Section 901 shall occur and be continuing, the Trustee shall, by notice in writing delivered to the Issuer, declare the principal of all Series 2025 Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. If an Event of Default specified in paragraphs (c), (d), (e), or (f) of Section 901 shall occur and be continuing, the Trustee may, and upon the written request of the owners of not less than 25% in aggregate principal amount of Series 2025 Bonds then Outstanding shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder, or upon any Event of Default, the Issuer and the Trustee shall immediately declare all

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installments of Loan Payments due under Section 5.02 of the Loan Agreement to become immediately due and payable in accordance with Section 10.02 of the Loan Agreement.

The above provisions of Sections 901 and 902, however, are subject to the condition that if, after the principal of all Series 2025 Bonds then Outstanding shall have been so declared to be due and payable, all arrears of interest upon such Series 2025 Bonds and the principal and redemption premium, if any, on all Series 2025 Bonds then Outstanding which shall have become due and payable otherwise than by acceleration, and all other sums payable under this Indenture, except the principal of and interest on the Series 2025 Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer, together with the reasonable expenses of the Trustee or of the owners of such Series 2025 Bonds, including reasonable attorneys' fees paid or incurred, and the Loan Agreement shall be in full force and effect, then and in every such case, the Trustee may annul such declaration of maturity and its consequences, which waiver and annulment shall be binding upon all Bondholders; but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon. In the case of any such annulment, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture.

Section 903 Other Remedies. Upon the occurrence of an Event of Default, the Trustee may exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect, and shall have the power to proceed with any available right or remedy granted by the Bond Documents or the laws of the State, as it may deem best, including any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Bond Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law, and may enforce its right to the appointment of a receiver pursuant to Section 905. The Trustee, as the assignee of all of the right, title, and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights), the Note and the Mortgage, may enforce each and every right granted to the Issuer under the Loan Agreement (except for the Unassigned Rights), the Note and the Mortgage. Upon the occurrence of an Event of Default, the Trustee, in its own name and as trustee of an express trust, or in the name of the Issuer without the necessity of joining the Issuer, shall be entitled to institute any action or proceedings at law or in equity and may prosecute any such action or proceedings to judgment or final decree and may enforce any such judgment or final decree against any obligor thereon and collect in the manner provided by law, but limited as provided in the Bond Documents, out of the property of any obligor thereon wherever situated the money adjudged or decreed to be payable for the benefit of the Bondholders, or on behalf of the Issuer. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Loan Agreement under federal bankruptcy law or any other applicable law, or in the case a receiver or trustee shall have been appointed for the property of any such obligor, or in the case of any other judicial proceedings relative to any obligor under the Loan Agreement or relative to the creditors or property of any such obligor, the Trustee (irrespective of whether

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the principal of the Series 2025 Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the power vested in it by this Indenture) shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys, and counsel and for reimbursement of all expenses and liabilities incurred and all advances made by the Trustee except as a result of its gross negligence or bad faith) and the Bondholders allowed in any such judicial proceedings relative to the Borrower or any other obligor under the Loan Agreement, or relative to the creditors or property of the Borrower, or relative to any such other obligor, as the case may be, and to collect and receive any money or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Bondholders and of the Trustee on their behalf. Any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by each of the Bondholders to make payments to the Trustee and in the event that the Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel and all other expenses and liabilities incurred and all advances made by the Trustee except as a result of its gross negligence or bad faith.

Section 904 Rights of Bondholders to Require Trustee to Pursue Remedies. If an Event of Default occurs and is continuing, and if requested so to do by owners of at least 25% of the aggregate principal amount of the Series 2025 Bonds then Outstanding, and if indemnified as provided in Section 1014, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section and by Sections 902 and 903 as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No lien, right, or remedy by the terms of this Indenture conferred upon or reserved or otherwise available to the Trustee or to the Bondholders is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to any other lien, right, or remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the Series 2025 Bonds shall not operate to prejudice, waive, or affect the Security or any rights, powers, or remedies under this Indenture, not shall the Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantors.

Section 905 Appointment of Receivers. (a) If an Event of Default occurs and is continuing, a receivership may be necessary to protect the Security, whether before or after maturity of the Series 2025 Bonds, or at the time of or after the institution of suit to collect the principal of, premium (if any), or interest on the Series 2025 Bonds, or to enforce this Indenture; accordingly, the Trustee shall, as a matter of strict right and regardless of the value of the Security or of the solvency of any party bound for the payment of the Series 2025 Bonds, have the right to the appointment on application and notice to the Issuer and the Borrower, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect, and operate the Security, to collect the revenues, rents, issues, profits, products, and income thereof, to make all necessary and needed repairs, to complete the construction of any improvements which have been undertaken but not completed, to pay all taxes and assessments against the Security and insurance premiums for insurance thereon, and after the payment of the expenses of the receivership, including reasonable attorneys' fees to the Trustee's attorney, and after compensation for management of the Security, to apply the net proceeds to pay the Series 2025 Bonds or in such manner as the court shall direct. All such expenses shall be secured by the lien of this Indenture until paid.

(b) Such receivership shall continue until the first to occur of full payment of the Series 2025 Bonds, title to the Project having passed by foreclosure sale under the Mortgage, or the Event of Default having been cured.

Section 906 Application of Money. Upon an Event of Default and if money held by the Trustee is insufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds, all money received and held by the Trustee pursuant to this Indenture as Security (except for money held in the Bond Fund, which shall solely secure Series 2025 Bonds) and all money received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such money and of the expenses, liabilities, and advances incurred or made by the Trustee and the fees of the Trustee, be applied as follows:

(a) Unless the principal of all the Series 2025 Bonds shall have become or shall have been declared due and payable, all such money shall be applied:

FIRST - To the payment of the Ordinary Expenses and Extraordinary Expenses of the Trustee and the costs and compensation of any advances made by the Trustee, the Issuer, and any receiver and the reasonable attorneys' fees of the Trustee, the Issuer, or any receiver;

SECOND - To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2025 Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

THIRD - To the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2025 Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which money are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest at the same rate as the interest on such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Series 2025 Bonds due on any particular date, then to the payment ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege;

FOURTH - To the payment of Operating Expenses of the Project for reasonable renewals, repairs, and replacements of the Project necessary to prevent impairment of the Security; and

FIFTH - To be held for the payment to the Bondholders entitled thereto as the same shall become due of the principal of, premium, if any, and interest on the Series 2025 Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Series 2025 Bonds due on any particular date, together with interest and premium, if any, then due and owing thereon, payment shall be made ratably according to the amount of principal, premium, if any, and interest due on such date to the Bondholders entitled thereto without any discrimination or privilege.

(b) If the principal of all the Series 2025 Bonds shall have become due or shall have been declared due and payable, all such money shall be applied first to the payment to the items described in paragraph FIRST of the preceding subsection (a); then to Persons entitled thereto of the principal, premium, if any, and interest then due and unpaid upon the Series 2025 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest or of any Series 2025 Bond over any other Series 2025 Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Series 2025 Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then the money shall be applied in accordance with the provisions of paragraph (a) of this Section, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Series 2025 Bonds shall later become due or be declared due and payable.

When money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future. When the Trustee shall apply such

funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, but in accordance with the provisions of Section 208, and shall not be required to make payment to the owner of any Series 2025 Bond until such Series 2025 Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

When all principal of, premium, if any, and interest on all Series 2025 Bonds have been paid under the provisions of this Section 906 and whenever all fees, expenses, and charges of the Trustee and the Issuer shall have been paid, any amounts remaining hereunder shall be paid, transferred, and assigned to the Borrower, as provided in Section 12.06 of the Loan Agreement.

Section 907 Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Series 2025 Bonds may be enforced by the Trustee without the possession of any of the Series 2025 Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Series 2025 Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of the Outstanding Series 2025 Bonds.

Section 908 Limitations on Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless: (i) a default has occurred of which the Trustee has been notified as provided in subsection (h) of Section 1101, or of which by said subsection it is deemed to have notice; (ii) such default shall have become an Event of Default; (iii) the owners of at least 25% in aggregate principal amount of Series 2025 Bonds then Outstanding shall have made written request to the Trustee and provided the indemnity required by Section 1114 and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name; and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its, his, or their own name or names. Such notification, request, and offer of opportunity and indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Series 2025 Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Series 2025 Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Series 2025 Bond at and after the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Series 2025 Bonds issued hereunder to the respective owners

thereof at the time, place, from the source, and in the manner in said Series 2025 Bonds expressed.

Section 909 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue unimpaired as if no such proceedings had been taken.

Section 910 Waivers of Events of Default. The Trustee may waive any Event of Default hereunder and rescind its consequences and shall waive any Event of Default hereunder and its consequences and shall rescind any declaration of maturity of principal of and interest on the Series 2025 Bonds upon the written request of the owners of a majority in aggregate principal amount of all Series 2025 Bonds then Outstanding; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Outstanding Series 2025 Bonds at the date of maturity specified therein or (ii) any Event of Default in the payment when due of the interest or premium on any such Series 2025 Bonds, unless prior to such waiver or rescission the consent of the owners of 100% in aggregate principal amount of Series 2025 Bonds then Outstanding to such waiver shall have been obtained and all arrears of interest and all arrears of payments of principal or premium, if any, when due, with interest on such overdue amounts (to the extent permitted by law) at the rate borne by the Series 2025 Bonds, and all expenses of the Trustee in connection with such default, shall have been paid or provided for. In the case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon. All waivers under this Indenture shall be in writing.

Section 911 Notice of Defaults; Opportunity of the Issuer and the Borrower to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 901(d) shall constitute an Event of Default until actual written notice of such default by registered or certified mail shall be given by the Trustee or the owners of not less than 25% of the aggregate principal amount of Series 2025 Bonds then Outstanding to the Borrower and the Borrower and Issuer shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to the rights of the Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower or the Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected in accordance with and subject to any directions or limitations of time established by the Trustee. Upon request of the Trustee, the Borrower shall within the applicable period furnish to the Trustee a certificate certifying that such default is such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to

the rights of the Trustee and that corrective action capable of curing such default has been instituted and is being diligently pursued and will be diligently pursued until the default is cured. The Borrower or the Issuer shall notify the Trustee when such default has been cured. The Trustee shall be entitled to conclusively rely upon any such certificate given pursuant to this Section.

With regard to any alleged default concerning which notice is given to the Borrower under the provisions of this Section 911, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

In addition, the Trustee shall give written notice of all other Events of Default by registered or certified mail to the Borrower; provided, however, such notice shall not be a condition precedent to the Trustee or the Bondholders exercising any right or remedy granted to them hereunder.

[End of Article IX]

ARTICLE X

THE TRUSTEE

Section 1001 Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(d) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. No implied covenants or duties shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(e) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, accountants, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorneys approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in reliance upon such opinion or advice.

(f) The Trustee shall not be responsible for any recital other than contained herein (except in respect to the authentication certificate of the Trustee endorsed on the Series 2025 Bonds) or for insuring the property conveyed hereby or for collecting any insurance money or for the validity of the execution by the Issuer of this Indenture or any supplemental indentures hereto or instruments of further assurance or for the sufficiency of the Security for the Series 2025 Bonds issued hereunder or intended to be secured hereby or for the value or title of the property conveyed hereby or otherwise as to the maintenance of the Security hereof; except that in the event the Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Indenture, it shall use due diligence in preserving such property. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement except as herein expressly set forth, but the Trustee may require of the Issuer or the Borrower full information and advice as to the agreements aforesaid and as to the condition of the property conveyed hereby. Except as otherwise provided in this Indenture, the Loan Agreement, the Guaranty or the Mortgage, the Trustee shall perform all of the duties or obligations of the Issuer under the Loan

Agreement and the Mortgage, but shall not be answerable for the performance of any such duty or obligation for other than its gross negligence or willful misconduct.

(g) The Trustee shall not be accountable for the use of the proceeds from the sale of the Series 2025 Bonds disbursed in accordance with the provisions of the Loan Agreement or this Indenture. The Trustee may become the owner of Series 2025 Bonds secured hereby with the same rights which it would have if not Trustee.

(h) The Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, telegram, or other paper or document, or oral communication or direction, reasonably believed to be genuine and correct and to have been signed or sent or given by the proper Person or Persons. The Trustee shall not unreasonably withhold its consent to, approval of, or action with respect to any reasonable request of the Issuer or the Borrower. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.

(i) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, the Trustee shall be entitled to rely upon a certificate signed and attested on behalf of an Issuer by the Authorized Issuer Representative and upon a certificate signed on behalf of the Borrower by the Authorized Borrower Representative, as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary or Assistant Secretary of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Governing Body of the Issuer as conclusive evidence that such a resolution has been duly adopted and is in full force and effect.

(j) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable with respect to any such permissive right for other than its negligence or willful misconduct.

(k) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article V and (ii) failure by the Borrower to make any of the payments to the Trustee required to be made by Section 5.02 of the Loan Agreement, unless the Trustee shall be specifically notified in writing of such default by the Issuer, the Borrower, or by the owners of at least 25% in aggregate principal amount of all Series 2025 Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee in Denver, Colorado,

and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(l) The Trustee shall not be liable for any debts contracted or for damages to Persons or to personal property injured or damaged or for salaries or nonfulfillment of contracts related to the Project.

(m) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to fully to inspect any and all of the Project, including all books, papers, and records of the Issuer pertaining to the Project and the Series 2025 Bonds, and to take such memoranda from and in regard thereto as may be desired, subject to the limitations imposed upon such rights of inspection pursuant to Section 8.02 of the Loan Agreement.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or otherwise in respect of the premises hereof.

(o) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Series 2025 Bonds, the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Indenture or other Bond Documents, the delivery of any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of any such action by the Trustee, deemed reasonably necessary for the purpose of establishing the right of the Issuer to the authentication of any Series 2025 Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(p) All money received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any money received hereunder except such as may be agreed upon in writing.

(q) The Trustee may construe any provision hereof insofar as such may appear to it to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provision by the Trustee shall be binding upon the Bondholders and the Issuer.

(r) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of 25% in aggregate principal amount of the Outstanding Series 2025 Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

(s) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, in its sole discretion, unless the Trustee shall be provided security or indemnity satisfactory to the Trustee in its sole discretion against such risk or liability.

(t) The Trustee shall be under no responsibility to approve or evaluate any expert or other skilled person selected by the Issuer or the Borrower for any of the purposes expressed in this Indenture or other Bond Document, including without limitation, the Accountants, the Arbitrage Calculator, the Bond Counsel, the Independent Counsel, the Consulting Architect, the Construction Monitor, the Financial Consultant, the Contractor and the Engineer. The Trustee shall have no duty or obligation to review or approve any Annual Budget or Plans and Specifications or amendments or modifications thereto provided to the Trustee by the Borrower. The Trustee shall have no duty or obligation to make any inspections of the Project, make any provision to obtain completion bonds, mechanic's or materialmen's lien releases or otherwise supervise any phase of the construction or furnishing of the Project.

(u) The Trustee shall have no duty or obligation to effect, maintain or renew any policies of insurance of the Borrower, or to review or approve the form or sufficiency of any such policies or the qualifications of the company issuing same. The Trustee shall have no duty to report or make or file claims or proof of loss for any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any premiums, taxes or assessments or to require any such payment be made.

(v) The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture or other Bond Document sent by Electronic Means (as hereinafter defined); provided, however, that the Issuer and the Borrower, as applicable, shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder. Each of the Issuer and the Borrower agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions which on their face appears to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and the Borrower shall be responsible for ensuring that only their Authorized Officers transmit such instructions to the Trustee, and the Issuer, the Borrower and their respective Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions

conflict or are inconsistent with a subsequent written instruction delivered by other means. Each of the Issuer and the Borrower agrees (i) to assume all risks arising out of their use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that its security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 1002 Fees, Charges, and Expenses of the Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Trustee rendered hereunder, and all advances, attorneys' fees, and other Ordinary Expenses of the Trustee reasonably and necessarily made or incurred by the Trustee in connection with such Ordinary Services of the Trustee, and in the event that it should become necessary that the Trustee perform Extraordinary Services of the Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses of the Trustee in connection therewith; provided, that if such Extraordinary Services of the Trustee or Extraordinary Expenses of the Trustee are occasioned by the gross negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and hereinabove provided.

Section 1003 Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by subsection (h) of Section 1001 required to take notice or if notice of default is given as in said subsection (h) provided, the Trustee shall give such notice to the Borrower and the Issuer as is specified in Section 911 and such notice to the Borrower as is specified in Section 10.01 of the Loan Agreement and shall give written notice thereof by first-class mail, within 30 days (unless such default is cured or if corrective action has been instituted and is being diligently pursued pursuant to Section 911 or is waived), to the owners of all Series 2025 Bonds then Outstanding shown by the registration books maintained by the Trustee pursuant to Section 207.

Section 1004 Intervention by the Trustee. The Trustee may intervene on behalf of Bondholders in any judicial proceeding to which the Issuer or the Borrower is a party and which, in the reasonable opinion of the Trustee and its counsel, has a substantial bearing on the interests of owners of the Series 2025 Bonds and shall do so if requested in writing by the owners of at least 25% in aggregate principal amount of all Series 2025 Bonds then Outstanding and the indemnity required by Section 1014 has been provided. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1005 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell, lease, or transfer its municipal corporate trust business and assets as a whole or substantially

as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, rights, obligations, duties, remedies, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1006 Resignation by the Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving 60 days written notice to the Issuer and the Borrower, and, by first-class (postage prepaid) mail, to each Bondholder shown on the registration records maintained pursuant to Section 207, and such resignation shall take effect at the appointment of a successor trustee pursuant to the provisions of Section 1008 and acceptance by the successor trustee of such trusts. Such notice to the Issuer and to the Borrower may be served personally or sent by registered mail. If no successor trustee shall have been so appointed pursuant to Section 1008 within 30 days after delivery of such notices, a temporary trustee may be appointed by the Issuer pursuant to Section 1008. In the event that no successor trustee is appointed and has accepted appointment within 60 days of the giving of written notice by the resigning trustee as aforesaid, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

Section 1007 Removal of the Trustee. The Trustee may be removed at any time by the Issuer with an instrument or concurrent instruments in writing delivered to the Trustee and to the Issuer and signed by (1) the Majority Holders or (2) so long as no Event of Default exists or is continuing, by the Borrower.

Section 1008 Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall (a) resign or be removed or (b) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting hereunder, a successor may be appointed by (1) an instrument executed by the Majority Holders if an Event of Default exists and is continuing; or (2) an instrument executed and signed and attested by an Authorized Issuer Representative of the Issuer and, so long as no Event of Default exists and is continuing, executed by the Borrower; provided, that if a successor trustee is not so appointed within ten days after notice of resignation is mailed or an instrument of removal is delivered as provided under Sections 1006 and 1007, respectively, or within ten days of the Issuer's knowledge of any of the events specified in (b) hereinabove, the Majority Holders, by an instrument or concurrent instruments in writing signed by or on behalf of such Majority Holders, delivered personally or sent by registered mail to the Issuer and the Borrower, may designate a successor trustee. Until a successor trustee shall be appointed in the manner above provided, the Issuer, by resolution and upon written notice to the Borrower, shall appoint a temporary trustee to fill such vacancy, and any such temporary trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor trustee so appointed by the Bondholders. Notice of the appointment of a successor trustee shall be given in the same manner as provided by Section 1006 with respect to the resignation of the Trustee. Every such successor trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing

within or outside the State, shall be eligible to serve as trustee, bond registrar, and paying agent under the Act, shall be duly authorized to exercise trust powers and subject to examination by federal or state authority, shall have a reported combined capital, surplus, and undivided profits of not less than \$50,000,000, and shall be an institution willing, qualified, and able to accept the trusteeship upon the terms and conditions of this Indenture.

In case at any time the Trustee shall resign and no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor trustee.

Section 1009 Concerning Any Successor Trustee. Every successor trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, remedies, immunities, privileges, duties, and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1002, execute and deliver an instrument transferring to such successor trustee all the estates, properties, obligations, duties, remedies, immunities, privileges, rights, powers, and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and money held by it as trustee hereunder to its successors, and every predecessor trustee shall deliver the registration books held by it as bond registrar hereunder to its successors. Should any instrument in writing from the Issuer be required by a successor trustee for more fully and certainly vesting in such successor the estates, trusts, rights, obligations, remedies, immunities, privileges, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor trustee in each recording office where the Assignment or a financing statement relating to this Indenture shall have been filed or recorded, if any.

Section 1010 Right of the Trustee to Pay Insurance, Taxes and Other Charges. In case any tax, assessment, or governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Loan Agreement and is not being contested pursuant to Section 6.03 of the Loan Agreement, the Trustee may pay such tax, assessment, or governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondholders hereunder arising in consequence of such failure, and any amount at any time so paid under this Section or Section 6.08 of the Loan Agreement, with interest thereon from the date of payment at the prime rate of the Trustee plus 2% per annum, shall become an additional obligation secured by this Indenture and the same shall be given a preference in payment over any of the Series 2025 Bonds and shall be paid out of the revenues herein pledged to the payment of the Series 2025 Bonds if not otherwise caused to be paid, but the Trustee shall be under no obligation to make any such payment unless it shall

have been requested to do so by the owners of at least 25% in the aggregate principal amount of all Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 1011 Trustee Protected in Relying Upon Resolutions. The resolutions, opinions, certificates, reports, and other instruments provided for in this Indenture or any other Bond Document may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder or the taking of any other action by the Trustee provided for in this Indenture or other Bond Documents.

Section 1012 Successor Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar. In the event of a change in the office of trustee, the predecessor trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund, the Project Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, the Rebate Fund, the Condemnation Fund, the Insurance Fund and any special trust funds hereunder created and shall cease to be paying agent for the payment of principal of and interest and premium, if any, on the Series 2025 Bonds and shall cease to be bond registrar, and the successor trustee as qualified under Section 1008 shall become such trustee, paying agent, and bond registrar.

Section 1013 Trust Estate May Be Vested in Separate Trustee or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Bond Documents and in particular in case of the enforcement of either on an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or may not hold title to the Trust Estate, in trust, as herein granted, or may not take any other action which may be necessary or desirable in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 1013 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, duty, obligation, interest, security interest, and lien expressed or intended by this Indenture to be exercised by or vested in or granted or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed,

acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 1014 Indemnification of Trustee. Before taking any action under this Indenture at the direction or request of the Bondholders, the Trustee may, at the expense of the Bondholders, require that a satisfactory indemnity bond be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities, except for liability which is adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee by reason of any action so taken. Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if the Trustee has been advised or such loss or damage and regardless of the form of action.

Section 1015 List of Bondholders. The Trustee shall keep on file a list of names and addresses of all owners of Series 2025 Bonds as may from time to time be shown on the registration books in the hands of the Trustee together with the principal amount and numbers of such Bonds. The Trustee shall be under no responsibility with regard to the accuracy of said list. Except as prohibited by the laws of the State, at reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or Bondholders (or a designated representative thereof), at the expense of the requesting party, of 15% or more in aggregate principal amount of Series 2025 Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Except as required by law, the Trustee will not release or disclose the content of the bond register to any Person other than to, or at the written request of, the above named Persons, except upon receipt of a subpoena or court order. Upon receipt of a subpoena or court order the Trustee will notify the Issuer so that the Issuer may contest the subpoena or court order.

[End of Article X]

ARTICLE XI SUPPLEMENTAL INDENTURES

Section 1101 Supplemental Indentures Not Requiring Consent of Bondholders

(a) The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (i) to cure any ambiguity or formal defect or omission in, or to correct or supplement any defective provision of, this Indenture,
- (ii) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Indenture other covenants, agreements, limitations, and restrictions to be observed by the Issuer for the protection of the Bondholders,
- (iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new trustee (unless such successor is the result of a merger or corporate acquisition) or the appointment of a new or additional paying agent or bond registrar,
- (iv) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, benefits, security, liabilities, duties, or authority that may lawfully be granted to or conferred or imposed upon the Bondholders or the Trustee or either of them,
- (v) to subject to the lien and security interest of this Indenture additional revenues, properties, or collateral,
- (vi) to modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2025 Bonds for sale under the securities laws of any state, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute,
- (vii) to modify, amend, or supplement this Indenture in such manner to assure the continued exclusion from gross income of the owners thereof for federal income tax purposes of interest on any Series 2025A Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, or
- (viii) in connection with any other change herein which, in the opinion of counsel provided to the Trustee, does not prejudice or materially adversely affect the Bondholders or impair the Security.

(b) The Issuer and the Trustee shall, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture (i) to the extent necessary with respect to the land and interests in land, buildings, furnishings, machinery, equipment, and all other real and personal property which may form a part of the Project, so as to

more precisely identify the same or to substitute or add additional land or interests in land, buildings, furnishings, machinery, equipment, or real or personal property as Security; or (ii) with respect to any changes required to be made in the description of the Security in order to conform with similar changes made in the Loan Agreement as permitted by Section 1101.

(c) The Trustee may require and rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XI.

Section 1102 Supplemental Indentures Requiring Consent of Bondholders. Exclusive of indentures supplemental hereto covered by Section 1201 and subject to the terms and provisions contained in this Section and in Section 913 hereof and not otherwise, the owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Series 2025 Bonds, without the consent of every owner of such Series 2025 Bonds; or (b) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interest of this Indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken; or (c) a reduction in the amount, or an extension of the time of any payment, required by the mandatory redemption provisions of Section 305, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken, or (d) a reduction in the aforesaid aggregate principal amount of Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken; or (e) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee; or (f) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or (g) the release of or requirements for the release of this Indenture, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes allowed by this Section, the Trustee shall, upon being reasonably indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given in substantially the manner provided in Section 306 with respect to redemption of Series 2025 Bonds. Such notice shall be prepared by or on behalf of the Issuer, briefly set forth the nature of the proposed supplemental indenture and state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, the owners of not less than two-thirds in aggregate principal amount of

the Series 2025 Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may require and rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XI.

The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Bondholders entitled to consent to any indenture supplemental hereto. If a record date is fixed, then those Persons who were Bondholders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to consent to such supplemental indenture or to revoke any consent previously given, whether or not such Persons continue to be Bondholders after such record date. No such consent shall be valid or effective for more than 90 days after such record date.

Anything herein to the contrary notwithstanding, if the Borrower is not in default under the Loan Agreement at such time, a supplemental indenture under this Article XII which affects any rights or obligations of the Borrower or which changes the priority or use of money under this Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture, specifically referencing this Section 1102, together with a copy of such supplemental indenture, to be mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Trustee, on the 15th day after the mailing of such notice and a copy of the proposed supplemental indenture.

[End of Article XI]

ARTICLE XII
AMENDMENT OF OTHER BOND DOCUMENTS

Section 1201 Amendments to Other Bond Documents Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the Bond Documents other than the Indenture as may be required (i) by the provisions of the Loan Agreement and this Indenture, (ii) for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising from a formal defect or omission therein, (iii) in connection with the land and interests in land, buildings, machinery, equipment, and other real or personal property described in this Indenture so as to identify more precisely the same or to add additional land or interests in land, buildings, machinery, equipment, or other real or personal property, (iv) so as to add additional rights acquired in accordance with the provisions of the Bond Documents, (v) to substitute a new borrower under the Loan Agreement as provided therein, or (vi) in connection with any other change therein which, does not prejudice the Trustee or materially adversely affect the owners of the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel that such amendment is authorized and permitted pursuant to the terms of this Section before consenting to any amendments to the Bond Documents pursuant to this Section.

Section 1202 Amendments to Other Bond Documents Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 1201, neither the Issuer nor the Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than the Indenture without giving notice to and obtaining the written approval or consent of the beneficial owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds at the time Outstanding given and procured as in Section 1102 provided; provided, however, that nothing in this Section or Section 1201 shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every owner of Series 2025 Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Series 2025 Bonds the owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the owners of all the Series 2025 Bonds at the time Outstanding which would be affected by the action to be taken. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change, or modification of such other Bond Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1102 with respect to supplemental indentures. Such notice shall be prepared by or on behalf of the Issuer or Borrower, briefly set forth the nature of such proposed amendment, change, or modification and state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Trustee or the owners of not less than two-thirds (2/3) in aggregate principal amount of the Series 2025 Bonds Outstanding at the time of the execution of such proposed amendment, change, or modification shall have consented to and approved the execution thereof as herein provided, no

owner of any Series 2025 Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee from consenting to the execution thereof or to enjoin or restrain the Issuer or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith.

The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel that such amendment is authorized and permitted pursuant to the terms of this Section before consenting to any amendments to the Bond Documents pursuant to this Section.

[End of Article XII]

ARTICLE XIII
MISCELLANEOUS

Section 1301 Consents of Bondholders. Any consent, request, direction, approval, waiver, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, waiver, objection, or other instrument or of the writing appointing any such agent and of the ownership of Series 2025 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(w) the fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument or writing acknowledged to him the execution thereof; where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority;

(x) the fact of ownership of Bonds and the amount or amounts, numbers, other identification of such Series 2025 Bonds, and the date of ownership shall be proved by the registration books of the Issuer maintained by the Trustee pursuant to Section 207 and the fact of ownership of the Series 2025 Bonds may be established by the Trustee on a record date to be set by the Trustee which shall not be more than fifteen days from the date of any action taken with regard to such Bondholder request or instrument;

(y) any request, consent, or vote of the owner of any Series 2025 Bond shall bind every future owner of the same Series 2025 Bond and the owner of every Series 2025 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request, consent, or vote;

(z) in determining whether the owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Indenture, Bonds which are owned by the Issuer, by the Borrower, or by any other obligor under the Loan Agreement or on the Series 2025 Bonds, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Series 2025 Bonds, shall be disregarded and deemed not to be outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, but only Bonds which the Trustee actually knows to be so owned shall be disregarded; Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such

Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Series 2025 Bonds; in case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee; and

(aa) notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2025 Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall be protected in recognizing consents and other actions by or on behalf of beneficial owners of the Series 2025 Bonds as if such consents or other actions were made by the Bondholders of a related portion of the Series 2025 Bonds when such actions are received in compliance with an omnibus proxy of DTC or otherwise pursuant to the rules of DTC or when other proof of beneficial ownership and indemnification satisfactory to the Trustee are delivered to the Trustee by such beneficial owners.

Section 1302 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Series 2025 Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower and the owners of the Series 2025 Bonds any legal or equitable right, remedy, or claim under or in respect to this Indenture, or any covenants, conditions, and provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Borrower and the owners of the Series 2025 Bonds herein provided for.

Section 1303 Severability. If any provision of this Indenture shall be held or be deemed to be or shall, in fact, be illegal, invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained illegal, invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1304 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested or shall be sufficiently given and deemed given when dispatched by telegram when telegraphic notice is permitted by the express provisions of this Indenture, addressed as follows:

If to the Issuer:	City of Rifle
	202 Railroad Avenue
	Rifle, Colorado 81650
	Attention: Mayor

If to the Borrower: Habitat for Humanity of the Roaring Fork Valley, Inc.
53 Calaway Court
Glenwood Springs, Colorado 81601
Attention: President/CEO and COO

If to the Trustee: U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202
Attention: Jennifer Petruno, Vice President

A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Trustee. Any party named in this Section 1404 may, by notice given to all parties to this Indenture and the Loan Agreement, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

All notice, certificate, or other communication to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the E-SIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer or the Borrower chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer or the Borrower, as applicable, agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 1305 Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be, in the location of the corporate trust office of the Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1306 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1307 Laws Governing Indenture. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by and construed according to the laws of the State, exclusive of such State's rules regarding choice of law.

Section 1308 No Liability of Issuer's Officers. No personal recourse under or upon any obligation, covenant, or agreement contained in this Indenture or in the Series 2025 Bonds or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of this Indenture, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Issuer, or any incorporator, member, director, or officer of any successor corporation, as such, either directly or through the Issuer or any successor corporation, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may be due and unpaid by the Issuer upon the Series 2025 Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Trustee as trustee for the Bondholders or otherwise, of any sum that may remain due and unpaid upon the Series 2025 Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Series 2025 Bonds. There shall be no other recourse under the Series 2025 Bonds, this Indenture or otherwise against the Issuer or any other property now or hereafter owned by it and, upon entry of any judgment, the judgment creditor or creditors shall request the Prothonotary (or any successor official) to mark the judgment index accordingly.

[End of Article XIII]

SIGNATURES FOR TRUST INDENTURE

IN WITNESS WHEREOF, the Issuer has executed this Indenture by causing its name to be hereunto subscribed by its Mayor and attested by its City Clerk; and the Trustee has executed this Indenture by causing its name to be hereunto subscribed by its Authorized Officer, all being done as of the day and year first above written.

CITY OF RIFLE, COLORADO

By: _____
Name: _____
Title: Mayor

ATTEST:

City Clerk

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as Mayor of the City of Rifle, Colorado.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

STATE OF COLORADO)
) ss:
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as City Clerk of the City of Rifle, Colorado.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

STATE OF COLORADO)
) ss:
CITY AND COUNTY OF DENVER)

The foregoing instrument was acknowledged before me as of the ____ day of _____, 2025, by _____ as _____ of U.S. Bank Trust Company, National Association.

WITNESS my hand and official seal.

Notary Public for the State of Colorado

[SEAL]

My Commission Expires: _____.

EXHIBIT A
FORMS OF SERIES 2025 BONDS

REGISTERED

Number RA- _____ \$ _____

CITY OF RIFLE, COLORADO
REVENUE BONDS
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
SERIES 2025A

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated</u>	<u>CUSIP</u>
_____%	July 1, 20__	April __, 2025	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (hereinafter called the "Issuer"), value received, hereby promises to pay, solely from the sources as hereinafter provided, to the registered owner, or registered assigns or legal presentative, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, or its successor in trust (the "Trustee"), or by wire transfer, as provided in the Trust Indenture, as hereinafter defined, the principal sum set forth above on the Maturity Date set forth above, subject to the prior mandatory or optional redemption of this Bond as hereinafter provided, and to pay solely from such source interest hereon at the Interest Rate, as hereinafter defined, and as it may be adjusted as herein described, payable in arrears on the Interest Payment Date, as hereinafter defined, until payment in full and, to the extent permitted by law, interest on overdue installments of such interest, from the Interest Payment Date next preceding the date on which this Bond is authenticated, unless this Bond is (a) authenticated before the first Interest Payment Date following the initial delivery of the Bonds, in which case it shall bear interest from the date of such initial delivery, (b) authenticated after a Record Date, as hereinafter defined, and before the subsequent Interest Payment Date, in which case interest shall be computed from the subsequent Interest Payment Date, or (c) authenticated upon an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date (unless interest on this Bond is in default at the time of authentication, in which case this Bond shall bear interest from the date to which interest has been paid). Except as otherwise provided in the Trust Indenture, interest hereon shall be paid to the person in whose

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name this Bond is registered on the register of the Trustee at the close of business on the Record Date next preceding each Interest Payment Date, as hereinafter defined, by check or draft mailed to such person at his address as it appears on the register maintained by the Trustee, as the case may be, or by wire transfer for Bondholders of an aggregate principal amount of at least \$1,000,000, at the request of such Bondholders, as provided in the Trust Indenture. Principal of, premium, if any, and interest on or purchase price of this Bond are payable in lawful money of the United States of America. If any payment hereon is due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the day such payment was due and, in the case of such payment, no interest shall accrue for the intervening period. **Capitalized terms used and not defined herein shall have the meaning assigned to in the Indenture or Loan Agreement (each defined below).**

This Bond is one of an issue of \$ _____ in aggregate principal amount of the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Bonds"), of like date and tenor, except as to number and principal amount, authorized and issued pursuant to the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act"), and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), and under an Indenture of Trust dated as of April 1, 2025 (the "Trust Indenture") between the Issuer and the Trustee. The proceeds of the Bonds will be loaned by the Issuer to Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") pursuant to a Loan Agreement dated April 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower and will be used by the Borrower to (i) finance the costs of the acquisition, construction, equipping and installation of the Facility, (ii) fund the payment of capitalized interest on the Bonds, (iii) fund a debt service reserve fund for the Bonds, and (iv) pay certain costs of issuance of the Bonds (together, the "Project"). The Bonds are equally and ratably secured, together with the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B, by the Trust Indenture and the Trust Estate, as set forth herein, which assigns to the Trustee, as security for the Bonds and the Taxable Series 2025B Bonds, the Issuer's rights in the Loan Agreement, the Pledged Revenues (except for the Unassigned Rights of the Issuer) and the Borrower's promissory note in the principal amount of \$ _____, dated April __, 2025 (the "Note"), issued and delivered pursuant to the Loan Agreement.

Reference is hereby made to the Trust Indenture, the Loan Agreement and the Note and to all amendments thereof and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the default provisions, the rights, duties and obligations of the Issuer, the Trustee and the Borrower or the rights of the Bondholders of the Bonds and the terms upon which the Bonds are issued and secured.

The Trust Indenture provides that the Issuer, on behalf of the Borrower, may issue Additional Bonds upon satisfaction of certain conditions outlined in the Trust Indenture, and, if issued, such Additional Bonds may be on a parity and equally and ratably secured with the Bonds and any other Additional Bonds previously issued, without preference, priority or

distinction of any Bonds over any other Bonds, except as otherwise set forth in a supplement to the Trust Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the Trust Indenture, in the Bonds, in the Loan Agreement, or the Note, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Loan Agreement, the Note or the Trust Indenture, shall be had against any past, present or future official, officer, agent or employee of the Issuer for the payment for or to the Issuer or any receiver thereof, or for or to any owner of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds.

This Bond and the issue of which it is a part have been authorized by an ordinance duly adopted by the Issuer pursuant to the laws of the State, particularly the Act and the Supplemental Public Securities Act. This Bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Issuer (but only to the extent of the revenues pledged in the Trust Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Issuer to the extent provided above shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Issuer to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Issuer to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Issuer to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

The Bonds are issuable initially as fully registered Bonds in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 (the "Authorized Denominations"). This Bond, upon surrender hereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the holder hereof or his attorney duly authorized in writing, may, at the option of the holder hereof, be exchanged for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. This Bond is transferable as provided in the Trust Indenture, subject to certain limitations therein contained, only upon the register of the Trustee, and only upon surrender of this Bond for transfer to the Trustee accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly

executed by the holder hereof or his duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination or Denominations and in the same aggregate principal amount and tenor as the Bond surrendered shall be issued to the designated transferee or transferees.

The person in whose name this Bond is registered on the register of the Trustee shall be deemed and regarded as the absolute owner hereof for any purpose, as provided in the Trust Indenture.

The Trustee may make appropriate arrangements for the Bonds to be issued or held by means of a book-entry system administered by The Depository Trust Company ("DTC") with no physical distribution of Bonds made to the public (other than those Bonds, if any, not held under such book-entry system). References in the remainder of this paragraph and in the next five succeeding paragraphs to a Bond or the Bonds shall be construed to mean the Bond or Bonds held under the book-entry system. In such event, one Bond for each maturity shall be issued to DTC, and immobilized in its custody on behalf of DTC. A book-entry system shall be employed, evidencing ownership of the Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE TRUST INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE TRUST INDENTURE.

Payments of principal, interest and redemption premium, if any, with respect to the Bonds, so long as DTC or its nominee, Cede & Co., is the only owner of the Bonds, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representations dated as of November 1, 2003 from the Issuer to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Issuer, the Borrower, and the Trustee shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

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In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Borrower determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Issuer and the Trustee shall, at the request of the Borrower, discontinue the book-entry system with DTC. If the Borrower fails to identify another qualified securities depository to replace DTC, the Borrower shall cause the Trustee to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER, AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of the Trust Indenture, the Bonds shall be delivered solely as fully registered Bonds without coupons in the Authorized Denominations, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof and of the Trust Indenture.

Redemption of Bonds

(a) Optional Redemption. The Bonds maturing on or prior to July 1, ____ are not subject to optional redemption prior to their respective maturity dates. The Bonds maturing on and after July 1, ____ may be called for redemption at the election of the Borrower, on July 1, ____, and on any date thereafter in whole or in part, in any order of maturity, at a redemption price equal to the principal amount of each Bond, or portion thereof, so redeemed, plus accrued interest thereon to the redemption date, without premium. At the written request of the Borrower, the Issuer shall give written notice to the Trustee of its election to redeem Bonds, of the redemption date, and of the principal amount of each maturity of the Bonds to be redeemed, which notice shall be given at least 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee, in its sole discretion. Any such redemption shall be conditioned on adequate funds therefor being received by the Trustee by the redemption date. In the event notice of redemption shall have been given and all conditions to redemption have been satisfied, the Issuer shall, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Bonds which the Issuer has so elected to redeem.

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(b) Special Extraordinary Redemption. The Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in the Loan Agreement. Notwithstanding the foregoing, the Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by the Loan Agreement.

(c) Special Mandatory Redemption of Bonds. The Bonds shall be subject to special mandatory redemption, in whole or in part, from amounts disbursed by the Trustee to the holders of the Bonds in accordance with the Indenture, at a redemption price equal to the principal amount of Bonds thereof to be redeemed, together with interest accrued on such principal amount to the date fixed for redemption.

(d) Purchase of Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and cancelled, provided that no such Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed in writing by the Borrower, purchase Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

(e) Notice of Redemption; Effect. If any of the Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Bonds; (v) the interest rate and maturity date of the Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed; (ix) in the case of a Bond to be redeemed in part only, also the portion of the principal amount thereof to be redeemed; and (x) that on the redemption date there shall become due and

payable upon each Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Bonds shall no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Bonds for payment.

(f) Partial Redemption. If less than all of the Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner

that all remaining Bondholders own only authorized denominations of the Bonds after such redemption. Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all Bonds then outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Trust Indenture directs the Trustee to declare an acceleration upon the occurrence of certain Events of Default under the Trust Indenture, all as provided in more detail in the Trust Indenture to which reference is hereby made.

The owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture and except that any registered owner may institute action to enforce the payment of the principal of, premium, if any, or interest on his Bond.

Modifications or alterations of the Trust Indenture or any trust indenture supplemental thereto, or the Loan Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Loan Agreement.

Executed counterparts of the Trust Indenture and the Loan Agreement are on file at the principal corporate trust office of the Trustee. The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Trust Indenture and the Loan Agreement.

This Bond is issued pursuant to the Supplemental Public Securities Act. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value.

It is hereby certified that all acts, conditions and things required to happen, exist and be performed under the laws of the State, and under the Trust Indenture precedent to and in the issuance of this Bond have happened, exist and have been performed as so required, and that the issuance, authentication and delivery of this Bond have been duly authorized by the Issuer.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature of one of its authorized signers, this Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Rifle, Colorado and its official seal to be impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk of the City of Rifle, Colorado, all as of the Issue Date referenced above.

[SEAL]

ATTEST:

CITY OF RIFLE, COLORADO

City Clerk

By: _____
Mayor

(Form of Certificate of Authentication)

It is hereby certified that this Bond has been issued under the provisions of the Trust Indenture described in this Bond; and that this Bond has been issued in exchange for or replacement of a bond or bonds, or a portion of a bond or bonds of an issue.

U.S. Bank Trust Company, National
Association, as Trustee

By _____
Authorized Representative

Date of Authentication: April __, 2025

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

(PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE)

(Please Print or Typewrite Name and Address of Assignee)

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

REGISTERED

Number RB-_____ \$ _____

CITY OF RIFLE, COLORADO
REVENUE BONDS
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
TAXABLE SERIES 2025B

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated</u>	<u>CUSIP</u>
____%	July 1, 20__	April __, 2025	

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (hereinafter called the "Issuer"), value received, hereby promises to pay, solely from the sources as hereinafter provided, to the registered owner, or registered assigns or legal presentative, upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association, or its successor in trust (the "Trustee"), or by wire transfer, as provided in the Trust Indenture, as hereinafter defined, the principal sum set forth above on the Maturity Date set forth above, subject to the prior mandatory or optional redemption of this Bond as hereinafter provided, and to pay solely from such source interest hereon at the Interest Rate, as hereinafter defined, and as it may be adjusted as herein described, payable in arrears on the Interest Payment Date, as hereinafter defined, until payment in full and, to the extent permitted by law, interest on overdue installments of such interest, from the Interest Payment Date next preceding the date on which this Bond is authenticated, unless this Bond is (a) authenticated before the first Interest Payment Date following the initial delivery of the Bonds, in which case it shall bear interest from the date of such initial delivery, (b) authenticated after a Record Date, as hereinafter defined, and before the subsequent Interest Payment Date, in which case interest shall be computed from the subsequent Interest Payment Date, or (c) authenticated upon an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date (unless interest on this Bond is in default at the time of authentication, in which case this Bond shall bear interest from the date to which interest has been paid). Except as otherwise provided in the Trust Indenture, interest hereon shall be paid to the person in whose name this Bond is registered on the register of the Trustee at the close of business on the Record Date next preceding each Interest Payment Date, as hereinafter defined, by check or draft mailed to such person at his address as it appears on the register maintained by the Trustee, as the case may be, or by wire transfer for Bondholders of an aggregate principal amount of at least \$1,000,000, at the request of such Bondholders, as provided in the Trust Indenture. Principal of, premium, if any, and interest on or purchase price of this Bond are payable in lawful money of

the United States of America. If any payment hereon is due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the day such payment was due and, in the case of such payment, no interest shall accrue for the intervening period. **Capitalized terms used and not defined herein shall have the meaning assigned to in the Indenture or Loan Agreement (each defined below).**

This Bond is one of an issue of \$ _____ in aggregate principal amount of the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B (the "Bonds"), of like date and tenor, except as to number and principal amount, authorized and issued pursuant to the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act"), and the Supplemental Public Securities Act, constituting Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes, as amended (the "Supplemental Public Securities Act"), and under an Indenture of Trust dated as of April 1, 2025 (the "Trust Indenture") between the Issuer and the Trustee. The proceeds of the Bonds will be loaned by the Issuer to Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") pursuant to a Loan Agreement dated April 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower and will be used by the Borrower to (i) finance the costs of the acquisition, construction, equipping and installation of the Facility, (ii) fund the payment of capitalized interest on the Bonds, [(iii) fund a debt service reserve fund for the Bonds,] and (iv) pay certain costs of issuance of the Bonds (together, the "Project"). The Bonds are equally and ratably secured, together with the City of Rifle, Colorado, Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A, by the Trust Indenture and the Trust Estate, as set forth herein, which assigns to the Trustee, as security for the Bonds and the Series 2025A Bonds, the Issuer's rights in the Loan Agreement, the Pledged Revenues (except for the Unassigned Rights of the Issuer) and the Borrower's promissory note in the principal amount of \$ _____, dated April __, 2025 (the "Note"), issued and delivered pursuant to the Loan Agreement.

Reference is hereby made to the Trust Indenture, the Loan Agreement and the Note and to all amendments thereof and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the default provisions, the rights, duties and obligations of the Issuer, the Trustee and the Borrower or the rights of the Bondholders of the Bonds and the terms upon which the Bonds are issued and secured.

The Trust Indenture provides that the Issuer, on behalf of the Borrower, may issue Additional Bonds upon satisfaction of certain conditions outlined in the Trust Indenture, and, if issued, such Additional Bonds may be on a parity and equally and ratably secured with the Bonds and any other Additional Bonds previously issued, without preference, priority or distinction of any Bonds over any other Bonds, except as otherwise set forth in a supplement to the Trust Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the Trust Indenture, in the Bonds, in the Loan Agreement, or the Note, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances,

under or independent of the Loan Agreement, the Note or the Trust Indenture, shall be had against any past, present or future official, officer, agent or employee of the Issuer for the payment for or to the Issuer or any receiver thereof, or for or to any owner of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds.

This Bond and the issue of which it is a part have been authorized by an ordinance duly adopted by the Issuer pursuant to the laws of the State, particularly the Act and the Supplemental Public Securities Act. This Bond shall not constitute or become an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Issuer (but only to the extent of the revenues pledged in the Trust Indenture) and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State except the Issuer to the extent provided above shall be liable hereon; nor shall this Bond constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State, or any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State but shall be payable solely from the funds pledged therefor. The issuance of this Bond shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State nor empower the Issuer to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments or make any appropriation for the payment of this Bond, and such appropriation or levy is prohibited. Nothing in the Act shall be construed to authorize the Issuer to create a debt of the State within the meaning of the Constitution or statutes of the State or authorize the Issuer to levy or collect taxes or assessments. The State shall not in any event be liable for the payment of the principal of or interest on this Bond or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer. No breach of any such pledge, mortgage, obligation or agreement shall impose any pecuniary liability upon the State or any charge upon its general credit or against its taxing power.

The Bonds are issuable initially as fully registered Bonds in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000 (the "Authorized Denominations"). This Bond, upon surrender hereof at the Principal Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the holder hereof or his attorney duly authorized in writing, may, at the option of the holder hereof, be exchanged for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. This Bond is transferable as provided in the Trust Indenture, subject to certain limitations therein contained, only upon the register of the Trustee, and only upon surrender of this Bond for transfer to the Trustee accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly executed by the holder hereof or his duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination or Denominations and in the same aggregate principal amount and tenor as the Bond surrendered shall be issued to the designated transferee or transferees.

The person in whose name this Bond is registered on the register of the Trustee shall be deemed and regarded as the absolute owner hereof for any purpose, as provided in the Trust Indenture.

The Trustee may make appropriate arrangements for the Bonds to be issued or held by means of a book-entry system administered by The Depository Trust Company ("DTC") with no physical distribution of Bonds made to the public (other than those Bonds, if any, not held under such book-entry system). References in the remainder of this paragraph and in the next five succeeding paragraphs to a Bond or the Bonds shall be construed to mean the Bond or Bonds held under the book-entry system. In such event, one Bond for each maturity shall be issued to DTC, and immobilized in its custody on behalf of DTC. A book-entry system shall be employed, evidencing ownership of the Bonds in Authorized Denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THE TRUST INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE TRUST INDENTURE.

Payments of principal, interest and redemption premium, if any, with respect to the Bonds, so long as DTC or its nominee, Cede & Co., is the only owner of the Bonds, shall be paid by the Trustee directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representations dated as of November 1, 2003 from the Issuer to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Issuer, the Borrower, and the Trustee shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Borrower determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Issuer and the Trustee shall, at the request of the Borrower, discontinue the book-entry system with DTC. If the Borrower fails to identify another qualified securities depository to replace DTC, the Borrower shall cause the Trustee to

authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER, AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BONDS; (D) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BENEFICIAL OWNERS; (E) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (F) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of the Trust Indenture, the Bonds shall be delivered solely as fully registered Bonds without coupons in the Authorized Denominations, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions hereof and of the Trust Indenture.

Redemption of Bonds

(a) No Optional Redemption. The Bonds are not subject to redemption at the election of the Borrower prior to their maturity date.

(b) Special Extraordinary Redemption. The Bonds may be called for redemption, at the option of the Borrower, in the event of (i) damage to or destruction of the Project or any part thereof to the extent permitted in the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent permitted in the Loan Agreement. Notwithstanding the foregoing, the Bonds shall be called for redemption at the direction of the Issuer in the event of: (i) damage to or destruction of the Project or any part thereof to the extent required by the Loan Agreement or (ii) condemnation of all or a portion of the Project to the extent required by the Loan Agreement, unless the Borrower shall furnish to the Trustee the items required by the Loan Agreement.

(c) Purchase of Bonds. At the direction of the Borrower in writing, the Trustee may apply money in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and past due interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such money as herein provided, and upon such purchase Bonds shall be cancelled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and cancelled, provided that no such Bonds shall be so purchased within the 20 days next preceding the redemption or payment date. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond

purchased pursuant to this paragraph shall not exceed the principal amount thereof. The Trustee shall also pay (from the Bond Fund) accrued interest on any such Bond to the date of purchase. Subject to the above limitations, the Trustee shall, if and to the extent practicable and if directed in writing by the Borrower, purchase Bonds on the open market for cancellation at such times, for such prices, in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its discretion may determine and as may be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Trustee.

(d) Notice of Redemption: Effect. If any of the Bonds are called for redemption, the Trustee shall give written notice by first class (postage prepaid) mail not less than 30 days prior to the date fixed for redemption, in the name of the Issuer, of the redemption of such Bonds to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on a day not later than the fifth day preceding the date of mailing, which notice shall set forth the following: (i) the maturities of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issue date of the Bonds; (v) the interest rate and maturity date of the Bonds to be redeemed; (vi) the redemption date; (vii) the place or places where amounts due upon such redemption will be payable; (viii) if less than all of the Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed; (ix) in the case of a Bond to be redeemed in part only, also the portion of the principal amount thereof to be redeemed; and (x) that on the redemption date there shall become due and payable upon each Bond to be redeemed the amount of the principal and premium, if any, thereon (or of the specified portion of the principal and premium, if any, thereon in the case of a Bond to be redeemed in part only), together with interest accrued to the redemption date, and that from and after the redemption date interest thereon shall cease to accrue and be payable. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds actually receives the notice.

Any notice of redemption for redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Failure to give such notice by mail to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds.

In addition, the Trustee also shall send a copy of such notice with respect to Bonds by United States mail for receipt not less than 30 days before such redemption date to national securities depositories or information services selected by the Trustee to receive such notice; provided, however, that such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds.

When notice of redemption has been given in the manner provided above, and money sufficient for the redemption is held by the Trustee for that purpose, the Bonds or portions

thereof called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue. Thereafter, the owners of such Bonds shall no longer be entitled to any security or benefit under the Indenture except to receive payment of the redemption price thereof from such monies on deposit with the Trustee.

Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and premium, if any, thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same. Principal payments in connection with mandatory sinking fund redemption hereunder not constituting final payment shall not require presentation of the Bonds for payment.

(c) Partial Redemption. If less than all of the Bonds of a maturity are called for redemption on any of the circumstances set forth above, the particular Bonds or portions thereof to be redeemed shall be selected by lot in such manner as the Trustee shall determine. In selecting Bonds for redemption, the Trustee shall select Bonds to be redeemed in such a manner that all remaining Bondholders own only authorized denominations of the Bonds after such redemption. Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same interest rate, and maturity and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all Bonds then outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Trust Indenture directs the Trustee to declare an acceleration upon the occurrence of certain Events of Default under the Trust Indenture, all as provided in more detail in the Trust Indenture to which reference is hereby made.

The owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture and except that any registered owner may institute action to enforce the payment of the principal of, premium, if any, or interest on his Bond.

Modifications or alterations of the Trust Indenture or any trust indenture supplemental thereto, or the Loan Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Loan Agreement.

Executed counterparts of the Trust Indenture and the Loan Agreement are on file at the principal corporate trust office of the Trustee. The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Trust Indenture and the Loan Agreement.

This Bond is issued pursuant to the Supplemental Public Securities Act. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of this Bond after its delivery for value.

It is hereby certified that all acts, conditions and things required to happen, exist and be performed under the laws of the State, and under the Trust Indenture precedent to and in the issuance of this Bond have happened, exist and have been performed as so required, and that the issuance, authentication and delivery of this Bond have been duly authorized by the Issuer.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature of one of its authorized signers, this Bond shall not be entitled to any benefit under the Trust Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Rifle, Colorado and its official seal to be impressed or imprinted hereon and attested by the manual or facsimile signature of the City Clerk of the City of Rifle, Colorado, all as of the Issue Date referenced above.

[SEAL]

ATTEST: CITY OF RIFLE, COLORADO

City Clerk

By: _____
Mayor

(Form of Certificate of Authentication)

It is hereby certified that this Bond has been issued under the provisions of the Trust Indenture described in this Bond; and that this Bond has been issued in exchange for or replacement of a bond or bonds, or a portion of a bond or bonds of an issue.

U.S. Bank Trust Company, National
Association, as Trustee

By _____
Authorized Representative

Date of Authentication: April __, 2025

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

(PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE)

(Please Print or Typewrite Name and Address of Assignee)

Dated: _____

NOTICE: The signature(s) on this assignment must correspond in every particular with the name(s) of the registered owner(s) appearing on the face of the within Bond.

Signature guaranteed by:

NOTICE: Signature must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements will include membership or participation in STAMP or such other signature guaranty program as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

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EXHIBIT B
FORM OF INVESTOR LETTER

Date: _____

City of Rifle
202 Railroad Avenue
Rifle, Colorado 81650

U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202

D.A. Davidson & Co.
1550 Market St. #300
Denver, CO 80202

Re: [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A] [AND/OR] [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the "Bonds")]

Ladies and Gentlemen:

The undersigned on behalf of [] [being the initial purchaser] [OR] [not on its own behalf but in its capacity as investment advisor to the [Name(s) of Fund(s)] identified opposite its signature hereto] as purchaser of that portion of the above-captioned Bonds as set forth opposite its signature hereto (the "Purchaser"), in connection with the purchase of the Bonds by the Purchaser, hereby makes the following representations and warranties upon which you are authorized to rely.

Capitalized terms used herein shall have the meanings given to them in the Indenture of Trust dated as of April 1, 2025 (the "Indenture"), between the City of Rifle, Colorado (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), or the Loan Agreement dated as of April 1, 2025 (the "Loan Agreement"), between the Issuer and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), each relating to the Bonds.

The Purchaser states that: (a) it is (i) an Accredited Investor as defined in Rules 215 and 501(a) of Regulation D, promulgated under the Securities Act of 1933, as amended (the "1933 Act"); or (ii) a Qualified Institutional Buyer as defined in Rule 144A under the Securities Act.

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The Purchaser understands that the Bonds have not been registered under the 1933 Act, or the securities laws of any state, and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser as set forth herein.

The Purchaser has sufficient knowledge and experience in financial and business matters in general, including the purchase and ownership of taxable or tax-exempt obligations such as the Bonds in particular, and is capable of evaluating the merits and risks involved in its purchase of the Bonds. The Purchaser is able to bear the economic risk of, and an entire loss of, its investment in the Bonds and understands that it may be required to bear the risks of an investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.

The Purchaser acknowledges that it has been provided a copy of the Preliminary Limited Offering Memorandum dated February 25, 2025 as supplemented on _____, 2025 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [the date of sale] with respect to the Bonds (the "Limited Offering Memorandum"), and that it has either been supplied with or been given access to information which it deemed significant in making its investment decision, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Project, the Borrower, the Indenture, the Loan Agreement, the Ground Lease, the Guaranty, the Mortgage, the Bonds and the security therefor so that the Purchaser has been able to make its decision to purchase the Bonds.

The Purchaser understands that the Bonds involve a high degree of risk. The Purchaser has obtained all information requested by it in connection with the issuance of the Bonds as it regards necessary to evaluate all merits and risks of its investment in the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture and the Loan Agreement.

THE PURCHASER ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PROVIDED IN THE TRUST ESTATE UNDER THE INDENTURE (CONSISTING PRIMARILY OF THE LOAN PAYMENTS TO BE MADE BY THE BORROWER UNDER THE LOAN AGREEMENT), AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF PRINCIPAL OF, AND INTEREST, ON THE BONDS.

The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Issuer, the State of Colorado or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Colorado or any political subdivision thereof; that no right will exist to have taxes levied by the State of Colorado or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Issuer with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

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In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Issuer or the Trustee relating to the legal consequences or other aspects of its investment in the Bonds, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Indenture or the Loan Agreement or the adequacy of the funds pledged to the Trustee to secure repayment of the Bonds.

The Purchaser acknowledges and understands that the Bonds (i) are not registered under the 1933 Act and that the Indenture has not been registered under the Trust Indenture Act of 1939 and that such registration is not legally required as of the date hereof; (ii) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction; (iii) will not be listed on any stock or other securities exchange; (iv) will carry no rating from any rating service; and (v) may not be readily marketable.

Neither the Trustee, Bond Counsel, the Issuer, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its financial condition or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. Except for the information contained under the captions "INTRODUCTION—The Issuer," "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION—The Issuer" in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, no written information has been provided by the Issuer to the Purchaser with respect to the Bonds.

The Purchaser is purchasing the Bonds solely for its own account (or an account of an affiliate or funds on behalf of whom it acts as a registered investment advisor) for investment purposes and has no present intention to resell or distribute all or any portion of, or interest in, the Bonds other than to an affiliate of the Purchaser (in which case the Purchaser is executing this Investor Letter on behalf of the affiliate as well as itself); provided that the Purchaser reserves the right to transfer or dispose of the Bonds at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 1 and 12 of this letter.

The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) in Authorized Denominations, and then only to another Qualified Institutional Buyer or Accredited Investor (as defined in paragraph 1 of this letter) and in accordance with (i) an applicable exemption from the registration requirements of Section 5 of the 1933 Act; (ii) any applicable state securities laws; and (iii) the transfer restrictions set forth in the Indenture.

No party other than the addressees hereto is entitled to rely on the representations and acknowledgments contained in this letter. Without limiting the generality of the foregoing, nothing in this letter will be deemed to relieve any party of its obligations under any federal or state securities laws.

The signatory hereof is a duly appointed, qualified and acting representative of the Purchaser with the authority to make the representations and acknowledgments contained herein

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on behalf of the Purchaser, and is authorized to execute and deliver this letter on behalf of the Purchaser.

\$ _____
Par Amount of the Bonds purchased

[NAME OF PURCHASER][, not on its own
behalf but in its capacity as investment advisor
to the [INSERT NAME[S] OF FUND(S)
ABOVE SIGNATURE LINE]

By: _____ N

[Signature Page to Investor Letter]

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APPENDIX G
FORM OF THE LOAN AGREEMENT
(attached)

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**LOAN AGREEMENT
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(This Table of Contents is not a part of the Loan Agreement
and is only for convenience of reference.)

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CITY OF RIFLE, COLORADO
as Issuer

and

HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.
as Borrower

LOAN AGREEMENT

Dated as of April 1, 2025

THE RIGHTS AND INTEREST OF THE CITY OF RIFLE, COLORADO IN THIS LOAN AGREEMENT AND THE REVENUES AND RECEIPTS DERIVED THEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS DEFINED HEREIN, HAVE BEEN ASSIGNED AND ARE THE SUBJECT OF A GRANT OF A SECURITY INTEREST TO U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE, UNDER AN INDENTURE OF TRUST DATED AS OF APRIL 1, 2025.

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LOAN AGREEMENT

PARTIES AND RECITALS

This LOAN AGREEMENT, dated as of April 1, 2025, is by and between the CITY OF RIFLE, COLORADO, a home-rule city and municipal corporation of the State of Colorado (the "Issuer"), and HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC., a Colorado nonprofit corporation (the "Borrower").

WITNESSETH:

IN CONSIDERATION OF the respective representations and agreements hereinafter contained, the parties hereto agree as follows, provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute a general obligation of the Issuer but shall be payable solely out of the revenues, receipts, and other payments derived from this Loan Agreement, the Indenture, and the sale of the Series 2025 Bonds referred to in Section 1.01 hereof and insurance proceeds, foreclosure proceeds, proceeds from released property, and condemnation awards as herein provided, and the Series 2025 Bonds, the premium, if any, and the interest thereon shall never constitute the debt or indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes, shall not constitute nor give rise to a pecuniary liability of the Issuer, the State or any political subdivision thereof or a charge against their general credit or taxing power and shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the Issuer under Article X, Section 20 of the State Constitution.

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. Certain words and terms used in this Loan Agreement are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Loan Agreement:

"2025A Debt Service Reserve Fund" means the 2025A Debt Service Reserve Fund created in Section 501 of the Indenture and referred to herein.

"2025A Debt Service Reserve Requirement" means, with respect to the Series 2025A Bonds, an amount equal to the lesser of: (a) the maximum annual debt service on the Series 2025A Bonds, (b) ten percent (10%) of the initial principal amount of the Series 2025A Bonds, or (c) one hundred twenty five percent (125%) of the average annual debt service on the Outstanding Series 2025A Bonds.

"Accountants" means a firm of independent certified public accountants (which may be the accountant or firm of accountants regularly retained by the Borrower) reasonably acceptable to the Issuer.

"Accredited Investor" means an individual or company which qualifies as an "accredited investor" under Rules 215 and 501(a) of Regulation D, promulgated under the Securities Act of 1933.

"Act" means the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended.

"Additional Bonds" means bonds issued by the Issuer pursuant to Section 212 of the Indenture in addition to the Series 2025 Bonds.

"Additional Loan Payments" means the additional loan payments specified in Section 5.02(b).

"Additional Notes" means additional notes which may be issued by the Borrower pursuant to the Loan Agreement to evidence its obligation to repay the loan of the proceeds of any Additional Bonds.

"Additions or Alterations" means extraordinary modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project, including any and all machinery, furnishings, and equipment therefor.

"Administrative Expense Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Affiliate" means any Person directly or indirectly controlling, controlled by, or under common control with another Person or any Person controlling 10% or more of the voting securities of such Person or any officer, director, or partner of such Person and if such Person is an officer, director, or partner, any entity for which such Person acts in any such capacity.

"Annual Budget" for any period, commencing with Fiscal Year 2028, means the Annual Budget prepared and presented by the Borrower to the Trustee, stating that (i) the Gross Revenues in such Annual Budget exceed the Operating Expenses in such Annual Budget covered by such Annual Budget and (ii) the Fixed Charges Coverage Ratio of such Annual Budget shall equal at least 1.20. Any Annual Budget may be amended by the Borrower, which amendment shall be provided to the Trustee, and shall be and remain the Annual Budget, provided that the Gross Revenues in such Annual Budget as amended exceed or equal the expenses and payments in such Annual Budget as amended by each month covered by such Annual Budget as amended. An Annual Budget shall in no event cover any period in excess of one Fiscal Year.

"Arbitrage Calculator" means any nationally recognized bond counsel, nationally recognized firm of certified public accountants, or other firm acceptable to the Issuer which is knowledgeable in making the calculations required by section 148(f) of the Code, appointed by the Borrower pursuant to Section 4.12 hereof to make the calculations required by section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

"Arbitrage Calculator Fee" means the fees charged by the Arbitrage Calculator, such fees to be for the calculation of rebate due, if any, on April __, 2030, and every five years thereafter so long as rebate calculations need to be made.

"Audit Report" means an audit report resulting from an audit conducted by Accountants in conformity with generally accepted auditing standards applied on a consistent basis.

"Authorized Borrower Representative" means the individual at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Trustee, containing the specimen signature of such individual and signed on behalf of the Borrower by the President or Vice President of the Borrower. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Authorized Denominations" means \$100,000 or any multiple of \$5,000 in excess of \$100,000, or as otherwise authorized in Section 204 of the Indenture.

"Authorized Issuer Representative" means the individual at the time designated to act on behalf of the Issuer by written certificate furnished to the Borrower and the Trustee, containing the specimen signature of such individual and signed on behalf of the Issuer by the Mayor of the Issuer. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Bond Counsel" means an attorney at law or a firm of attorneys, acceptable to the Issuer of nationally recognized standing in matters pertaining to the issuance of tax-exempt bonds by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America, or the District of Columbia.

"Bond Documents" means, collectively, this Loan Agreement, the Indenture, the Note, the Guaranty, the Mortgage, the Collateral Assignment of Project Documents, the Tax Compliance Agreement and the Deposit Account Control Agreement and all other agreements, certificates, and documents executed from time to time in connection with the issuance, offering, sale, and delivery of the Bonds.

"Bond Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Bondholders" means the Persons in whose names any of the Bonds are registered on the books kept and maintained by the Trustee as bond registrar.

"Bond Ordinance" means the ordinance enacted by the Governing Body of the Issuer authorizing the issuance and sale of the Bonds and the security therefor.

"Bond Year" means the twelve-month calendar year.

"Borrower" means Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation, and its successors and assigns.

"Borrower Documents" means the Loan Agreement, the Note, the Bond Purchase Agreement, the Ground Lease, the Mortgage, the Guaranty, the Collateral Assignment of Project Documents, the Deposit Account Control Agreement, the Tax Compliance Agreement, the Continuing Disclosure Agreement, the Construction Contract, the architect agreement, the Construction Monitor Agreement and any agreement or document entered into by the Borrower from time to time related to the Project, and any amendment, modification or supplement thereof.

"Building" means each of those certain buildings and all other facilities and improvements constituting part of the Project and not constituting part of the Equipment which are or will be located on the Project Site.

"Charter" means the home rule charter of the Issuer.

"Closing Date" means the date of issuance of the Series 2025 Bonds.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral Assignment of Project Documents" means that certain Collateral Assignment of Project Documents dated even date herewith between the Borrower and the Trustee pursuant to which the Borrower collaterally assigns all of the Borrower's right, title and interest under the Project Documents, as each may be amended or supplemented from time to time.

"Collections Fund" means the depository account established by the Borrower with the Depository Bank upon issuance of the Series 2025 Bonds in accordance with Section 4.03, which shall be designated the Collections Fund.

"Completion Certificate" means a certificate of completion of the Project as described in Section 4.02 hereof.

"Completion Date" means 18 months after the Closing Date or such later date approved in writing by the Consulting Architect.

"Completion of the Facility" means the occurrence of the satisfaction of each of the following conditions: (a) receipt by the Trustee of a Substantial Completion Certificate; (b) receipt by the Trustee of a certification from the Borrower, prepared by the Construction Monitor and in form and substance reasonably acceptable to the Trustee certifying that the Facility has been completed in substantial accordance with the Plans and Specifications and in compliance with all governmental requirements and restrictive covenants, if any, affecting the Project Site, free and clear of liens or claims for liens for material supplied or for labor or services performed in connection with the construction of the Facility; and (c) receipt by the Trustee of certified copies of certificates of occupancy for each Building comprising any portion of the Project which certificates shall permit the unconditional occupancy of each of such Buildings.

"Condemnation Fund" means the fund created in Section 501 of the Indenture and referred to in Section 7.02 hereof.

"Construction Account" means that account of the Project Fund described in Section 501 of the Indenture.

"Construction Budget" means the Construction Budget for the Project attached as an exhibit to the Construction Contract.

"Construction Contract" means the AIA Document 102-2017 and AIA Document 201-17 between the Borrower and the Contractor and the GMP amendments thereto relating to construction aspects of the construction, furnishing and equipping of the Facility.

"Construction Default" means the occurrence of any of the following:

(a) The construction of the Facility shall be, at any time, (i) discontinued due to acts or matters within the Borrower's control for a period of thirty (30) or more consecutive days, or (ii) not completed by the Completion Date, subject to extension for delay not within the reasonable control of the Borrower.

(b) The Borrower shall be unable to satisfy any condition of the Borrower's right to receive a disbursement from the Project Fund hereunder for a period in excess of thirty (30) days after Trustee's refusal to approve any further Project Fund Requisition.

(c) The Borrower shall have executed any conditional bill of sale, chattel mortgage or other security instrument covering any materials, fixtures or articles intended to be incorporated in the Project or the appurtenances thereto, or covering articles of personal property placed in the Facility, or if any of such materials, fixtures or articles shall not have been purchased in such a manner that the ownership thereof vests unconditionally (except for any amounts owing by Borrower as a result of funds retained by Borrower) in Borrower, free from encumbrances other than Permitted Encumbrances, or if Borrower shall not produce to the Trustee upon reasonable demand the contracts, bills of sale, statements, receipted vouchers or agreements, or any of them, under which Borrower claims title to such materials, fixtures and articles.

(d) Any levy, attachment or garnishment shall be issued, or any lien for the performance of work or the supply of materials shall be filed, against any material part of the Project and remain unsatisfied or unbonded, except as provided in Section 6.09, following the earlier of (i) fifteen (15) days after the date of filing thereof or (ii) the requesting by the Borrower of a disbursement from the Project Fund.

(e) The Borrower shall sell, lease (other than leases in the ordinary course), exchange, assign, convey, transfer, or otherwise disposes of all or any material portion of the Project.

"Construction Letters of Credit" means the irrevocable standby letters of credit from Alpine Bank, Glenwood Springs, Colorado commencing on June 1, 2025 and expiring after a one-year term, provided by the Contractor for the benefit of the Trustee as security for the performance by the Contractor under the Construction Contract and referenced in Exhibit A thereto.

"Construction Monitor" means the Consulting Architect.

"Construction Monitor Agreement" means the agreement between the Construction Monitor and the Borrower dated as of April __, 2025, as it may be amended or supplemented from time to time.

"Consulting Architect" means EV Studio LLC, or such other architect or architectural firm at the time employed by the Borrower and designated to act on behalf of the Borrower by written certificate furnished to the Trustee, containing the signature of such Person or the signature of a partner or officer of such firm, and signed on behalf of the Borrower by an Authorized Borrower Representative. The Consulting Architect shall be registered and qualified to practice under the laws of the State and shall certify in each request for disbursement from the Project Fund that the work has been completed in accordance with the Plans and Specifications and the Construction Budget.

"Continuing Disclosure Agreement" means the continuing disclosure agreement to be entered on the Closing Date by the Borrower and the dissemination agent substantially in the form attached to the Limited Offering Memorandum.

"Contractor" means Decatur Wilkie Inc. or any other Person with whom the Borrower contracts for the construction of the Project or any portion thereof.

"Debt Service Reserve Funds" means, collectively, the 2025A Debt Service Reserve Fund and the Supplemental Debt Service Reserve Fund.

"Deposit Account Control Agreement" means the agreement or agreements entered among the Borrower, the Depository Bank and the Trustee in connection with the issuance of the Bonds under which the Borrower grants a security interest to the Trustee in the deposit account representing the Collections Fund and the Operating Expense Fund.

"Depository Bank" means U.S. Bank National Association, with which the Collections Fund and Operating Expense Fund will be established as deposit accounts.

"Draw Agreement" means the Title Review/Title Policy Endorsement Agreement by and among Land Title Guarantee Company, the Trustee, and the Borrower dated April __, 2025.

"Engineer" means the firm, entity or any other Person with whom the Borrower contracts for engineering services in connection with the development, construction and completion of the Facility or any portion thereof.

"Equipment" means the furniture, furnishings, equipment, machinery, furnishings, and other personal property, and all replacements, substitutions, and additions thereto used in connection with the operation and use of the Premises which is not permanently affixed to the Facilities.

"Event of Default" means the events specified in Section 10.01 of this Loan Agreement.

"Examination Report" means an examination report resulting from an examination conducted by Accountants in conformity with generally accepted standards applied on a consistent basis for accountants' services on prospective financial information pertaining to the Borrower or the Project.

"Extraordinary Services of the Trustee" and "Extraordinary Expenses of the Trustee" mean all services rendered and all expenses incurred by the Trustee under the Indenture or other Bond Documents, including reasonable counsel fees, other than Ordinary Services of the Trustee and Ordinary Expenses of the Trustee.

"Facility" means the 66,000 square foot modular housing production facility to be located wholly within the boundaries of the Project Site, including any and all improvements made thereto from time to time.

"Financial Consultant" means a firm of Accountants or consultants, knowledgeable in the operation and financial affairs of housing manufacturing facilities and not in the full-time employment of the Borrower or the Issuer, which is to be retained by the Borrower to make reports with respect to rates, fees, charges, services, and operations and to provide other functions and duties provided for in this Loan Agreement.

"Fiscal Year" means any period of 12 consecutive months adopted by the Borrower as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

"Fitch" means Fitch, Inc., doing business as Fitch Ratings.

"Fixed Charges" means, for any period, the sum of all cash outflows related to the Project that the Borrower cannot avoid without violating the Borrower's long-term contractual or legal obligations (those obligations which extend for a period greater than one year), including, but not limited to, (i) interest on Long-Term Indebtedness, (ii) payments under long-term leases related to the Project, and (iii) scheduled payments of principal on Long-Term Indebtedness of the Borrower, but specifically excluding any payments into the Repair and Replacement Reserve Fund.

"Fixed Charges Coverage Ratio" means, for any period, the ratio of (i) Net Revenue Available for Fixed Charges as calculated based on the Borrower's audited financial statements on a GAAP basis, to (ii) Fixed Charges.

"GAAP" means Generally Acceptable Accounting Principles.

"Governing Body" means the City Council of the Issuer.

"Governmental Obligations" means negotiable direct obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States Government.

"Gross Proceeds" includes any of the following: (i) the proceeds (less the amount to pay Issuance Costs) received by the Issuer on the Closing Date from the sale of the Bonds; (ii) all amounts earned from investment of any proceeds of the Bonds, including amounts received in connection with this Loan Agreement; (iii) amounts held in the Bond Fund, any other debt service fund, or any similar fund, to the extent that the Issuer or the Borrower reasonably expects to use such fund to pay debt service on the Bonds; (iv) amounts invested in a "reasonably required reserve or replacement fund," as such term is defined in section 148(d) of the Code and Section 1.148-2(f) of the Regulations (or any comparable provision applicable to the Bonds); (v) securities or obligations (including time or demand deposits) pledged as security for payment of debt service on the Bonds by the Issuer or the Borrower; (vi) any other amounts used to pay debt service on the Bonds including capitalized interest; and (vii) other amounts (including any repayment of principal) received as a result of investing any of the foregoing.

"Gross Revenues" means all revenues, income, receipts and money of every nature in any form derived or received by the Borrower solely from or in connection with the Facility, including but not limited to, gross revenues derived from its operation and possession of and pertaining to such Facility, interest or earnings on investments, including earnings on investments on deposit in the funds and accounts of the Indenture which shall be treated in accordance with Section 602 of the Indenture, interest on any deposit accounts of the Borrower to the extent controlled by the Trustee under the Deposit Account Control Agreement, any revenues received from grant reimbursements related to the Project and any accounts receivable or rights the Borrower may have in accounts receivable related to the Project; provided however that Gross Revenues shall not include any revenue or income of the Borrower which is derived from its operations not relating to the Facility or its other assets or from unrestricted donations to the Borrower.

"Ground Lease" means the Ground Lease dated July 10, 2023, amended and restated as of January 15, 2025, from the Issuer to the Borrower under which the Project Site has been leased to the Borrower, as it may be amended or supplemented from time to time in compliance with the provisions hereof and the Indenture.

"Guaranty" means the Guaranty Agreement and Indemnity delivered by the Borrower to the Issuer in which the Borrower unconditionally guarantees the full performance and punctual payment when due of each and all indebtedness, obligation and liability of the Borrower under the Note, the Loan Agreement and the Mortgage.

"Indebtedness" means (i) all indebtedness (including the Loan) of the Borrower related to the Project, whether or not represented by bonds, debentures, notes, or other securities, for the repayment of money borrowed, (ii) all deferred indebtedness for the

payment of the purchase price of properties or assets purchased, (iii) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions derivatives in the form of credit default swaps or total-rate-of return swaps or similar instruments, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (iv) all indebtedness secured by mortgage, pledge, security interest, or lien existing on property owned which is subject to such mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby shall have been assumed, and (v) all capitalized lease obligations (excluding obligations under operating leases), (i) through (v) all solely as it relates to the Project ; provided, however, that for the purpose of computing Indebtedness, there shall be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary money (or direct obligations of the United States of America not redeemable by the Issuer) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such money and such direct obligations of the United States of America so deposited shall not be included in any computation of the assets of the Borrower and the income derived from such money and such direct obligations of the United States of America so deposited shall not be included in any computation of the income of the Borrower, all solely as it relates to the Project.

"Indenture" means the Indenture of Trust between the Issuer and the Trustee, dated as of even date herewith, including any indenture supplemental thereto.

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States or the District of Columbia and not in the full-time employment of the Issuer or the Borrower.

"Insurance Fund" means the fund created in Section 501 of the Indenture and referred to in Section 7.01(b) hereof.

"Interest Payment Date" means July 1 and January 1 of each year, commencing July 1, 2025.

"Investment Grade" means "Baa3," "BBB-," "BBB-," or higher by Moody's, S&P or Fitch, respectively.

"Investor Letter" means an Investor Letter substantially in the form attached to the Indenture, to be delivered on or before the Closing Date by each beneficial owner of the Series 2025 Bonds.

"Issuance Costs" means

(i) the initial or acceptance fee of the Trustee, the fees and taxes for recording the Mortgage, financing statements, and any title curative documents that either the Trustee or Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the title of the Borrower to the Project or the lien or security interest created or granted by the Indenture or the Mortgage, and the reasonable fees and expenses in connection with any actions or proceedings that either the Trustee or

Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Indenture or the Mortgage;

(ii) the costs of legal fees and expenses, underwriter's spread, underwriting fees, financing costs, financial advisor's fees, accounting fees and expenses, consulting fees, the Trustee's fees (including the fees of Trustee's counsel), paying agent and certifying and authenticating agent fees, publication costs, title insurance premiums, appraisal fees, surveys, market study report fees and printing and engraving costs incurred in connection with the authorization, sale, issuance, and carrying of the Bonds, and the preparation of this Loan Agreement, the Indenture, and all other documents in connection therewith; and

(iii) other costs in connection with the issuance of the Bonds permitted by the Act and the Supplemental Act to be paid or reimbursed from Bond proceeds.

"Issuance Costs Account" means that account of the Project Fund described in Section 501(c) of the Indenture.

"Issuance Costs Requisition" means a requisition to pay Issuance Costs, substantially in the form attached hereto as Exhibit C.

"Issuer" means the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado.

"Issuer Expenses" means those expenses incurred by the Issuer in the performance of its duties under the Bond Documents.

"Limited Offering Memorandum" means that certain limited offering memorandum of the Issuer dated April __, 2025.

"Line of Credit" means the two-year irrevocable line of credit extended by The Denver Foundation to the Borrower in the principal amount of \$2,500,000, in the form approved by the Underwriter as of the Closing Date, for the purpose of funding deposits to the Operating Expense Reserve Fund as provided in Section 4.05 hereof.

"Loan" means the loan made by the Issuer to the Borrower pursuant to Section 3.01 hereof, the repayment of which is evidenced by the Note.

"Loan Agreement" means the within Loan Agreement between the Issuer and the Borrower, as the same may be amended from time to time in accordance with the provisions hereof

"Loan Payments" means the payments of principal of, premium, if any, and interest on the Loan payable by the Borrower to the Issuer, pursuant to this Loan Agreement and evidenced by the Note.

"Loan Term" means the term of this Loan Agreement set forth in Section 5.01.

"Long-Term Indebtedness" means any Indebtedness, other than Short-Term Indebtedness.

"Majority Holder" means, so long as any Series 2025 Bonds remain Outstanding, the beneficial owners of at least 50% of the Outstanding Series 2025 Bonds.

"Moody's" means Moody's Investors Services, a corporation organized and existing under the laws of the State of Delaware.

"Mortgage" means the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), from the Borrower to the Trustee, granting a first mortgage lien on the Borrower's right, title and interest in the real property portion of the Project and granting a first lien security interest in all Fixtures and Equipment and personal property comprising the Project, and assigning and pledging the Borrower's interest in the Income (as defined therein) from the Project, for the use and benefit of the Issuer, as security for the payments due under this Loan Agreement and the Note in connection with the Series 2025 Bonds. The term Mortgage shall include any amendments thereto.

"Net Proceeds", when used with respect to any insurance or condemnation award or with respect to any other recovery on a contractual claim or claim for damage to or for taking of property, means the gross proceeds from the insurance or condemnation award or recovery with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any Extraordinary Expenses of the Trustee) incurred in the collection of such gross proceeds.

"Net Revenue Available For Fixed Charges" means, for any period, the excess of Gross Revenues per GAAP over Operating Expenses, but excluding non-cash charges such as amortization and depreciation and also interest cost for the purposes of this calculation.

"Note" means, the promissory note of the Borrower, dated April __, 2025, in the original principal amount of \$ _____ made by the Borrower and payable to the Issuer, to evidence the Borrower's obligation to pay Loan Payments in order to repay the Loan relating to the Series 2025 Bonds, and any promissory note issued in substitution or exchange therefor, substantially in the form attached to this Loan Agreement in Exhibit B, and any Additional Notes made by the Borrower to evidence the Borrower's obligation to pay Loan Payments relating to Series 2025 Bonds.

"Operating Expense Fund" means the deposit account established by the Borrower with the Depository Bank upon issuance of the Bonds in accordance with Section 4.04, which shall be designated the Operating Expense Fund.

"Operating Expense Reserve Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Operating Expense Reserve Fund Requirement" means an amount calculated no later than June 30 of each Fiscal Year equal to twenty-five percent (25%) of annual

Operating Expenses projected for the next succeeding Fiscal Year in the Annual Budget, provided however that for purposes of this calculation, Operating Expenses shall exclude direct material costs, factory consumables and contingency.

"Operating Expenses" means all expenses incurred, paid or budgeted to be paid in connection with the operation, maintenance and repair of the Project, including, but not limited to, administrative costs, insurance premiums, utilities and routine maintenance for any period, direct material costs, factory consumables and contingency expenses.

"Ordinary Services of the Trustee" and "Ordinary Expenses of the Trustee" mean those services rendered and those expenses incurred by the Trustee in the performance of its duties under the Indenture of the type ordinarily performed by corporate trustees under like indentures, including counsel fees and expenses.

"Outstanding Bonds" or "Bonds Outstanding" or "Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

- (i) Bonds theretofore canceled or required to be canceled by the Trustee;
- (ii) Bonds which are deemed to have been paid in accordance with Article VIII of the Indenture; and
- (iii) Bonds in substitution for which other Bonds have been authenticated and delivered under Section 205 of the Indenture.

provided that, in determining whether the Holders of the requisite percentage of Bonds have concurred in any demand, direction, request, notice, consent, waiver or other action under the Indenture, Bonds that are owned by the Borrower or any entity or person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower shall be disregarded and deemed not to be outstanding for the purpose of any such determination (unless all of the Bonds are so owned); provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only such Bonds of which the Trustee has actual knowledge are so owned shall be disregarded.

If the Indenture shall be discharged pursuant to Article VIII thereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Permitted Encumbrances" means, as of any particular time, with respect to the Project, (i) liens for ad valorem taxes, real estate taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with Section 6.03; (ii) liens and security interests created under the Bond Documents; (iii) presently existing utility, access, and other easements and rights of way, restrictions, encumbrances and exceptions permitted as exceptions to title in the Mortgage; (iv) inchoate mechanics' and materialmen's liens which arise by operation of law, but which have not been perfected by the required filing of record, for work done or materials delivered after the date of recording the Mortgage in connection with Additions

or Alterations (provided that no such liens will be permitted which will be superior to the lien of the Mortgage); (v) the mechanics' and materialmen's liens permitted by Section 6.01; (vi) the easements permitted under Section 8.06; (vii) liens, security interests, or encumbrances permitted as permitted indebtedness under Section 8.14 of this Loan Agreement; and (viii) purchase money security interests (including, without limitation, finance leases) in after-acquired property of the Borrower which becomes part of the Project securing Indebtedness of the Borrower permitted by Section 8.14 in a principal amount outstanding at any time of not more than 85% of the lesser of the purchase price thereof or the fair market value thereof calculated on a trade-in basis. For avoidance of doubt, there is no limitation on encumbering Borrower's assets that are not part of the Project.

"Permitted Investments" means any classes of securities or other investments permitted under State law.

"Person" means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, public bodies, limited liability companies and similar entities.

"Plans and Specifications" means the plans and specifications for the development and construction of the Project, prepared by Consulting Architect and approved by the Borrower and all amendments and modifications thereof.

"Pledged Revenues" shall mean (i) the Gross Revenues; (ii) any awards and recoveries received with respect to the Project including foreclosure, sale, and insurance and condemnation awards with respect to the Project; (iii) all other moneys with respect to the Project to which the Issuer may be entitled, including earnings thereon; and (iv) all revenues associated with the Direct Pay Investment Tax Credit, if awarded by the federal government pursuant to the Inflation Reduction Act which are available for eligible costs under such Act and are related to the Project.

"Project" means the Project Site, the Facility, and the Equipment all located within the boundaries of the Issuer.

"Project Costs" means (i) all costs of developing and constructing the Project, and (ii) all other costs to be paid from the proceeds of the Bonds as permitted by the Act exclusive of Issuance Costs.

"Project Documents" means the Construction Contract; the Plans and Specifications; the agreement with the Consulting Architect; the Construction Monitor Agreement; any necessary permits for construction of the Facility; contracts with any architects, engineers or consultants hired by the Borrower in connection with the Project; performance and payment bonds with respect to the Project; and any and all other documents executed by or furnished to the Borrower in connection with the acquisition, construction, equipping or installation of the Project.

"Project Fund" means the fund created in Section 501 of the Indenture and referred to in Section 4.02.

"Project Fund Requisition" means a requisition to pay Project Costs, substantially in the form attached hereto as Exhibit C.

"Project Site" means the real estate described in Exhibit A attached hereto which, by this reference thereto, is incorporated herein.

"Rating Agency" means Fitch, Moody's or S&P.

"Rebate Amount" means the rebateable arbitrage in connection with any issue which is payable to the United States Treasury pursuant to section 148(f) of the Code and any Regulations proposed or promulgated in connection therewith.

"Rebate Fund" means the fund created in Section 501 of the Indenture.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R., Part 221.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Part 224.

"Regulations" means the Treasury Regulations promulgated under and pursuant to the Code.

"Repair and Replacement Reserve Fund" means the fund created in Section 501 of the Indenture.

"Repair and Replacement Reserve Fund Requirement" means an amount equal to \$184,000 commencing in the Fiscal Year ending June 30, 2027 and \$291,000 commencing in the Fiscal Year ending June 30, 2028. Commencing with the Fiscal Year ending June 30, 2029, and every three (3) years thereafter, the Repair and Replacement Reserve Fund Requirement will be adjusted to a fixed amount determined based on the report of a Financial Consultant retained by the Borrower for such purpose as described in Section 508 of the Indenture and Section 4.05 of this Loan Agreement.

"Revenue Fund" means the fund created in Section 501 of the Indenture and referred to herein.

"Security" means the Mortgage and any of the property and assets subject to the operation of the granting clauses contained in the Indenture that is part of the Trust Estate, the Mortgage, the Guaranty, the Deposit Account Control Agreement or the Collateral Assignment of Project Documents and any other property or assets that serves as collateral for the Bonds.

"Series 2025 Bonds" or "Bonds" means collectively the Series 2025A Bonds and the Series 2025B Bonds.

"Series 2025A Bonds" means the revenue bonds designated "City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,

Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A," dated as of the date of delivery, in the aggregate principal amount of \$ _____, to be issued pursuant to the Indenture.

"Series 2025B Bonds" means the revenue bonds designated "City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B," dated as of the date of delivery, in the aggregate principal amount of \$ _____, to be issued pursuant to the Indenture.

"Short Term Indebtedness" means any Indebtedness incurred in connection with operation of the Facility maturing not more than 365 days after it is incurred or which is payable on demand, except for any such Indebtedness which is renewable or extendable at the sole option of the debtor to a date more than 365 days after it is incurred and any such Indebtedness, which, although payable within 365 days, constitute payments required to be made on account of Indebtedness expressed to mature more than 365 days after it was incurred; provided however that Short Term Indebtedness can only be entered into under the conditions set forth in Section 8.14.

"S&P" means S&P Global Ratings, a division of S&P Global Inc.

"State" means the State of Colorado.

"Substantial Completion" or "Substantially Complete" means the stage of progress of the Project when the Project or designated portion thereof is sufficiently complete in accordance with the Construction Contract so that the Borrower can occupy or utilize the Project for its intended use. The failure of local government to issue a final certificate of occupancy or to perform a final inspection due to factors beyond the control of Contractor shall not prevent the Project from being considered Substantially Complete.

"Substantial Completion Certificate" means a certificate issued by the Consulting Architect certifying that the Facility has been completed and is Substantially Complete in accordance with the Plans and Specifications.

"Supplemental Act" means the Colorado Supplemental Public Securities Act, Article 57, Title 11, Section 201 et seq., Colorado Revised statutes, as amended.

"Supplemental Debt Service Reserve Fund" means the Supplemental Debt Service Reserve Fund created by Section 501 of the Indenture.

"Supplemental Debt Service Reserve Fund Requirement" means \$1,000,000.

"Surplus Fund" means the Surplus Fund created by Section 501 of the Indenture.

"Tax Compliance Agreement" means the Tax Compliance Agreement between the Borrower and the Issuer dated as of April __, 2025 and executed in connection with the Series 2025A Bonds.

"Title Company" means the title insurance company issuing the lessee's and mortgagee's title policy pursuant to Section 3.05.

"Trust Estate" means any and all property subject to the operation of the granting clauses of the Indenture.

"Trustee" means the trustee and/or the co-trustee at the time serving as such under the Indenture. U.S. Bank Trust Company, National Association, located in Denver, Colorado is the initial Trustee.

"Unassigned Rights" means all of the rights of the Issuer to receive reimbursements and payments pursuant to Sections 4.02 (to the extent that the Issuer's fees are to be paid thereunder), 4.07, 4.12, 5.02(b), 6.08, 8.07 and 10.04, to be held harmless and indemnified pursuant to Sections 4.12, 7.05(a) and 8.07, to approve substitute property or improvements pursuant to Section 7.02, to receive documents and notices pursuant to Sections 6.09, 8.06, 8.12, 8.16 and 11.02 to make inspections and examinations pursuant to Sections 7.02, 8.02, 8.17 and 10.02(b), and to give its consents, approvals or waivers pursuant to Sections 3.05, 3.07(g), 6.06, 9.01, 10.01(g), and 10.05.

"Underwriter" means D.A. Davidson & Co., and its successors and assigns.

"Value" means that the value of any investments, which shall be determined as of the end of each month and shall be calculated as follows and in accordance with Section 604 of the Indenture:

(i) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average

(ii) of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(iii) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interests, and

(iv) As to any investment not specified above, the value thereof established by prior agreement between the Borrower and the Trustee.

Section 1.02 Construction of Certain Terms. For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) "This Loan Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more loan agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated "Articles", "Sections", and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words "herein", "hereof", and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

Section 1.03 Table of Contents; Titles and Headings. The table of contents, the titles of the Articles, and the headings of the Sections of this Loan Agreement are solely for convenience of reference, are not a part of this Loan Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.04 Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Loan Agreement shall include: (i) a statement that the Person or Persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer

of the Issuer or the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or the Borrower or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or the Borrower, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Loan Agreement, but different officers, counsel, or accountants may certify or opine to different matters, respectively.

[End of Article I]

ARTICLE II REPRESENTATIONS AND UNDERTAKINGS

Section 2.01 Representations by the Issuer. The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) Organization and Authority. The Issuer is a home-rule city and municipal corporation of the State of Colorado validly existing under the provisions of the Charter. The Issuer has all requisite power and authority under the Charter, the Act and the Supplemental Act (i) to issue the Bonds; (ii) to loan the proceeds of the sale of the Bonds to the Borrower to acquire and construct the Project in order to provide financing for manufacturing facilities, to finance the Project Costs, and to make deposits to the 2025A Debt Service Reserve Fund, the Bond Fund and the Project Fund; and (iii) to enter into, perform its obligations under, and exercise its rights under this Loan Agreement, the Indenture, the Guaranty and the Mortgage, if any, and to endorse the Note without recourse or warranty to the order of the Trustee. The Governing Body of the Issuer has expressly determined and hereby confirms that the issuance of the Bonds has and will accomplish a valid public purpose of the Issuer.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Loan Agreement or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Bond Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Issuer aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings.

(c) Issue, Sale, and Other Transactions Are Legal and Authorized. The issue and sale of the Bonds, the execution and delivery by the Issuer of the Bond Documents and the endorsement without recourse or warranty of the Note by the Issuer to the order of the Trustee and the compliance by the Issuer with all of the provisions of each thereof and of the Bonds (i) are within the purposes, powers, and authority of the Issuer; (ii) have been done in full compliance with the provisions of the Act and have been approved by the Governing Body and are legal and will not conflict with or constitute on the part of the Issuer a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Issuer under the provisions of, any charter instrument, bylaw, indenture, mortgage, Mortgage, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Issuer is a party or by which the Issuer or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of

its activities or properties; and (iii) have been duly authorized by all necessary corporate action on the part of the Issuer.

(d) Governmental Consents. Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Bond Documents, the endorsement without recourse or warranty of the Note to the order of the Trustee, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect, other than the recording of the Mortgage, the filing of financing statements or instruments effective as financing statements perfecting the liens and security interests created by the Indenture, the Mortgage and the filing of Internal Revenue Service Form 8038 with the Internal Revenue Service.

(e) No Defaults. To the knowledge of the Issuer, no event has occurred and no condition exists which would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Issuer, the Issuer is not in default or violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) No Prior Pledge. Neither this Loan Agreement, the Note, the Guaranty or the Mortgage, nor any of the payments to be received by the Issuer under this Loan Agreement or the Note, have been or will be pledged or hypothecated in any manner or for any purpose or have been or will be the subject of a grant of a security interest by the Issuer other than as provided in the Indenture as Security for the payment of the Bonds.

(g) Disclosure. The representations of the Issuer contained in this Loan Agreement and any certificate, document, written statement, or other instrument furnished to the Trustee or the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact relating to the Issuer and do not omit to state a material fact relating to the Issuer necessary in order to make the statements contained herein and therein relating to the Issuer not misleading. Nothing has come to the attention of the Issuer which would materially and adversely affect or in the future may (so far as the Issuer can now reasonably foresee) materially and adversely affect the acquisition, ownership, and operation of the Project by the Borrower or any other transactions contemplated by the Bond Documents which have not been set forth in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum relating to the Bonds or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Issuer prior to the date of delivery of said Preliminary Limited Offering Memorandum and Limited Offering Memorandum in connection with the transactions contemplated hereby.

(h) Compliance with Conditions Precedent to the Issuance of the Bonds. All acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution and delivery by the Issuer of the Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation, and the revenues, funds, property, and amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, as the same become due, have been calculated to be sufficient in amount for that purpose.

(i) Payment of Bonds. The Issuer will, solely from the Trust Estate, pay or cause to be paid the Bonds and interest thereon on each and all Bonds on the dates, at the places and in the manner provided therein, and there shall be no other recourse against any other assets of the Issuer.

(j) Performance of Covenants. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations, and provisions contained in the Bond Documents and in any and every Bond executed, authenticated, and delivered under the Indenture, and in all proceedings of the Issuer pertaining to the Bonds and the Bond Documents.

(k) Pledged Revenues. Except as otherwise provided in the Indenture and this Loan Agreement, the Issuer will not create or suffer to be created any debt, lien, or charge thereon, or make any pledge or assignment of or create any debt, lien, or charge thereon, or make any pledge or assignment of or create any lien or encumbrance upon the Pledged Revenues other than the pledge and assignment thereof under the Indenture and this Loan Agreement.

Section 2.02 Representations by the Borrower. The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Organization and Power. The Borrower is a Colorado nonprofit corporation, is validly organized and existing under the law of the State, and is not in violation of any provisions of its Certificate of Organization, or any laws of the State relevant to the transactions contemplated hereby or in connection with the issuance of the Bonds. The Borrower is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code, which income is not expected to result from the consummation of any transaction contemplated by this Loan Agreement; the Borrower is not a private foundation as described in Section 509(a) of the Code; and the facts and circumstances which formed the basis of the Borrower's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist.

(b) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Borrower, after making due inquiry with respect thereto, threatened against or affecting the Borrower in any court or by or before any governmental authority or arbitration board or tribunal, which involve

the possibility of materially and adversely affecting the properties, activities, prospects, revenues, operations, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or the transactions contemplated by this Loan Agreement or which, in any way, would adversely affect the validity or enforceability of the Bond Documents, the Borrower Documents or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Borrower aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings. The Borrower is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Borrower have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) Agreements Are Legal and Authorized. The execution and delivery by the Borrower of the Borrower Documents, the consummation of the transactions herein and therein contemplated, and the fulfillment of or the compliance with all of the provisions hereof and thereof (i) are within the power, legal right, and authority of the Borrower; (ii) are legal and will not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Borrower under the provisions of, any agreement, indenture, mortgage, Mortgage, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties; and (iii) have been duly authorized by all necessary and appropriate action on the part of the Borrower. The Borrower Documents are valid, legal, binding, and enforceable obligations of the Borrower. The representatives of the Borrower executing the Borrower Documents are fully authorized and empowered to execute the same for and on behalf of the Borrower.

(d) Governmental Consents. Neither the Borrower nor any of its activities or properties, nor any relationship between the Borrower and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the Borrower of its obligations under the Borrower Documents or the offer, issue, sale, or delivery by the Issuer of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of the Borrower Documents, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable, other than the recording of the Mortgage, the filing of

financing statements or instruments effective as financing statements perfecting the liens and security interests created by the Indenture and the Mortgage, and the filing of Internal Revenue Service Form 8038 with the Internal Revenue Service. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the Borrower is legally required to obtain the same.

(e) No Defaults. No event has occurred and no condition exists that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) Compliance with Law. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its activities, which violation or failure to obtain might materially and adversely affect the properties, activities, prospects, revenues, and conditions (financial or otherwise) of the Borrower, including, without limitation, all licenses, permits, and approvals (which are presently obtainable) required by any federal or State agency.

(g) Restrictions on the Borrower. The Borrower is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its activities, properties, assets, operations, or condition (financial or otherwise). The Borrower is not a party to any contract or agreement that restricts the right or ability of the Borrower to incur indebtedness for borrowed money or to enter into loan agreements.

(h) No Prior Pledge. The Borrower's right, title and interest in and to the Project, the Pledged Revenues, the Facility and Equipment is not and will not be mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been and will not be the subject of a grant of a lien or security interest by the Borrower other than as provided herein and in the Mortgage as security for its obligations under this Loan Agreement and the Note.

(i) Disclosure. The representations of the Borrower contained in this Loan Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower to the Issuer or the Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Issuer and to the Underwriter in writing that materially and adversely affects or in the future may (so far as the Borrower can now reasonably foresee)

materially and adversely affect the acquisition or operation of the Project or the properties, activities, prospects, revenues, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by the Bond Documents which has not been set forth in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum relating to the Bonds or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Borrower prior to the date of delivery of said Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in connection with the transactions contemplated hereby.

(j) Use of Proceeds. No part of the proceeds of the Bonds will be used directly or indirectly, for the purpose of purchasing or carrying, or for payment in full or in part of Indebtedness which was incurred for the purpose of purchasing or carrying, any "margin stock" as such term is defined in Regulation U. No part of the proceeds of the Bonds will be used for any purpose which violated Regulation X.

(k) Ownership Representations. The Borrower will be the sole owner of the Project. Based on current facts, estimates, and circumstances, it is expected that the Borrower's interest in the Project will not be sold or disposed of by the Borrower, in whole or in part, prior to the maturity of the Bonds, other than as permitted herein.

(l) Information Furnished. The information furnished by the Borrower and used by the Issuer in preparing Internal Revenue Service Form 8038, which it will file with the Internal Revenue Service, will be true and complete as of the date of filing said Form.

(m) Statutory Liens. There are no mechanics' or materialmen's liens or other statutory liens of record on the Project, and no excavation or work of any character, kind, or description has been or will be commenced nor any material of any description for any construction in connection with the Project delivered on or near the Project Site prior to the recording of the Mortgage and the perfection of the lien and security interest created by the Mortgage, except as the Trustee shall be advised in writing, and in the event the Trustee is so advised in writing of any work or deliveries, the Borrower will provide the Trustee with waivers of all liens with respect to such work or deliveries.

(n) Compliance. The Project complies or will comply with all presently applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental authorities having jurisdiction over any portion of the Project.

(o) Utilities. All utility services and facilities necessary for the operation of the Project for its intended purposes are available at the Project Site.

(p) Condemnation. No condemnation or eminent domain proceeding has been commenced and is currently pending or, to the knowledge of the Borrower, threatened against the Project.

(q) Tax Compliance Agreement. The representations and warranties of the Borrower set forth in the Tax Compliance Agreement dated as of the date of issuance and delivery of the Series 2025A Bonds, are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

(r) Financial Forecast. To the best knowledge of the Borrower, the assumptions of the Borrower underlying the prospective statements of revenues and expenses of the Borrower for the Project for the fiscal periods ending June 30 of each year beginning with ____ and through ____, and the prospective statements of cash flows for each of such years then ending have been furnished to the Issuer and the Underwriter, are reasonable, and, as of the date of execution and delivery of this Loan Agreement, there have not been any material adverse changes of such assumptions.

(s) No Pension Plans. The Borrower does not maintain and has not maintained and is not a party to and has not been a party to any employee pension or benefit plan.

(t) No Discrimination. The Borrower shall not discriminate on the basis of race, creed, color, sex, marital status, national origin, religious belief, or any other category of discrimination not permitted by applicable law in connection with the lease, use, or occupancy of the Project or in connection with the employment or application for employment of Persons for the operation and management of the Project.

(u) No Federal Guarantee. The Borrower will not cause the Series 2025A Bonds to be treated as "federally guaranteed" obligations for purposes of section 149 of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations, or other Limited Offering Memorandums promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in section 149 of the Code. For purposes of this paragraph, the Bonds shall be treated as "federally guaranteed" if (i) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof; or (ii) a significant portion of the proceeds of the Bonds will be (A) used in making loans the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof; or (B) invested directly or indirectly in federally insured deposits or accounts; and (iii) such guarantee is not described in section 149(b) of the Code.

(v) Nonsectarian. The Borrower agrees that no proceeds of the Series 2025A Bonds shall be used to acquire, construct, or install any facilities which are intended to be used primarily for sectarian purposes.

(w) Continued Existence. The Borrower shall do or cause to be done all things necessary to preserve, maintain, and keep in full force and effect its existence and comply with all laws applicable to it.

(x) Notices. The Borrower agrees to give prompt notice in writing to the Trustee of the occurrence or existence of any material litigation, labor dispute, or governmental proceeding or investigation affecting the Borrower which could reasonably be expected to interfere substantially with its normal operations or materially and adversely affect its financial condition.

(y) Ownership. As of the date of delivery of the Note, the Borrower will lawfully own and will lawfully be possessed of the right, title and interest described in the Mortgage and will have good and indefeasible title subject only to such encumbrances as are described in the mortgagee's title insurance policy issued in connection with the closing of the Loan, and it will defend the title thereto and every part thereof against the claims and demands of all Persons whomsoever.

(z) Counterclaim. No counterclaim, offset, defense, or right of rescission exists that can be asserted and maintained by the Borrower against the Issuer or the Trustee.

(aa) Environmental Compliance. The Borrower complies in all material respects with Environmental Laws. The Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment, and except for such Hazardous Materials, toxic substances or wastes as occur, are handled and are disposed of in the ordinary course of business of the Borrower, no Hazardous Materials, toxic substances or wastes are located at, or have been removed from, the Borrower's properties. The use of the Project, as it is proposed to be operated by the Borrower, complies with all presently applicable zoning, development, pollution control, water conservation, environmental and other laws, regulations, rules, and ordinances of the federal government and the State and the respective agencies thereof and the political subdivisions in which the Project is located.

(bb) Permits and Zoning. The Project currently has all permits, licenses and approvals able to be obtained at this time for the construction, development, use and operation of the Project, and, on or prior to completion and commencement of operation, as applicable, of the Project, the Borrower will promptly apply for or cause to be applied for, and secure or cause to be secured, any such necessary permits, licenses and approvals. The Project will comply with all applicable building and zoning laws and regulations, the use of the Project will not violate any zoning, building or other ordinance, regulation, law, restrictive, covenant or agreement applicable thereto.

(cc) Access to the Site. All easements, rights of way and other rights in, to, over and under such property as may be reasonably necessary for ingress and egress to the Project, for proper operation and utilization of the Project and for utilities required to serve the Project have been or will be acquired.

Section 2.03 Modification of Tax Covenants. Certain covenants and representations contained in this Loan Agreement are intended to assure compliance with the Code and any regulations promulgated by the U.S. Department of Treasury pursuant thereto. In the event that Regulations are hereafter promulgated which modify, or expand provisions of the Code, the

Borrower will not be required to comply with any federal income tax covenant contained in this Loan Agreement to the extent such noncompliance with such federal income tax covenant after such modification or expansion, in the opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer, will not adversely affect the exclusion from gross income of interest on the Series 2025A Bonds for purposes of federal income taxation under section 103(a) of the Code. In the event that regulations are hereafter promulgated which impose additional requirements which are applicable to the Series 2025A Bonds, the Borrower and the Issuer agree to comply with such additional requirements to the extent necessary, in the opinion of Bond Counsel, to preserve the exclusion from gross income of interest on the Series 2025A Bonds for purposes of federal income taxation under section 103(a) of the Code.

[End of Article II]

ARTICLE III
LOAN TO BORROWER; SECURITY; TITLE

Section 3.01 The Loan and the Note. The Issuer hereby agrees to loan to the Borrower, and the Borrower hereby agrees to borrow from the Issuer, the proceeds of the sale of the Series 2025 Bonds for the purposes and in accordance with the terms and conditions of this Loan Agreement and the Indenture. The deposit of the proceeds of the sale of the Bonds as provided in Section 502 of the Indenture shall constitute the loan of such proceeds from the Issuer to the Borrower. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Sections 4.01, 4.02, 4.03, 4.04 and 4.05. The Borrower hereby agrees to repay the Loan as provided in Section 5.02. The Borrower's obligation to repay the Loan, together with premium, if any, and interest thereon, which is more fully described in Section 5.02, shall be evidenced by the Note, which the Borrower hereby agrees to execute and deliver to the Issuer.

Section 3.02 Security for Payments Under this Loan Agreement and the Note. As security for the payments required to be made by the Borrower to the Issuer under this Loan Agreement and the Note, the Borrower hereby pledges and grants to the Trustee, as assignee of the Issuer, all of the Borrower's right, title and interest, if any, in the Pledged Revenues. As additional security for the payments required to be made by the Borrower under this Loan Agreement, the Borrower shall, prior to or contemporaneously with the execution and delivery of this Loan Agreement, execute and deliver the Guaranty and the Mortgage.

Section 3.03 Security for Payments Under the Series 2025 Bonds; Perfection. Contemporaneously with the issuance of the Series 2025 Bonds, as security for the payment of the Bonds, the Issuer shall execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Loan Agreement (except the Unassigned Rights), the Note, the Guaranty and the Mortgage and, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, shall be assigned and shall be the subject of a grant of a security interest to the Trustee and shall be pledged as security for, among other things, the payment of the Series 2025 Bonds. Contemporaneously with the issuance of the Series 2025 Bonds, as security for the payment of the Series 2025 Bonds, the Issuer shall also endorse without recourse or warranty the Note to the order of the Trustee. Furthermore, the Borrower shall enter the Deposit Account Control Agreement and agrees that the Collections Fund and Operating Expense Fund shall be and remain subject to the Deposit Account Control Agreement for the benefit of the Trustee as provided therein. The Borrower hereby assents to such assignment and grant of a first priority lien and security interest in favor of the Series 2025 Bonds and hereby agrees that its obligations to make all payments under this Loan Agreement, from the Pledged Revenues and the other amounts pledged hereunder including amounts paid under the Guaranty, shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Issuer. The Borrower further agrees that all payments required to be made under this Loan Agreement shall be paid directly to the Trustee for the account of the Issuer. The Trustee shall have all rights and remedies herein accorded to the Issuer (except for Unassigned Rights), and any reference herein

to the rights and remedies of the Issuer shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower herein contained. Upon reasonable and timely written notice from the Trustee or the Issuer as to the required form, substance, timing, and place for filing, refiling, recording, or re-recording, or for taking possession of any collateral, the Borrower shall file, refile, record, or re-record all financing statements, continuation statements, documents, and notices or deliver possession of any instrument or cash necessary to perfect and maintain any lien or security interest created by the Mortgage, or the Indenture for the benefit of the Issuer or the Trustee as a first and preferred pledge, lien, encumbrance, and security interest in and to the Pledged Revenues, the Project, the Borrower's interest in the Project Site and the payments and amounts to be received and held under this Loan Agreement, the Note, the Guaranty and the Mortgage. The Issuer and the Trustee agree that they will cooperate fully and will take any action reasonably required to assist the Borrower in meeting the provisions of this Section 3.03. The Borrower shall promptly furnish a certificate or other evidence of any such filing and recording to the Trustee. The Borrower hereby covenants and agrees well and truly to abide by, perform and be governed and restricted by each and all of the matters provided for by the Indenture and so incorporated herein to the same extent and with the same force and effect as if each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements so incorporated hereby by reference were set out and repeated herein at length. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Loan Agreement as being applied to the Trustee as though fully set forth herein.

Section 3.04 Warranty of Leasehold Interest. The Borrower warrants that (a) it has acquired the title to the Project Site; (b) it is the legal and equitable owner of all Equipment and the Facility and has good and indefeasible title to the Equipment; and (c) the Project is and will be free of all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.05 Title Insurance. The Borrower shall, prior to or simultaneously with the issuance of the Bonds, furnish title insurance with respect to its leasehold interest in the Project Site in the form issued by a title insurance company acceptable to the Underwriter in the face amount of at least \$_____ and shall furnish the original mortgagee's title policy to the Trustee as named insured. The mortgagee's title policy shall insure that the named insured have a valid first leasehold interest in the real property described in Exhibit A to this Loan Agreement subject only to "Permitted Encumbrances" as defined in this Loan Agreement. Such policy shall be issued on the standard ALTA form of mortgagee's policy of title insurance, in form and substance satisfactory to, and with such endorsements as required by the Issuer and the Borrower. Upon completion of the Project, the Borrower shall obtain a date down endorsement of the title insurance policy obtained at the time of issuance of the Bonds in accordance with this Section 3.05 and an as built survey.

Section 3.06 Borrower's Covenants Regarding Leasehold Interest and Ground Lease. The Borrower agrees to protect, preserve, and defend its interest in the Project and its leasehold interest in the Project Site, to appear and defend said interest in the Project and leasehold interest in the Project Site in any action or proceeding affecting or purporting to affect the Project, the lien of the Mortgage thereon, or any of the rights of the Trustee thereunder, and to pay on

demand all costs and expenses incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, as described in Section 10.04 of this Loan Agreement, whether any such action or proceeding progresses to judgment and whether brought by or against the Trustee. The Trustee shall be reimbursed for any such costs and expenses in accordance with the provisions of Section 6.08. If the Borrower does not take the action contemplated herein, the Trustee or the Issuer may, but shall not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums shall be an advance payable in accordance with Section 6.08 of this Loan Agreement. The Borrower further warrants and represents, the following with respect to the Project and the work to be undertaken:

(a) The real property on which the Project is located is zoned and platted under a classification that will permit operation and use of the Project, and the improvements thereto, as a manufacturing facility of the size and type of the Project and that such use is permitted without the necessity for special variances or exceptions.

(b) The property on which the Project is located complies or upon completion of construction will comply with all applicable governmental codes, regulations, laws, rules, and requirements.

(c) The Project Site has access to a dedicated public road and to the best of Borrower's knowledge there is no action threatened that would curtail such access.

(d) The Project Site does not lie within a flood prone area, and all utility services necessary to service the property are available and meet all operating requirements.

(e) At the time of issuance of the Bonds and as of each requisition from the Project Fund, there will be no liens, encumbrances, or matters affecting the leasehold interest of Borrower in the real property on which the Project is located of which Borrower has actual or constructive knowledge other than those matters which are defined as being Permitted Encumbrances.

(f) The Project can be acquired, improved and rehabilitated for the amount that remains in the Project Fund as of the date hereof.

(g) The Borrower received a Phase I environmental assessment of and has had the real property and improvements which are to form the Project examined for compliance with environmental laws, rules, and ordinances and for the presence of asbestos and, based on such examinations, warrants that the Project will comply with all environmental laws, rules and ordinances and there will not be any asbestos present on the Project and all disposal of any substances will be done strictly according to applicable laws. The Borrower has obtained a Soil Disturbance Permit for the Project Site which is a remediated Department of Energy site under supervision of the Colorado Department of Public Health and Environment.

(h) Draws from the Project Fund shall only be made at such times and in such amounts as are authorized by the Loan Agreement and each draw request shall constitute the certification by the Borrower of its fulfillment of all conditions precedent to receipt of such disbursement including the continued truth and accuracy of the foregoing warranties and representations and all backup documentation required to be furnished with such requisition is also true and correct.

(i) The Borrower shall comply in all respects with the Ground Lease and shall not agree to amendments to the Ground Lease without written consent by the Trustee given in the manner applicable to amendments to the Bond Documents (other than the Indenture) in Article XIII of the Indenture.

Section 3.07 Additional Matters Related to Construction of the Project.

(a) Completion of Project. The Borrower agrees to cause the Contractor to complete the Project substantially in accordance with the Plans and Specifications. The Borrower covenants to complete the Project on or before the Completion Date.

(b) No Waiver. The Borrower agrees that the payment by the Trustee of any Project Fund Requisition or Issuance Costs Requisition shall not constitute a waiver of any of the conditions to the Trustee's payment of any other Project Fund Requisition or Issuance Costs Requisition, nor shall any payment have the effect of precluding the Borrower's failure to comply with any of such conditions to be an Event of Default.

(c) RESERVED.

(d) Permitted Changes. The Borrower may make changes in the Project if the Borrower delivers to the Issuer and the Trustee an amended description of the Project which specifically identifies the proposed additions, deletions or changes to the Project; provided however that, without following such procedure, the Borrower may cause the Contractor to make changes to the Project so long as such changes do not diminish the size, function or quality of the Project as described in the Plans and Specifications.

(e) Construction; Commencement and Completion. The Borrower will cause the Contractor to construct the Facility in a good and workmanlike manner, within the perimeter boundaries of the Project Site and within all applicable building and setback lines in accordance with all governmental requirements and the Plans and Specifications. The Borrower will cause the Contractor to construct the Facility with diligence and continuity to the extent that delays are not caused by events beyond the reasonable control of the Borrower or the Contractor and will complete the same in reasonable accordance with the Plans and Specifications such that the completion of the Facility occurs on or before the Completion Date, free and clear of liens or claims for liens for material supplied and for labor and services performed in connection with the construction of the Facility.

(f) Defects and Variances. The Borrower will, upon demand of the Consulting Architect and at the Borrower's sole expense, correct any structural defect in

the Facility or any material variance from the Plans and Specifications not approved in writing as set forth in subparagraph (d).

(g) Storage of Materials. The Borrower will cause the Contractor to cause all materials supplied for, or intended to be utilized in, the construction of any part of the Facility, but not affixed to or incorporated into the Facility or the Project Site, to be stored on the Project Site or at such other location with adequate safeguards to prevent loss, theft, damage or commingling with other materials or projects.

(h) Third Party Beneficiary. The Borrower agrees that the Trustee is a third party beneficiary of the covenants and agreements of Borrower contained in this Loan Agreement. The Borrower agrees that it will perform covenants and agreements contained in this Loan Agreement which relate to the Trustee as if such covenants and agreements had been made directly between the Borrower and the Trustee.

(i) Completion Certificate. Upon Completion of the Facility the Borrower will prepare a Completion Certificate to be signed by the Borrower Representative and delivered to the Trustee.

(j) Project Documents. The Borrower hereby grants a first priority security interest to the Trustee in all Project Documents and has collaterally assigned all Project Documents to the Trustee pursuant to the Collateral Assignment of Project Documents. Promptly upon entering in to each Project Document after the date hereof, the Borrower shall obtain the consent of the Project Document counterparty in substantially the form attached to the Collateral Assignment of Project Documents.

(k) Construction Letters of Credit. In the event of a default by the Contractor under the Construction Contract, the Borrower will immediately notify the Trustee in writing and provide written direction to make a draw or draws under the Construction Letters of Credit, to the extent still in effect, which direction shall include the amount of such draw and shall instruct the Trustee to deposit such amounts received under the Construction Letters of Credit to the Project Fund as provided in Section 502(e) of the Indenture.

[End of Article III]

ARTICLE IV ISSUANCE OF THE SERIES 2025 BONDS; FUNDS

Section 4.01 Agreement to Issue the Series 2025 Bonds; Application of Proceeds and Other Legally Available Funds.

(a) In order to provide funds for the purposes herein specified, the Issuer agrees that it will sell and cause to be delivered to the Persons designated by the Underwriter the Series 2025 Bonds in the aggregate principal amount of \$_____ and will thereupon from the proceeds thereof: (i) deposit in the Project Fund the amounts specified in Section 502 of the Indenture; (ii) deposit in the Capitalized Interest Account of the Bond Fund the amount specified in Section 502 of the Indenture; and (iii) deposit in the 2025A Debt Service Reserve Fund the amount specified in Section 502 of the Indenture.

(b) The Borrower agrees that it will draw on the Line of Credit, or provide other funds as necessary and applicable, for the purpose of funding deposits to the Operating Expense Reserve Fund as provided in Sections 4.05 and 8.05 hereof.

Section 4.02 Project Fund. The Trustee is authorized and directed in the Indenture to use the money in the Project Fund to pay Project Costs and Issuance Costs, provided however that no money in the Project Fund shall be disbursed to pay Project Costs until the Trustee receives a certificate of the Borrower to the effect that all permits, licenses and other governmental approvals necessary for the construction of the Project have been obtained. On the Closing Date, the Borrower agrees that the money held in the Project Fund shall be disbursed by the Trustee to pay Issuance Costs upon receipt of a requisition executed by the Authorized Borrower Representative setting forth the nature of the costs to be paid and the name of the payee and certifying that the amounts being paid are properly includable within the definition of Issuance Costs. Upon the date which is six months after the execution and delivery of this Loan Agreement, the Borrower shall direct the Trustee to transfer all money remaining in the Issuance Cost Account, if any, to the Construction Account of the Project Fund unless the Borrower provides a certificate to the Trustee within such six month period specifying any expenses that are unpaid and the date on which they will be paid. The money held in the Construction Account of the Project Fund shall be disbursed by the Trustee to pay Project Costs for the acquisition and construction of the Project as set forth in Exhibit C in accordance with the following procedures:

(i) On the Closing Date, and thereafter not less than five banking days before the date on which the Borrower desires a disbursement but not more frequently than once monthly, the Borrower shall submit to the Trustee and Land Title Guarantee Company in accordance with the Draw Agreement a Project Fund Requisition substantially in the form attached as Exhibit C executed by the Authorized Borrower Representative and approved by the Construction Monitor setting forth the nature of the cost to be paid and the name of the payee and certifying that the amounts being paid are properly includable within the definition of Project Costs.

(ii) The completed construction on the Project shall be reviewed (at the time each Project Fund Requisition is submitted) by the Contractor and the Consulting Architect and the Construction Monitor shall certify to the Trustee as to (A) the cost of completed construction, (B) the percentage of completion, and (C) compliance with the Plans and Specifications therefor.

(iii) In connection with each disbursement from the Project Fund pursuant to a Project Fund Requisition (but excluding requisitions for furniture, fixtures, or equipment) in the form of Exhibit C, an amount equal to five percent (5%) of the cost of construction of the Facility to be disbursed pursuant to such requisition shall, at the written request of the Borrower, be retained by the Trustee in the Project Fund as retainage and shall be disbursed by the Trustee under Section 503(c) of the Indenture only when all of the items set forth below shall have occurred:

(A) Completion Certificate. The Trustee shall have received a Substantial Completion Certificate executed by the Consulting Architect stating that the Project has been completed in substantial accordance with the Plans and Specifications.

(B) Certificates of Occupancy. The applicable governmental authority shall have issued all certificates of occupancy for the Facility.

(C) Payment in Full. The Trustee shall have received a certificate of the Authorized Borrower Representative certifying that payment in full has been made for all obligations incurred in connection with the construction and completion of the Facility, including any off-site utilities and streets as required by any governmental authority, except for the retainage.

(iv) The Consulting Architect shall determine the "maximum allowable disbursement" which shall be the cost of completed construction to date (as determined by the Consulting Architect on the basis of its review of the Application and cost breakdown).

(v) The disbursement to be made by the Trustee shall be the "maximum allowable disbursement" as determined under (iv) above less: (A) the percentage of the cost of completed construction specified in the Construction Contract to be retained (hereafter referred to as the "Retainage") and (B) the amounts previously disbursed by the Trustee from the Project Fund to pay for completed construction cost on the Project. The Retainage (but in no event more than the balance in the Construction Account of the Project Fund less amounts retained or set aside to meet costs not then due and payable or which are being contested) under the Construction Contract and the final disbursement from the Construction Account of the Project Fund shall be disbursed by the Trustee only after (A) such contract shall have been performed to the satisfaction of the

Borrower, as evidenced by the signature of the Consulting Architect and Construction Monitor on the final Application and Certificate for Payment (B) the Consulting Architect shall have received from the Contractor under such construction contract an affidavit to the effect that such Contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, (C) the Borrower or Contractor shall have exhibited to the Consulting Architect the final certificates of approval from the various governmental authorities having jurisdiction over construction and operation of the Project, if required by such authorities, including a final certificate of occupancy or a temporary certificate of occupancy for the Facility, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated, along with a certificate of the Borrower that the same constitute all the certificates of approval necessary for operation of the Project, and (D) the Borrower shall have delivered to the Trustee a Substantial Completion Certificate listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Consulting Architect stating that, except for amounts retained by the Trustee for costs of the construction not then due and payable, (i) construction of the Project has been completed substantially in accordance with the Plans and Specifications therefore, and all labor, services, materials, and supplies used in such construction and rehabilitation have been paid or provided for, and (ii) all other facilities necessary in connection with the construction of the Project have been constructed, acquired, and installed substantially in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for. The Consulting Architect shall certify the matters covered by (B) and (C) above. It shall be the duty of the Borrower to cause the certificate contemplated by this paragraph to be furnished as soon as the construction of the Project shall have been completed. The Trustee shall have no duty or obligation to determine whether the Project has been completed or whether any request for disbursement from the Construction Account of the Project Fund constitutes the final disbursement.

(vi) The Borrower covenants and agrees that, upon the request of the Trustee from time to time, it shall furnish the Trustee with evidence which is reasonably satisfactory to the Trustee (including, but not limited to, certificates and affidavits of the Borrower and/or the Consulting Architect or any Contractor or such other Person as the Trustee may reasonably require) showing (A) the value of construction existing at that time, (B) that all outstanding claims for labor, materials, fixtures, furnishings, equipment, and other work have been paid or provided for in accordance with the requirements of this Loan Agreement, (C) that there are no liens outstanding or unpaid prior to the Indenture or the Mortgage securing the Bondholders other than Permitted Encumbrances, (D) that the Borrower has substantially complied with all of the Borrower's obligations hereunder and under the Indenture, and (E) that all construction has been done substantially in accordance with the Plans and Specifications therefor. The Trustee shall have no duty or obligation to request any such evidence.

(vii) The Borrower shall not request and the Trustee shall not make any disbursement from the Project Fund unless each and all of the following conditions precedent shall have been met and complied with in full: (A) at the time of each disbursement the Trustee shall not have or be deemed to have notice of an Event of Default, as provided in Section 1001(h) of the Indenture; and (B) at the time each disbursement is made pursuant to this Section 4.02 as a reimbursement to the Borrower, the Borrower shall cause the Contractor to deliver to the Trustee evidence of contemporaneous or prior payment by the Borrower to the Contractor or other Person of the amount then and theretofore approved for payment.

(viii) The Borrower shall not request and the Trustee shall not make any disbursement from the Project Fund unless each requisition is substantially in the form attached hereto as Exhibit C executed by the Borrower's Authorized Representative, together such certificates and affidavits of the Borrower and/or the Consulting Architect or any Contractor or such other Persons as the Trustee may reasonably require under Section 4.02(v). The Trustee shall not be deemed, by virtue of its disbursement pursuant to any requisition, to have made any representation to any person with respect to the validity of any costs thereof, or the satisfaction of any conditions under this Agreement with respect to the funding of any requisitions.

(ix) Each Application and Certificate for Payment shall constitute a representation by the Borrower that the money therein referred to have been or are to be used for one of the purposes set forth in Section 4.01 or Section 4.02 of this Loan Agreement and that none of the items for which payment is requested has formed the basis for any payment previously made from the Project Fund, and the Trustee shall be entitled to rely thereon and shall be held harmless by the Borrower for all liability in connection therewith.

(x) Except for liens constituting Permitted Encumbrances, if any notice of lien shall be filed against the Project or any part thereof or if any interim title examination discloses any intervening lien or encumbrance, the Trustee may suspend further disbursements from the Project Fund until such lien or encumbrance shall have been discharged of record or proceedings to contest such lien pursuant to Section 6.01 shall have been instituted.

Section 4.03 Collections Fund; No Commingling of Funds. The Borrower shall establish and maintain with the Depository Bank a deposit account which shall be designated as the Collections Fund. The Borrower covenants to deposit all Gross Revenues into the Collections Fund upon receipt thereof, and to transfer no less frequently than weekly all such amounts in the Collections Fund into the Revenue Fund under the Indenture. The Borrower shall cause the Collections Fund to be subject to a Deposit Account Control Agreement at all times. The Collections Fund shall become subject to the exclusive control of the Trustee as secured party under the Deposit Account Control Agreement upon delivery of a notice pursuant to Section 8.16(d). The Borrower shall not commingle Gross Revenues with any of its funds that are not part of the Gross Revenues.

Section 4.04 Operating Expense Fund. (a) The Borrower shall establish and maintain with the Depository Bank a deposit account which shall be designated as the Operating Expense Fund.

(b) The Borrower may request the Trustee to transfer amounts on deposit in the Operating Expense Reserve Fund to the Borrower for deposit to the Operating Expense Fund as provided in Section 4.05. Amounts in the Revenue Fund shall be transferred by the Trustee to the Borrower for deposit to the Operating Expense Fund as provided in Section 504 of the Indenture.

(c) The Borrower agrees to use all amounts on deposit in the Operating Expense Fund from time to time solely for Operating Expenses and working capital in connection with the Project.

(d) The Borrower shall cause the Operating Expense Fund to be subject to a Deposit Control Agreement at all times.

Section 4.05 Operating Expense Reserve Fund. (a) On or before the Substantial Completion of the Project, the Borrower shall transfer an aggregate amount of \$2,500,000 to the Trustee for deposit in the Operating Expense Reserve Fund. The Borrower shall draw funds under the Line of Credit for deposit to the Operating Expense Reserve Fund as provided in Section 8.05 hereof; provided however that if for any reason funds in an aggregate amount of \$2,500,000 are not available from such draws under the Line of Credit, the Borrower shall use other funds in order to make the transfer as required to the Trustee under this Section 4.05.

(b) In accordance with Section 509 of the Indenture, the Trustee shall transfer amounts from the Operating Expense Reserve Fund to the Borrower upon request by the Borrower in writing on the Closing Date, as applicable, and thereafter up to a maximum of one time each month, and all such amounts received by the Borrower shall be deposited to the Operating Expense Fund to pay for (i) Operating Expenses for the subsequent month in an amount as set forth in the Annual Budget, (ii) Operating Expenses for any other month so long as amounts necessary to make payments due in such month from the Bond Fund are on deposit in the Bond Fund, (iii) variances in Operating Expenses from those set forth in the Annual Budget and for working capital in connection with the Project so long as all amounts due in the Bond Fund for the current month have been deposited and/or (iv) debt service payments in accordance with Section 509 of the Indenture. For the avoidance of doubt, no written direction of the Borrower is required for the Trustee to apply funds for purposes of making payments described in (iv) above. Notwithstanding the foregoing, if an Event of Default shall then be continuing, money held in the Operating Expense Reserve Fund shall only be disbursed by the Trustee at the written direction of the Majority Holders.

Section 4.06 Repair and Replacement Reserve Fund. The Borrower hereby agrees to requisition the Trustee to make the deposits to the Repair and Replacement Reserve Fund described in Section 504(b) of the Indenture. The Issuer shall in the Indenture authorize and direct the Trustee to pay from moneys on deposit in the Repair and Replacement Reserve Fund, as long as no Event of Default hereunder has occurred and is continuing, the extraordinary maintenance, and the repair, replacement and other costs related to the Project which the

Borrower is obligated to pay pursuant to Section 6.01; the extraordinary modification costs related to the Project which the Borrower is permitted to pay pursuant to Section 6.01; the extraordinary taxes, and other governmental charges, related to the Project which the Borrower is obligated to pay pursuant to Section 6.03; any extraordinary insurance premiums related to the Project which the Borrower is obligated to pay pursuant to Section 6.04; the extraordinary current operating costs of the Project; and any other Project Costs that are capitalizable under generally accepted accounting principles. The amounts held in the Repair and Replacement Reserve Fund shall be disbursed by the Trustee to pay amounts set forth above upon receipt of a requisition, substantially in the form attached hereto as Exhibit D prepared by the Authorized Borrower Representative setting forth the nature of the amounts to be paid and the name of the payee and certifying the extraordinary nature of the expenditure and that the amounts being paid are permitted by this Section. Interest earned upon the investment of amounts held in the Repair and Replacement Reserve Fund shall be deposited in the Bond Fund as described in Section 602(e) of the Indenture. No later than July 1, 2028, and every three (3) years thereafter in accordance with Section 508 of the Indenture, the Borrower shall engage a Financial Consultant to review the Project and prepare a report which shall contain recommendations to the Borrower for any adjustment to the Repair and Replacement Reserve Fund Requirement. The fee of such Financial Consultant shall be paid from Project revenues and shall be deemed an Operating Expense. The Trustee shall receive written notification from the Borrower of any change to the Repair and Replacement Reserve Requirement and such change shall not be effective until the Trustee has been so notified.

Section 4.07 Obligation of the Parties to Cooperate in Furnishing Documents; Trustee Reliance. Upon payment of any expenses of the Issuer incurred in connection therewith, the Issuer agrees to cooperate with the Borrower in furnishing to the Trustee the documents referred to in Sections 4.02, 4.05 and 4.06 that are required to effect payments out of the Project Fund, the Operating Expense Reserve Fund, and the Repair and Replacement Reserve Fund, and the Issuer agrees to cause such orders to be directed to the Trustee as may be necessary to effect payments out of the Project Fund, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund in accordance with Sections 4.02, 4.05 and 4.06. Such obligation of the Issuer is subject to any provisions of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the money in the Project Fund, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund available for payment under the terms of the Indenture. In making any such payment from the Project Fund and the Repair and Replacement Reserve Fund, the Trustee may rely on any such orders and certifications delivered to it pursuant to Sections 4.02, 4.05 and 4.06.

Section 4.08 Use of Funds from the Surplus Fund. The Borrower agrees that amounts on deposit in the Surplus Fund shall be used for the purposes set forth in Section 510 of the Indenture, including payment of principal and interest on the Series 2025A Bonds as provided therein, and authorizes the Trustee to make such transfers as provided in Section 510 of the Indenture.

Section 4.09 Authorized Borrower and Issuer Representatives and Successors. The Borrower and the Issuer, respectively, shall designate, in the manner prescribed in Section 1.01, the Authorized Borrower Representative and the Authorized Issuer Representative. In the event that any individual so designated and his alternate or alternates, if any, should become

unavailable or unable to take any action or make any certificate provided for or required in this Loan Agreement, a successor shall be appointed in the same manner.

Section 4.10 Investment of Funds and Accounts. Subject to Article VI of the Indenture and Section 4.11, any money held as a part of the Revenue Fund, Bond Fund, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, or as reserves in connection with contested liens or any other special trust funds shall be invested or reinvested by the Trustee in Permitted Investments as directed by the Borrower. The Trustee may make any and all such investments through its own bond or investment department, and failing any specific written direction from the Borrower, the Trustee shall have no obligation to ensure that funds are invested.

The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Bond Fund and the accounts therein, the Project Fund, the Operating Expense Reserve Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, or the trust account described in the preceding paragraph, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited as provided in Section 602 of the Indenture, and any losses resulting from such investments shall be charged to such fund or account therein and paid by the Borrower.

The Trustee may credit the funds and accounts hereunder with amounts expected to be received from the sale or redemption of, or the earnings on, the investments in such funds and accounts, prior to actual receipt of final payment thereof, and may advance funds to purchase directed investments in anticipation of receipt of such final payments. Any such credit or advance shall be conditional upon actual receipt by the Trustee of final payment and may be reversed if final payment is not actually received in full. The Borrower acknowledges that the legal obligation to pay the purchase price of any investment arises immediately at the time of the purchase. Nothing in this Loan Agreement or the Indenture shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

Section 4.11 Special Investment Covenants. The Issuer and the Borrower each covenant that it will not directly or indirectly use or permit the use of any proceeds (as defined in the Regulations) of the Series 2025A Bonds or any other funds of the Issuer or the Borrower, or take or omit to take any action, or direct the Trustee to invest any funds held by it, in such manner as will, or allow any "related person" (as defined in section 144(a)(3) of the Code) to enter into any arrangement, formal or informal, as will cause any Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, to be "federally guaranteed", as such term is used and defined in section 149(b) of the Code, or to be "arbitrage bonds" within the meaning of section 148 of the Code, and any Regulations proposed or promulgated in connection therewith. To that end, the Issuer and the Borrower shall comply with all requirements of section 149(b) and section 148 of the Code to the extent applicable to any Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes. In the event that at any time the Issuer or the Borrower is of the opinion that for purposes of this Section 4.10 it is necessary to dispose of any investment or to

restrict or limit the yield on any investment held under the Bond Documents or otherwise, the Issuer or the Borrower, as the case may be, shall so instruct the Trustee in writing.

Section 4.12 Calculation and Payment of Rebate Amount. When funds which are subject to rebate under the Code exist, the Borrower agrees to appoint and pay an Arbitrage Calculator to calculate and determine the Rebate Amount, if any, as required by section 148(f) of the Code (or any successor section) and any Regulations proposed or promulgated in connection therewith within time to meet any deadlines promulgated thereby. All calculations and determinations made by an Arbitrage Calculator shall be accompanied by the opinion of an Arbitrage Calculator that such calculations and determinations have been made in accordance with the requirements of section 148(f) of the Code and shall be provided to the Trustee within ten days after completed. The Borrower agrees to pay to the Trustee for deposit in the Rebate Fund for payment to the United States of America for and on behalf of and at the written direction of the Issuer the amount determined by the Arbitrage Calculator to be due to the United States of America before the due date specified by the Arbitrage Calculator. In the event the Borrower fails to make the aforesaid payment in a timely fashion, the Trustee, on behalf of the Issuer, shall be entitled to withdraw money on deposit in the Bond Fund, the Revenue Fund, the Debt Service Reserve Funds, the Project Fund, the Operating Expense Reserve Fund, the Rebate Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund or any other fund held by the Trustee under the Indenture and pay the same to the United States of America on behalf of the Issuer, and the Borrower shall be immediately obligated to make up any resulting deficiency in any fund held by the Trustee under the Indenture. In the event the money in the Bond Fund, the Revenue Fund, the Project Fund, the Operating Expense Reserve Fund, the Rebate Fund, the Repair and Replacement Reserve Fund, the Insurance Fund, the Condemnation Fund, the Debt Service Reserve Funds, or any other fund held by the Trustee under the Indenture are insufficient to make the payment to the United States of America determined to be due by the Arbitrage Calculator, the Borrower shall be immediately obligated to pay such deficiency to the Trustee for deposit in the Rebate Fund for payment to the United States of America for and on behalf of the Issuer. The Borrower agrees to hold the Issuer and the Trustee harmless against and to indemnify the Issuer and the Trustee against all liability they may incur in connection with their obligations under Sections 410, 517 and 604 of the Indenture. The Borrower acknowledges having read Sections 410, 517 and 604 of the Indenture and agrees to perform all duties imposed upon it or the Issuer by such Sections. Insofar as said Sections impose duties and responsibilities upon the Borrower, they are specifically incorporated herein by reference. The obligations created by this Section 4.12 shall survive the termination of the Loan Term. This Section 4.12 is intended to comply with the requirements of section 148 of the Code (or any successor section) and the regulations promulgated thereunder. The requirements of this Section 4.12 shall be deemed modified and amended in the manner to the extent necessary, in the written opinion of Bond Counsel delivered to the Issuer, Borrower, and the Trustee, to permit compliance with the provisions of said section 148 (or any successor section) applicable to the Series 2025A Bonds.

[End of Article IV]

ARTICLE V LOAN PROVISIONS; NATURE OF OBLIGATIONS OF BORROWER

Section 5.01 Term of Loan Agreement. This Loan Agreement shall become effective upon its delivery and shall be in full force and effect until payment of all obligations hereunder, subject to the provisions of this Loan Agreement permitting earlier termination (including particularly Articles X and XI), or if all the Loan Payments and other amounts payable pursuant to Section 5.02 have not been paid or retired (or provision for such payment has not been made as provided in the Indenture), until such date as such payment or provision shall have been made (the "Loan Term"); provided, however, that the covenants and obligations expressed herein to so survive shall survive the termination of this Loan Agreement. Upon termination of the Loan Term as provided above, the Issuer and the Trustee shall deliver, or cause to be delivered, to the Borrower the canceled Note (to the extent not already canceled due to prior payment and release) and shall release the liens and security interests of the Mortgage.

Section 5.02 Loan Payments and Other Amounts Payable.

(a) Loan Payments. Until the principal of, premium, if any, and interest on the Series 2025 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower shall deposit all Gross Revenues in the Collections Fund as provided in Section 4.03, and shall transfer no less frequently than weekly all such amounts in the Collections Fund into the Revenue Fund. Moneys held in the Revenue Fund shall be applied to repay the Loan and to make deposits to the funds and accounts held under the Indenture pursuant to and in the manner set forth in Section 504 of the Indenture.

Upon payment in full, in accordance with the Indenture, of the Loan Payments, whether at maturity or by redemption or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower.

(b) Additional Loan Payments. The Borrower agrees to cause to be paid by requisition to the Trustee from amounts on deposit in the Revenue Fund until the principal of, premium, if any, and interest on the Bonds shall have been fully paid (i) an amount equal to the annual fee of the Trustee for the Ordinary Services of the Trustee rendered and the Ordinary Expenses of the Trustee incurred under the Indenture or other Bond Document, as and when the same become due, (ii) reasonable fees and charges of the Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Indenture, as and when the same become due, and (iii) the reasonable fees and charges of the Trustee for the necessary Extraordinary Services of the Trustee rendered by it and Extraordinary Expenses of the Trustee incurred by it under the Indenture or other Bond Document, as and when the same become due; provided, that the Borrower may, without creating a default hereunder,

after first depositing such sums with the Trustee, contest in good faith the necessity for any such Extraordinary Services of the Trustee and Extraordinary Expenses of the Trustee and the reasonableness of any such fees, charges, or expenses.

In addition the Borrower agrees that during the Loan Term it shall instruct the Trustee to reimburse the Issuer for all expenses reasonably incurred by the Issuer hereunder in connection with the Project, including but not limited to annual audit fee of the Issuer and the reasonable fees and expenses of counsel for the Issuer or the Trustee in connection with the filing of financing and continuation statements in the event the Borrower fails to do so pursuant to Section 12.03 of this Loan Agreement or other matters for which such fees are reasonably incurred.

The Borrower also agrees that during the Loan Term the Borrower will requisition for payment the Arbitrage Calculator Fee at such time as the foregoing fee becomes due and payable.

Such Additional Loan Payments shall be billed to the Borrower by the Issuer and the Arbitrage Calculator (which parties shall send a copy of such bill to the Trustee) or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by such party for one or more of the above items. Amounts so billed shall be paid from the Expense Fund within 30 days after receipt of the bill by the Borrower.

In the event the Borrower shall fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid plus, to the extent permitted by law, interest at the rate of 10% per annum.

Section 5.03 Place of Loan Payments. The deposits of Gross Revenues provided for in Section 5.02 shall be paid in lawful money of the United States of America directly to the Trustee.

Section 5.04 Demand under Guaranty. The Borrower agrees that a demand may be made for payment under the Guaranty, and agrees to make any such payment in the event the amounts to be paid under Section 5.02 are not otherwise paid when due.

[End of Article V]

ARTICLE VI MAINTENANCE, TAXES, AND INSURANCE

Section 6.01 Maintenance and Modification of Project by the Borrower. The Borrower agrees that during the Loan Term it shall, from Gross Revenues or other amounts available in the funds and accounts held under the Indenture or the Deposit Account Control Agreement (i) keep the Project in as reasonably safe condition as its operations shall permit, (ii) keep the Facility, the Buildings, all other improvements forming a part of the Project and the Equipment in good repair and in good operating condition, making from time to time, subject to the provisions of Section 6.02, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and maintain the Equipment in accordance with the manufacturer's then currently published standard maintenance contract and recommendations. Subject to the provisions of Section 8.13, the Borrower may, also at its own expense, from time to time make any Additions or Alterations to the Project it may deem desirable for its business purposes that do not, in the opinion of a Consulting Architect filed with the Trustee, adversely affect the operation or value of the Project. Additions or Alterations to the Project so made by the Borrower shall be on the Project Site, shall become a part of the Project, and shall become subject to the liens of the Mortgage. The Borrower further agrees that at all times during the construction of the Project it shall cause the Contractor to maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance to the full insurable value of the Project. The Borrower shall not permit any mechanics' or material men's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any construction of the Project so made by it, provided that it shall not constitute an Event of Default hereunder upon such lien being filed, if the Borrower shall promptly notify the Trustee of any such liens, and the Borrower in good faith promptly contests such liens; in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom provided the Borrower shall furnish the Trustee with a bond equal to at least twice the amount so contested or an opinion of Independent Counsel stating that by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, the Borrower shall promptly cause to be satisfied and discharged all such items by payment thereof or shall promptly cause the lien to be paid or transferred from the Project to other security as permitted by State law or shall pay the amount of the contested items into a reserve held by the Trustee. The reserve may be used by the Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The reserve shall be returned to the Borrower if the lien is successfully contested. The Issuer shall cooperate fully with the Borrower in any such contest. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, to satisfy and

discharge the lien, to cause the lien to be transferred from the Project to other security as permitted by State law, or to pay twice the amount of the unpaid items into a reserve, the Issuer or the Trustee may, but shall be under no obligation to, cause the lien to be transferred from the Project to other security as permitted by State law, and all amounts so paid by the Issuer or the Trustee shall be treated as an advance to the Borrower repayable in accordance with Section 6.08 of this Loan Agreement. The Borrower shall not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower shall have first procured and paid for all requisite municipal and other governmental permits, licenses and authorizations. All such work shall be done in a good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of this Article VI.

Section 6.02 Removal of Equipment. If no Event of Default under this Loan Agreement shall have happened and be continuing, in any instance where the Borrower in its discretion determines that any items of Equipment or parts thereof have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or parts thereof from the Project Site and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Borrower shall:

(a) substitute (by direct payment of the cost thereof) and install anywhere in the Facility or on the Project Site items of replacement equipment or related property having equal or greater value or utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, provided such removal and substitution shall not impair the nature of the Project, all of which replacement equipment or related property shall be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances) and shall become the property of the Borrower, shall become a part of the Equipment financed pursuant to this Loan Agreement, shall become subject to the security interest of the Mortgage, and shall be held by the Borrower on the same terms and conditions as the items originally constituting Equipment, or

(b) not make any such substitution and installation, unless in the case of: (i) the sale of any such Equipment, (ii) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment to be financed hereby or to become subject to the security interest of the Mortgage, or (iii) any other disposition thereof, the Borrower shall pay to the Trustee the proceeds of such sale or disposition or an amount equal to the credit received upon such trade-in for deposit into the 2025A Debt Service Reserve Fund if the balance in said fund is less than the 2025A Debt Service Reserve Requirement, and if the balance in the 2025A Debt Service Reserve Fund equals or exceeds the 2025A Debt Service Reserve Requirement, for deposit into the Unrestricted Redemption Account of the Bond Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to the Borrower or an Affiliate, the Borrower shall pay to the Trustee an amount equal to the greater of the amounts and credits received therefor or the fair market value thereof at the time of such sale, trade-in,

or other disposition for deposit into the 2025A Debt Service Reserve Fund if the balance in said fund is less than the 2025A Debt Service Reserve Requirement, and if the balance in the 2025A Debt Service Reserve Fund equals or exceeds the 2025A Debt Service Reserve Requirement, for deposit into the Unrestricted Redemption Account of the Bond Fund.

Except to the extent that amounts are deposited into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund as provided in the preceding subsection (b), the removal from the Project of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Borrower to any abatement or diminution of the amounts payable under Section 5.02.

In the event that prior to such removal and disposition of items of Equipment from the Facility and the Project Site, the Borrower has acquired and installed machinery, furnishings, equipment, or related property with its own funds which become part of the Equipment and subject to the security interest of the Mortgage and which have equal or greater utility, but not necessarily the same functions, as the Equipment to be removed, the Borrower may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment to the Trustee for deposit into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund (as directing in writing by the Borrower).

The Borrower shall promptly report to the Trustee each such removal, substitution, sale, or other disposition and shall pay to the Trustee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund promptly after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the 2025A Debt Service Reserve Fund or the Unrestricted Redemption Account of the Bond Fund on account of all such sales, trade-ins, or other dispositions not previously reported in the aggregate has a value of at least \$100,000 in any calendar year. The Borrower shall not remove, or permit the removal of, any material portion of the Equipment from the Facility or the Project Site except in accordance with the provisions of this Section 6.02. The Trustee shall be fully protected in relying upon any such report without independent inquiry or investigation.

Upon compliance with this Section, the Issuer agrees to deliver any releases and which are deemed necessary by the Borrower with respect to the removal of such Equipment from the security interest of the Mortgage. The Borrower shall execute and deliver to the Issuer and the Trustee such documents as they may from time to time require to confirm the security interest of the Mortgage with respect to any items of equipment and other personal property which under the provisions of this Section are to become a part of the Equipment and shall pay all costs (including attorneys' fees) incurred in connection therewith.

Section 6.03 Taxes, Other Governmental Charges, and Utility Charges. The Borrower shall pay, as the same become due, (i) all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment, furnishings, or other property installed by the Borrower

thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the revenues and receipts of the Borrower from the Project which, if not paid, will become a lien on the Project prior to or on a parity with the lien and security interest of the Mortgage or a charge on the revenues and receipts therefrom prior to or on a parity with the charge and security interest thereon and the pledge or assignment thereof to be created and made in the Mortgage and including all ad valorem taxes or payments in lieu of such taxes lawfully assessed upon the Borrower's rights in and to the Project, (ii) all utility and other charges incurred in the ownership, operation, maintenance, use, occupancy, and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as are required to be paid during the Loan Term.

If the Borrower shall first notify the Trustee of its intention so to do, the Borrower may, at its own expense and in its own name and behalf and in good faith, contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided the Borrower shall furnish the Trustee with a bond equal to at least twice the amount so contested or an opinion of Independent Counsel stating that by nonpayment of any such items the lien and security interest of the Mortgage will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of any such items, the liens of the Mortgage as to any material part of the Project will not be materially and imminently endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. If the Borrower is unable or otherwise fails to obtain such a bond or an opinion of Independent Counsel, such taxes, assessments, or charges shall be promptly satisfied and discharged by payment thereof or by payment of the amount so contested into a reserve held by the Trustee. The reserve may be used by the Trustee to satisfy the taxes, assessments, or charges if action is taken to enforce the lien and such action is not stayed. The reserve shall be returned to the Borrower if the taxes, assessments, or charges are successfully contested. In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an advance repayable in accordance with Section 6.08 of this Loan Agreement.

Section 6.04 Insurance Required. Throughout the Loan Term, the Borrower shall keep the Project continuously insured against such risks as are customarily insured against with respect to facilities of like size and type, paying as the same become due all premiums in respect thereto, including but not limited to:

(a) insurance upon the repair or replacement basis in an amount of not less than 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations but without deduction for depreciation) of the Project following completion of the Project (with the co-insurance percentage not to exceed 80% and reasonable deductible provisions) against loss or damage by fire, lightning,

windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke and such other risks as are now or hereafter included in the uniform standard extended coverage endorsement in common use for similar structures (including vandalism and malicious mischief) and builders risk/completed value forms property insurance during construction of the Project;

(b) comprehensive general liability insurance providing insurance (with reasonable deductible provisions) to the extent of not less than \$2,000,000 per occurrence against liability for personal and bodily injury including death resulting therefrom and \$150,000 per occurrence for damage to property, including loss of use thereof, occurring on or in any way related to the Project or any part thereof or the operation thereof, with excess coverage or "umbrella" insurance for claims under such coverage in the aggregate of not less than \$2,000,000 for any one occurrence;

(c) if and only if automobiles are owned by the Borrower, automobile liability insurance providing insurance (with reasonable deductible provisions) to the extent of not less than \$300,000 per occurrence against liability for personal injury, including death resulting therefrom, and \$100,000 per occurrence for damage to property, with excess coverage or "umbrella" insurance for claims under such coverage in the aggregate of not less than \$1,000,000 for any one occurrence;

(d) if necessary, insurance under the Federal Flood Insurance Program shall be maintained at all times within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Act of 1973, as amended, if the Project is eligible under such program;

(e) workers' compensation coverage, or other provision therefor, as required by the laws of the State; and

(f) commencing at the time of Substantial Completion of the Project, business interruption or use and occupancy insurance on the Project in an amount sufficient to enable the Borrower to make, from the proceeds of such insurance, all required Loan Payments during the time, up to not less than twelve (12) months, if the Borrower shall experience a substantial loss in Gross Revenues as a result of loss of use caused by the risks covered by the insurance required under subsection (a).

Section 6.05 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.04(a), (d) and (f) hereof shall be paid and applied as provided in Article VII or Section 11.02 as applicable, and the Net Proceeds of insurance carried pursuant to the provisions of Sections 6.04(b), (c), and (e) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.06 Additional Provisions Respecting Insurance. All insurance required by Section 6.04 shall be taken out and maintained in generally recognized responsible insurance companies qualified to do business in the State and rated at least "A" by A.M. Best or Standard & Poor's, selected by the Borrower. All policies evidencing such insurance shall provide for

payment to the Issuer, the Borrower and the Trustee as their respective interests may appear, the policies required by Section 6.04(b), (c) and (e) shall name the Trustee as additional insured, and the policies required by Section 6.04(a), (d) and (f) shall name the Trustee as mortgagee and loss payee providing that no act or omission by the named insured shall in any way prejudice the rights of the Trustee under such policies and shall require that all Net Proceeds of insurance if in excess of \$150,000 for loss or damage covered thereby be paid to the Trustee and applied pursuant to Section 7.01; provided, however, that all claims regardless of amount may be adjusted by the Borrower with the insurers, subject to prior written approval of the Issuer as to any settlement of any claim in excess of \$150,000, which approval shall not be unreasonably withheld. Within 120 days after the end of each Fiscal Year, the Borrower shall provide the Trustee with a written certification (which may be combined with the certificate required in Section 8.16) that the Borrower is in compliance with the insurance requirements hereunder, and the Trustee shall be fully protected in relying on such written certification. In lieu of separate policies, the Borrower may maintain one or more blanket policies of insurance having the coverage required by Section 6.04. All such policies shall provide that such insurance may not be modified adversely to the interests of the Issuer or the Trustee or canceled by the Issuer thereof before the Bonds have been fully paid without at least 30 days' notice to the Borrower, the Issuer, and the Trustee.

Section 6.07 Review of Insurance Coverage. On or before the execution and delivery of this Loan Agreement, and at all times during the Loan Term, the Borrower shall maintain the insurance coverage required by the terms of this Loan Agreement. The Borrower shall procure a thirty-party review of its insurance requirements not less than every five years along with a written recommendation, if any, for increasing any of the insurance or coverages herein above required, and shall furnish a copy of such review to the Trustee. If any such review contains reasonable recommendations for increasing any of such insurance or coverages, the Borrower shall promptly increase such insurance or coverages in accordance with the recommendations. The Trustee shall have no duty or obligation to review any such report or to determine whether any of the recommendations in such report have been implemented by the Borrower.

Section 6.08 Advances by the Issuer or the Trustee. If the Borrower shall fail to maintain the insurance coverages required by this Loan Agreement or shall fail to pay the taxes and other charges required to be paid by this Loan Agreement or shall fail to keep the Project in as reasonably safe condition as its operation will permit or shall fail to keep the Facility and the Equipment in good repair and good operating condition, the Issuer or the Trustee may (but shall be under no obligation to), after notifying the Borrower of its intention to do so, take out the required policies of insurance and pay the premiums on the same or pay the taxes or other charges or make the required repairs, renewals, and replacements, and all amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower to the one making the advancement, which amounts, together with interest thereon from the date of payment at the rate of 10% per annum, the Borrower agrees to pay on demand. Any remedy herein vested in the Issuer or the Trustee for the collection of amounts due under Section 5.02 shall also be available to the Issuer and the Trustee for the collection of all such amounts so advanced. The Trustee shall be under no obligation to make any such payment unless it is required to do so by the owners of at least 25% in the aggregate principal amount of all Bonds then Outstanding and is provided with adequate funds paid in cash to the Trustee (from a source or sources approved by the Trustee in its sole discretion) for the purpose of such payment.

Section 6.09 Mechanic's Liens. The Borrower shall not suffer or permit any mechanics' or other liens to be filed or exist against the Project, nor against any Loan Payment paid or payable hereunder, by reason of work, labor, services, or materials supplied or claimed to have been supplied to the Borrower or anyone holding the Project or any part thereof through or under the Borrower. If any such mechanic's liens shall at any time be filed, the Borrower shall within 90 days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or otherwise. The Borrower shall have the right to contest the validity of the amount of any such lien by appropriate proceedings timely instituted, provided that the Borrower (a) gives the Issuer and the Trustee written notice of its intention so to do and (b) diligently prosecutes each such contest. If the Issuer or the Trustee shall notify the Borrower that, in the opinion of Independent Counsel, by nonpayment of the claim the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture, the Borrower shall promptly pay all such unpaid items and cause them to be satisfied and discharged. The Trustee shall not be obligated to monitor any such contest or determine whether, by nonpayment of the claim the lien of the Indenture or the Mortgage as to the Project or any part thereof will be subject to any loss or forfeiture.

[End of Article VI]

ARTICLE VII
DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 7.01 Damage and Destruction.

(a) Unless the Project shall be damaged to the extent prescribed by, and the Borrower shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to, the provisions of Section 11.02(a), if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Project is destroyed or is damaged (in whole or in part) by fire or other casualty to such extent that the Net Proceeds recovered under the insurance policies required to be carried pursuant to Section 6.04(a), (d), (f) and (g) resulting from such destruction or damage are not greater than \$150,000, the Borrower (i) shall promptly repair, rebuild, restore, or re-equip the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the value or the character of the Project and (ii) shall apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such recovery.

(b) Unless the Project shall be destroyed or damaged to the extent prescribed by, and the Borrower shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to, the provisions of Section 11.02(a), if prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Project is destroyed or is damaged (in whole or in part) by fire or other casualty to such extent that the Net Proceeds recovered under the insurance policies required to be carried pursuant to Section 6.04(a), (d), (f) and (g) resulting from such destruction or damage are in excess of \$150,000, the Borrower shall promptly give written notice thereof to the Trustee. All such Net Proceeds of insurance shall be paid to and held by the Trustee in a separate trust account to be known as the "Insurance Fund", whereupon the Borrower shall proceed promptly, but only after the requirements of Section 7.01(c) are met, to repair, rebuild, restore, or re-equip the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the nature of the Project, whereupon the Trustee shall apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding, or restoration, either on completion thereof or as the work progresses substantially in accordance with the procedures set forth in Section 7.05.

(c) Before the Trustee applies any Net Proceeds of insurance pursuant to Section 7.01(b) to pay the costs of repairing, rebuilding, restoring, or re-equipping the Project, the Borrower shall furnish to the Trustee (i) a certificate of a Consulting Architect (A) to the effect that the Project can be reasonably restored within a period of twelve consecutive months to substantially the condition thereof immediately preceding

such damage or destruction, (B) setting forth the estimated cost of the proposed repair, rebuilding, restoration, or re-equipping of the Project, including an allowance for contingencies, and the estimated date of completion of such repair, rebuilding, restoration, or re-equipping, and (C) to the effect that all amounts necessary to accomplish the proposed repair, rebuilding, restoration, and re-equipping are on deposit in the Insurance Fund held under the Indenture, (ii) the Borrower's prospective basic financial statements for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed and for the Fiscal Year immediately following the Fiscal Year in which such repair, rebuilding, restoration, and re-equipping is expected to be completed, which give effect to the repair, rebuilding, restoration, and re-equipping and which shall be (A) accompanied by a certificate of the Borrower to the effect that the assumptions underlying such prospective financial statements are reasonable, (B) prepared in accordance with generally accepted accounting principles applied on a consistent basis, and (C) accompanied by a certificate of the Borrower to the effect that: (1) the forecasted Fixed Charges Coverage Ratio for the Fiscal Year immediately following the Fiscal Year in which such repair, rebuilding, restoration, and re-equipping is expected to be completed will be not less than 1.20:1.00 and (2) the forecasted Revenue Available for Fixed Charges for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed shall be sufficient to pay the Fixed Charges for each Fiscal Year until such repair, rebuilding, restoration, and re-equipping is expected to be completed, and (iii) a certificate of the Borrower to the effect that all permits, licenses, accreditation, and other governmental approvals necessary for operation of the Project are in full force and effect.

(d) In the event the Net Proceeds are not sufficient to pay in full the costs of any such repair, rebuilding, restoration, or re-equipping, the Borrower shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(e) The Borrower shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer, the Trustee, or the owners of the Bonds or any abatement or diminution of the amounts payable under Section 5.02.

(f) Any balance of such Net Proceeds of insurance remaining after application pursuant to subsections (a) or (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be paid into the Unrestricted Redemption Account of the Bond Fund and used to redeem Bonds, at the earliest date Bonds are redeemable without premium, or if the Bonds are not redeemable without premium to pay principal of and interest on the Bonds as the same becomes due. If the Bonds have been fully paid (or provision therefor has been made in accordance with the Indenture), any balance of such Net Proceeds remaining after application pursuant to subsections (a) or (b) of this Section 7.01 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (c) of this Section 7.01 shall be paid to the Borrower.

Section 7.02 Condemnation. Unless title to, or temporary use of, all or substantially all, or any material portion, of the Project shall have been taken by condemnation and the Borrower

shall be obligated to prepay, or shall elect to exercise its option to prepay, the Loan in full pursuant to the provisions of Section 11.02(b), in the event that title to or the temporary use of the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, the Borrower shall be obligated to continue to make the payments specified in Section 5.02. Except for Net Proceeds received by the Borrower pursuant to Section 7.03, the Issuer, the Borrower, and the Trustee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to and held by the Trustee in a separate trust account to be known as the "Condemnation Fund", to be applied in one or more of the following ways as shall be directed in writing by the Borrower:

(a) If the requirements of Section 7.02(d) are met, to the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain, substantially in accordance with the procedures set forth in Section 7.05.

(b) If the requirements of Section 7.02(d) are met, to the acquisition of other suitable land and the acquisition, by construction or otherwise, in the name of the Borrower, to the extent permitted by applicable law, of improvements consisting of a building or buildings, facilities, furnishings, machinery, equipment, or other properties suitable for the Borrower's operations at the Project as conducted prior to such taking (which improvements shall be deemed a part of the Project without the payment of any loan payments other than as herein provided to the same extent as if such improvements were specifically described herein and financed pursuant to this Loan Agreement); provided, that such improvements and properties shall be acquired by the Borrower, in the name of the Borrower, subject to no liens, security interests, or encumbrances prior to or on a parity with the lien and security interest of the Mortgage, other than Permitted Encumbrances. Such improvements and properties must be approved in writing by the Authorized Issuer Representative, which approval shall not be unreasonably withheld. The Borrower and the Issuer shall enter into amendments to this Loan Agreement to identify such improvements and properties as part of the Project and shall enter into amendments to the Mortgage to subject such improvements and properties to the lien and the security interest created by the Mortgage, and the Issuer shall enter into a supplemental indenture assigning and pledging, and granting a security interest in, the foregoing amendments to the Trustee.

(c) To the redemption of the principal of any of the Bonds together with accrued interest thereon to the date of redemption, which shall be not more than 180 days after said event; provided, that no part of any such condemnation award may be applied to such redemption unless (i) all of the Bonds are to be redeemed in accordance with the Indenture and the requirements of Section 11.02(b) have been met or (ii) in the event that less than all of the Bonds are to be redeemed, in which event the requirements of Section 11.02(b) are not required to be met, the Borrower shall furnish to the Issuer and the Trustee a certificate of a Consulting Architect stating (A) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Borrower's use or occupancy of the Project or (B) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such

condemnation proceedings or (C) that improvements have been acquired which are suitable for the Borrower's operations at the Project as contemplated by the foregoing subsection (b) of this Section.

(d) Before the Trustee applies any Net Proceeds of any condemnation award pursuant to Section 7.02(a) or (b) to pay the costs of restoring or replacing the Project, the Borrower shall furnish to the Trustee (i) a certificate of a Consulting Architect (A) to the effect that the Project can be reasonably restored or replaced within a period of ten consecutive months to substantially the condition thereof immediately preceding such condemnation, (B) setting forth the estimated cost of the proposed restoration or replacement of the Project, including an allowance for contingencies, and the estimated date of the completion of such restoration or replacement, and (C) to the effect that all amounts necessary to accomplish the proposed restoration and replacement are on deposit in the Condemnation Fund held under the Indenture, (ii) the Borrower's prospective basic financial statements for each Fiscal Year until such restoration and replacement is expected to be completed and for the Fiscal Year immediately following the Fiscal Year in which such restoration and replacement is expected to be completed, which give effect to the restoration and replacement and which shall be (A) accompanied by a certificate of the chief financial officer of the Borrower to the effect that the assumptions underlying such prospective financial statements are reasonable, (B) prepared in accordance with generally accepted accounting principles applied on a consistent basis, and (C) accompanied by a certificate of the chief financial officer of the Borrower to the effect that: (1) the forecasted Fixed Charges Coverage Ratio for the Fiscal Year immediately following the Fiscal Year in which such restoration and replacement is expected to be completed will be not less than 1.20:1.00 and (2) the forecasted Revenue Available for Fixed Charges for each Fiscal Year until such restoration and replacement is expected to be completed shall be sufficient to pay the Fixed Charges for each Fiscal Year until such restoration and replacement is expected to be completed, and (iii) a certificate of the Borrower to the effect that all permits, licenses, accreditation, and other governmental approvals necessary for operation of the Project are in full force and effect.

(e) Any balance of the Net Proceeds of the award in such eminent domain proceedings remaining after application pursuant to subsections (a), (b), and (c) of this Section 7.02 or remaining because of the failure of the Borrower to furnish to the Trustee the items required by subsection (d) of this Section 7.02 shall be paid into the Unrestricted Redemption Account of the Bond Fund to redeem Bonds or to pay principal of and interest on the Bonds as the same becomes due, or, if no Bonds then remain Outstanding, to the Borrower.

Unless the Borrower shall be obligated to prepay, or shall have elected to exercise its option to prepay, the Loan in full pursuant to the provisions of Section 11.02(b) within 60 days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Borrower shall direct the Issuer and the Trustee in writing as to which of the ways specified in this Section the Borrower elects to have the condemnation award applied.

Section 7.03 Condemnation of Borrower-Owned Property. The Borrower shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or for taking of its own property not included in the Project.

Section 7.04 Investment of Net Proceeds. Any money held by the Trustee in the Insurance Fund or the Condemnation Fund under the provisions of Section 7.01 or 7.02, respectively, shall, at the written request of the Borrower, be invested or reinvested by the Trustee, as specified by the Authorized Borrower Representative in such request, in such Permitted Investments as described in the Indenture. Neither the Issuer nor the Trustee shall be liable or responsible for any loss resulting from any such investment. Such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Insurance Fund or Condemnation Fund, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund, and any loss resulting therefrom shall be charged against such fund. The Trustee is directed to sell and convert to cash a sufficient amount of such investments whenever the cash held in the Insurance Fund or the Condemnation Fund is insufficient to pay a requisition for payment from such fund when presented. Neither the Trustee nor the Issuer shall be made liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized.

Section 7.05 Disbursements of Net Proceeds.

(a) Each payment from the Insurance Fund or the Condemnation Fund shall be made by the Trustee in lawful money of the United States by check or interbank transfer of funds, as directed by the Borrower, to the general deposit account of the Borrower, upon receipt by the Trustee of an application for payment in compliance with the requirements of this Section and the Trustee may act in reliance upon any instrument or signature reasonably believed by it to be genuine and authorized. The Borrower hereby covenants and agrees to indemnify and save harmless the Issuer and the Trustee, and its officers, directors, members, agents, and employees from any liability incurred in connection with any application for payment.

(b) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the applicable conditions for disbursements set forth in this Section 7.05, the Issuer will cause the Trustee to disburse sums in the Insurance Fund and the Condemnation Fund to the Borrower or to the appropriate payee for "non-construction costs and fees", as hereinafter defined, in one or more disbursements in accordance with the following procedures:

(i) Not less than ten banking days before the date on which the Borrower desires a disbursement, but not more frequently than monthly, the Borrower shall submit to the Trustee a disbursement request, accompanied by an itemization of non-construction costs and fees, and the accuracy of such cost and fee itemization shall be certified by the Borrower. The disbursement request must be signed by the Authorized Borrower Representative.

(ii) For purposes of this Section 7.05, the term "non-construction costs and fees" shall include all costs and fees properly incurred and payable prior to

and during the construction period in connection with the reconstruction of the Project, the acquisition of replacement property, and the performance of all transactions contemplated by this Loan Agreement, the Indenture, and all other documents executed in connection with the issuance of the Series 2025 Bonds other than the costs and fees which are properly payable to the appropriate contractors pursuant to construction contracts.

(iii) A disbursement request for non-construction costs and fees submitted in accordance with the foregoing procedure need not comply with and shall not be subject to the requirements of paragraphs (c), (e), (f), or (k) of this Section 7.05.

(c) Subject to compliance by the Borrower with all of the terms, provisions, and conditions of this Loan Agreement, including, but not limited to, the conditions for disbursements set forth in this Section 7.05, the Issuer will cause the Trustee to disburse sums in the Insurance Fund and the Condemnation Fund to the Borrower or to the Contractor under the Construction Contract for "construction costs and fees" as hereinafter defined in several disbursements in accordance with the following procedures:

(i) Not less than ten banking days before the date on which the Borrower desires a disbursement, but not more frequently than monthly, the Borrower shall submit to the Trustee an application for payment in the form of American Institute of Architects Document G702 (the "Application and Certificate for Payment"). The Application and Certificate for Payment must be signed by the Consulting Architect. The cost breakdown included in the Application and Certificate for Payment shall show the percentage of completion of each line item on the Borrower's detailed estimate of Project costs as submitted to the Trustee, and the accuracy of the cost breakdown shall be certified by the Consulting Architect and the appropriate contractor under the construction contracts, or, as to any items not within the scope of a general contract, by the contractors directly responsible to the Borrower for such items.

(ii) The completed reconstruction on the Project shall be reviewed (at the time each Application and Certificate for Payment is submitted) by the Contractor, and the Consulting Architect shall certify to the Trustee as to (A) the cost of completed reconstruction, (B) the percentage of completion, and (C) compliance with the plans and specifications therefor.

(iii) The Consulting Architect shall determine the "maximum allowable disbursement" by adding to the cost of completed reconstruction to date (as determined by the Consulting Architect on the basis of its review of the Application and Certificate of Payment and cost breakdown) any allowable non-construction disbursements related to the Project.

(iv) Subject to the requirements of paragraph (j) of this Section 7.05, the disbursement to be made by the Trustee shall be the "maximum allowable disbursement" as determined under (iii) above less: (A) the percentage of the cost

of completed reconstruction specified in the construction contracts to be retained (hereinafter referred to as the "Retainage") and (B) the amounts previously disbursed by the Trustee. The Retainage (but in no event more than the balance in the Insurance Fund or the Condemnation Fund less amounts retained or set aside to meet costs not then due and payable or which are being contested) under the general construction contract or under any other construction contract shall be disbursed by the Trustee only after (A) such contract shall have been performed to the satisfaction of the Borrower, as evidenced by the signature of the Authorized Borrower Representative on the final Application and Certificate for Payment, (B) the certificate and report or endorsement of the title insurance required by subsection (g)(iii) of this Section 7.05, (C) the Trustee shall have received from the Contractor under such Construction Contract an affidavit to the effect that such contractor and all of its subcontractors and suppliers of labor and materials have been paid in full, (D) the Borrower or Contractor shall have exhibited to the Trustee the final certificates of approval from the various governmental authorities having jurisdiction over the reconstruction and operation of the Project, if required by such authorities, including a final certificate of occupancy or a temporary certificate of occupancy for the Facility, and other necessary operating permits, and the certificate of the board of fire underwriters acting in and for the locality in which the Project is situated along with a certificate of the Borrower that the same constitute all the certificates of approval necessary for operation of the Project, and (E) the Borrower shall have delivered to the Trustee a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Borrower Representative and approved by the Consulting Architect stating that, except for amounts retained by the Trustee for costs of the reconstruction not then due and payable, (i) reconstruction of the Project has been completed substantially in accordance with the plans and specifications therefor, and all labor, services, materials, and supplies used in such reconstruction have been paid or provided for, (ii) all other facilities necessary in connection with the reconstruction of the Project have been constructed, acquired, and installed substantially in accordance with the plans and specifications therefor and all costs and expenses incurred in connection therewith have been paid or provided for, (iii) according to the "as built" survey of the Project Site or a certificate of the surveyor, the reconstructed Facility does not encroach on any other property or violate any setback or sideline requirements applicable to the Project Site, and (iv) a certificate of occupancy for the Project has been issued by appropriate local governmental authorities, if required by such authorities. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. The Consulting Architect shall certify the matter covered by (i) and (ii) above. It shall be the duty of the Borrower to cause the certificate contemplated by this subsection (c)(iv) to be furnished as soon as the reconstruction of the Project shall have been completed.

(v) For purposes of this Section 7.05, the term "construction costs and fees" shall include all costs and fees properly incurred and payable to the appropriate contractors pursuant to the construction contracts.

(vi) Nothing contained in subsection (b) herein shall be construed as preventing the Trustee from disbursing sums in the Insurance Fund or the Condemnation Fund to the appropriate payee for non-construction costs and fees if the request for a disbursement is submitted to the Trustee in accordance with the requirements of subsection (c) herein, provided, however, that the Trustee may not disburse sums in the Insurance Fund or the Condemnation Fund to the appropriate payee for construction costs and fees except pursuant to the submission of a request for a disbursement in accordance with the requirements of said subsection (c).

(vii) Notwithstanding any other term or provision set forth herein, the Trustee shall not be required to disburse more than once each month, and the Trustee shall limit the total amount disbursed from the Insurance Fund or the Condemnation Fund at any time to an amount which, when deducted from the total amount in the Insurance Fund or the Condemnation Fund, leaves a balance to be disbursed which is equal to the cost of completion of the reconstruction of the Project (including all remaining non-construction expenses) plus the Retainage.

(d) Notwithstanding any other terms and provisions set forth herein, the Trustee may, in its discretion, make all disbursements or any disbursement directly to the Borrower, or to subcontractors, laborers, materialmen, or Persons furnishing labor, services, or materials used or to be used on or in the reconstruction of the Project (including authorized extras) or to any combination of them. Any such disbursement shall be deemed to have been made to the Borrower or for its account.

(e) The execution of each Application and Certificate for Payment submitted for disbursements relating to construction costs and fees by the Borrower shall constitute the certification, warranty, and agreement of the Borrower as follows:

(i) the Project is free and clear of all liens and encumbrances except Permitted Encumbrances;

(ii) all evidence, statements, and other writings required to be furnished under the terms of this Loan Agreement and the Indenture are true and omit no material fact, the omission of which may make them misleading;

(iii) all money previously disbursed have been used solely to pay for costs allowed by the Loan Agreement, and the Borrower has written evidence to support this item of warranty;

(iv) all bills for labor, materials, and fixtures used, or on hand and to be used, in the reconstruction of the Project have been paid, and no one is asserting a lien with respect thereto, except Permitted Encumbrances;

(v) all conditions precedent to the disbursement have been fulfilled by Borrower; and

(vi) all warranties of Borrower hereunder shall be and remain true and correct.

(f) The Borrower covenants and agrees that, upon the request of the Trustee from time to time, it shall furnish the Trustee with evidence which is reasonably satisfactory to the Trustee (including, but not limited to, certificates and affidavits of the Borrower and/or the Consulting Architect or any contractor or such other Person as the Trustee may reasonably require) showing (i) the value of reconstruction existing at that time, (ii) that all outstanding claims for labor, materials, fixtures, furnishings, equipment, and other work have been paid or provided for in accordance with the requirements of this Loan Agreement, (iii) that there are no liens outstanding or unpaid prior to the Indenture or the Mortgage securing the Bondholders other than Permitted Encumbrances, (iv) that the Borrower has substantially complied with all of the Borrower's obligations hereunder and under the Indenture, and (v) that all reconstruction has been done in accordance with the plans and specifications therefor. The Trustee shall have no duty or obligation to request any such evidence.

(g) The Trustee shall not make any disbursement from the Insurance Fund or the Condemnation Fund unless each and all of the conditions precedent set forth below shall have been met and complied with in full:

(i) if the disbursement is for "construction costs and fees", the Borrower shall have furnished to the Trustee a certificate of the Authorized Borrower Representative stating that the Builder's Risk - Completed Value Form insurance required by Section 6.01 is in full force and effect;

(ii) at the time of each disbursement the Trustee shall not have or be deemed to have notice of an Event of Default, as provided in Section 1001(h) of the Indenture;

(iii) at the time of each disbursement the Borrower shall deliver to the Trustee a certificate and report of title or endorsement of the title insurer that the Mortgage is a valid first lien on the Project and improvements thereon, free and clear of all prior liens, encumbrances, and exceptions of title except Permitted Encumbrances; and

(iv) at the time each disbursement is made pursuant to this Section 7.05 as a reimbursement to the Borrower, the Borrower shall deliver to the Trustee evidence of contemporaneous or prior payment by the Borrower to the appropriate contractor or supplier under the construction contracts or other Person of the amount then and theretofore approved for payment.

(h) Each Application and Certificate for Payment shall constitute a representation by the Borrower that the money therein referred to have been or are to be used for one of the purposes set forth in Section 7.01 or Section 7.02 of this Loan

Agreement and that none of the items for which payment is requested has formed the basis for any payment previously made from the Insurance Fund or the Condemnation Fund, and the Trustee shall be entitled to rely thereon and shall be held harmless by the Borrower for all liability in connection therewith.

(i) All disbursements shall be made as soon as practicable after receipt by the Trustee a properly completed of the Application and Certificate for Payment and shall be made at the office of the Trustee or at such other place as the Trustee may designate. If sufficient liquid funds are not available to the Trustee at the time of presentment of an Application and Certificate for Payment due to the particular form of Insurance Fund or Condemnation Fund investments or a lack of funds, payment of such Application and Certificate for Payment shall be delayed until liquid funds or additional funds sufficient to satisfy the requirements of this Section 7.05 are received by the Trustee.

(i) Except for liens constituting Permitted Encumbrances, if any notice of lien shall be filed against the Project or any part thereof or if any interim title examination discloses any intervening lien or encumbrance, the Trustee may suspend further disbursements from the Insurance Fund or the Condemnation Fund until such lien or encumbrance shall have been discharged of record or proceedings to contest such lien pursuant to Section 6.01 shall have been instituted.

(j) The Trustee shall not make any disbursements from the Insurance Fund or the Condemnation Fund for Equipment or any other personal property with respect to which a security interest under the Uniform Commercial Code of the State may be perfected unless the Trustee shall have first received the following:

(i) an opinion of Independent Counsel (which specifies the filings made) to the effect that all steps requisite to the perfection of the security interest of the Trustee in and to such Equipment and other property have been duly taken and that the official records disclose no security interests in such Equipment and other property which take priority over the security interest of the Trustee;

(ii) copies of the financing statements and any other document filed in favor of the Trustee with the Recorder of Deeds of Garfield County, Colorado, and the Office of the Secretary of State of the State covering the Equipment and personal property with respect to which a disbursement is requested; and

(iii) copies of the bills of sale evidencing that title to such Equipment and other property has been taken in the name of the Borrower.

[End of Article VII]

ARTICLE VIII
ADDITIONAL COVENANTS

Section 8.01 No Warranty of Condition or Suitability by the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, DESIGN OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS.

Section 8.02 Access to Project Site and Records. The Borrower agrees that the Issuer and the Trustee and such of their duly authorized representatives and agents shall have the right, upon reasonable prior notice, to enter the Project at all reasonable times during the Loan Term for the purpose of (i) examining and inspecting the same, including any reconstruction thereof, (ii) performing such work in and about the Project made necessary by reason of an Event of Default, and (iii) upon an Event of Default, exhibiting the Project to prospective purchasers, lessees, or mortgagees. The Issuer and the Trustee shall also have the right at all reasonable times to examine the books and records of the Borrower insofar as such books and records relate to the repair and maintenance of the Project or insofar as necessary to ascertain compliance with this Loan Agreement.

Section 8.03 Borrower to Maintain its Existence. The Borrower agrees that while this Loan Agreement is in effect it shall maintain its legal existence as a Colorado nonprofit corporation, shall not incorporate or merge into another Person or permit one or more other Persons to consolidate with or merge into it, and shall not dissolve or otherwise dispose of all or substantially all of its assets. The Borrower shall preserve and keep in full force and effect all licenses, accreditation, and permits necessary to the proper conduct of its business.

Section 8.04 Qualification in the State. The Borrower warrants that it is and while this Loan Agreement is in effect it will continue to be organized under the laws of the State and authorized to conduct its business hereunder.

Section 8.05 Line of Credit. The Borrower shall enter into the Line of Credit as of the Closing Date. The Borrower agrees to make draws on the Line of Credit, from time to time and no later than the earlier of the Substantial Completion of the Project or the termination date of the Line of Credit, totaling the full amount available under the Line of Credit. The Borrower further agrees that any and all amounts drawn by it under the Line of Credit shall be transferred immediately to the Trustee for deposit in the Operating Expense Reserve Fund. The Borrower shall not take any action which results in the Line of Credit not being in full force and effect, and shall not modify, amend or terminate the Line of Credit except upon the written consent of the Trustee.

Section 8.06 Granting of Easements. If no Event of Default under this Loan Agreement shall then be continuing, the Borrower may at any time or times grant easements, licenses, rights of way (including the dedication of public highways), and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the

Mortgage, or the Borrower may release existing easements, licenses, rights of way, and other rights or privileges with or without consideration, and the Issuer agrees that it shall cause and direct the Trustee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege upon receipt by the Issuer and the Trustee of (i) a copy of the instrument of grant or release, (ii) a written application signed by the Authorized Borrower Representative requesting such instrument, and (iii) a certificate executed by the Authorized Borrower Representative stating (A) that such grant or release is not detrimental to the proper conduct of the activities of the Borrower and (B) that such grant or release will not impair the effective use or interfere with the operation of the Project as a residential development and will not weaken, diminish, or impair the security intended to be given by or under the Mortgage. Any money consideration received in connection with the granting or release of an easement pursuant to this Section 8.06 shall be deposited in the Unrestricted Redemption Account of the Bond Fund and used to redeem Bonds or to pay principal of the Bonds as the same becomes due. Any other consideration received shall be subject to the lien of the Indenture. No grant or release effected under the provisions of this Section shall entitle the Borrower to any abatement or diminution of the amounts payable under Section 5.02.

Section 8.07 Indemnity.

(a) The Borrower shall and agrees to indemnify and save the Issuer and the Trustee, and their directors, officers, members, and employees harmless against and from all claims by or on behalf of any Person arising from the conduct or management of or from any work or thing done on the Project and against and from all claims arising from (i) any condition of or operation of the Project, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under the Bond Documents, (iii) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees, or licensees, (iv) any act or negligence of any assignee or lessee of the Borrower or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Borrower, or (v) any act in connection with the offering for sale, issuance, delivery, disclosure relating to, or payment of the Bonds; provided, however, this indemnity shall not apply to any willful misconduct or intentional misconduct of the Issuer or any willful misconduct or intentional misconduct of the Trustee; PROVIDED FURTHER, THAT THIS INDEMNITY DOES COVER GROSS NEGLIGENCE OF THE ISSUER AND THE TRUSTEE. The Borrower shall indemnify and save the Issuer and the Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid from (i), (ii), (iii), (iv) or (v) of this Section 8.07(a), or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04, and upon notice from the Issuer or the Trustee, the Borrower shall defend them or either of them in any such action or proceeding.

(b) The Borrower agrees that it will indemnify and hold the Trustee harmless from any and all liability, cost, or expense incurred without gross negligence or bad faith in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document believed by it to be valid, genuine, and sufficient. Anything

in this Loan Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, loss profits), even if the Trustee has been advised of such loss or damage and regardless of the form of action.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required of the Issuer or the Trustee hereunder or under the Mortgage or the Trustee under the Indenture, by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Borrower, or (v) any other costs, fees, or expenses incurred by the Issuer, the City, the State or the Trustee with respect to the Project or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer or the Trustee should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer and the Trustee against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 10.04, and upon notice from the Issuer or the Trustee, the Borrower shall defend the Issuer and the Trustee in any such action or proceeding. The indemnity contained in this Section 8.07(c) shall not apply to any acts of gross negligence or willful misconduct or intentional misconduct of the Trustee or to any acts of willful misconduct, bad faith or fraud of the Issuer.

(d) Nothing contained in this Section 8.07 shall require the Borrower to indemnify the Issuer or the Trustee or their officers, directors, members, or employees for any claim or liability which the Borrower was not given any opportunity to contest or for any settlement of any such action effected without the Borrower's consent. The indemnity of the Issuer and the Trustee and their officers, directors, members, and employees contained in this Section 8.07 shall survive the termination of this Loan Agreement.

(e) The Borrower covenants that: (a) no substances, including without limitation, asbestos or any substance containing asbestos, deemed hazardous under any Hazardous Material Law (defined below), the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, petroleum, petroleum fractions, petroleum distillates, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definitions of "hazardous waste," "hazardous materials," "hazardous substances," "toxic waste," "toxic materials" or "toxic substances" (collectively "Hazardous Materials") under any law ("Hazardous Material Law") relating to environmental conditions or industrial hygiene, including, without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the

Clean Water Act of 1972, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, decrees now or hereafter promulgated thereunder, shall hereafter be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, released or otherwise placed in, on or under all or any part of the Mortgage Trust Estate as defined in the Mortgage; (b) no activity shall hereafter be undertaken on all or any part of the Mortgage Trust Estate which would cause (i) all or any part of the Mortgage Trust Estate to become a treatment, storage or disposal facility for hazardous waste or hazardous material within the meaning of, or otherwise bring all or any part of or any interest in the Mortgage Trust Estate within the ambit of, RCRA or any other Hazardous Material Law, (ii) a release or threatened release of any Hazardous Material from the Mortgage Trust Estate within the meaning of, or otherwise bring all or any part of the Mortgage Trust Estate within the ambit of, CERCLA or SARA or any other Hazardous Material Law, or (iii) the discharge of Hazardous Material into any watercourse, body of surface or subsurface water or wetland, or the discharge into the atmosphere of any Hazardous Material which would require a permit under any Hazardous Material Law; (c) no activity shall be undertaken on or with respect to all or any part of the Mortgage Trust Estate which would cause a violation or support a claim under RCRA, CERCLA, SARA or any other Hazardous Material Law; and (d) no underground storage tanks or underground deposits shall be located on all or any part of the Mortgage Trust Estate. The Borrower shall immediately advise the Trustee and the Issuer in writing of (a) any governmental or regulatory actions instituted or threatened under any Hazardous Material Law affecting all or any part of or any interest in the Mortgage Trust Estate, (b) all claims made or threatened by any third party against the Borrower or the Mortgage Trust Estate relating to damage, contribution, cost recovery, compensation, or loss or injury resulting from any Hazardous Material, (c) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgage Trust Estate that could cause the Mortgage Trust Estate to be classified in a manner which may support a claim under any Hazardous Material Law, and (d) the discovery of any occurrence or condition on any part of the Mortgage Trust Estate or any real property adjoining or in the vicinity of the Mortgage Trust Estate which could subject the Borrower or any part of the Mortgage Trust Estate to any limitations or restrictions on the ownership, occupancy, transferability or use thereof. The Trustee or the Issuer may elect (but shall not be obligated) to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims or responses under any Hazardous Material Law and to have its reasonable attorneys' fees relating to such participation paid by the Borrower. At its sole cost and expense, the Borrower agrees to promptly and completely cure and remedy every existing and future violation of a Hazardous Material Law occurring on or with respect to any part of the Mortgage Trust Estate and to promptly remove all Hazardous Materials now or hereafter in, on or under all or any part of the Mortgage Trust Estate and to dispose of the same as required by Hazardous Material Law(s). The Trustee or the Issuer (by its officers, employees and agents) at any time and from time to time may contract for the services of persons or entities (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on all or any part of the Mortgage Trust Estate to determine the existence of any environmental condition which under any Hazardous

Material Law might result in any liability, cost or expense to the owner, occupier or operator of any of the Mortgage Trust Estate. The Site Reviewers are authorized to enter upon all or any part of the Mortgage Trust Estate to conduct Site Assessments. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on any of the Mortgage Trust Estate and such other tests on or of any of the Mortgage Trust Estate as the Site Reviewers, the Trustee or the Issuer may deem necessary. The Borrower agrees to supply to the Site Reviewers, the Trustee and the Issuer such historical and operational information in its possession or which it can reasonably obtain possession of regarding the Mortgage Trust Estate as may be reasonably requested to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The results of Site Assessments shall be furnished to the Borrower, the Issuer and the Trustee upon request. The cost of performing Site Assessments shall be paid by the Borrower. The Borrower shall indemnify, defend, and hold harmless the Trustee and the Issuer and their directors, officers, employees, agents, successors and assigns from and against (a) any loss, liability, demand, damage, cost, expense, claim, action or cause of action arising from the imposition or recording of a lien, the incurring of costs of required repairs, remediation, clean up or detoxification and removal under any Hazardous Material Law (including other associated costs, interest, fees, and penalties) with respect to all or any part of the Mortgage Trust Estate or liability to any third party in connection with any violation of a Hazardous Material Law; (b) any other loss, liability, damage, cost, expense, or claim (including, without limitation, reasonable attorneys' fees and disbursements and expenses, and costs and expenses reasonably incurred in investigating, preparing, settling or defending against any litigation or claim, action, suit, proceeding or demand of any kind or character, including, without limitation, those arising by reason of any action taken by the Trustee under the Indenture, which is not caused by its own gross negligence or willful misconduct), which may be incurred by or asserted against the Trustee or the Issuer and their directors, officers, employees, successors or assigns, directly or indirectly, arising from the presence on or under, or the discharge, emission or release from any of the Mortgage Trust Estate into or upon the land, atmosphere, or any watercourse, body of surface or subsurface water or wetland, arising from the installation, use, generation, manufacture, treatment, handling, refining, production, processing, storage, removal, remediation clean up or disposal of any Hazardous Material whether or not caused by the Borrower; (c) loss of value of any of the Mortgage Trust Estate as a result of any such lien, remediation clean up, detoxification, loss, liability, damage, expense or claim or a failure or defect in title occasioned by any Hazardous Material or Hazardous Material Law; and (d) all foreseeable and unforeseeable incidental and consequential damages. The Borrower shall defend such claim, and the Trustee or the Issuer, as the case may be, shall cooperate in the defense at the expense of the Borrower. The Trustee and the Issuer may have separate counsel and the Borrower shall pay the fees and expenses of such counsel.

(f) The Borrower shall indemnify, defend, and hold harmless the Trustee and the Issuer and their directors, officers, employees, agents, successors and assigns from and against any loss, liability, demand, damage, cost, expense, claim, cause or cause of action (including, without limitation, reasonable attorneys' fees and expenses) arising out

of or in connection with the issuance and sale of the Bonds, including, without limitation, any loss, liability, damage, cost, expense, or claim arising out of or related to an actual or alleged untrue statement of a material fact relating to the Borrower or the Project contained in any offering document or materials used in the sale of the Bonds, or otherwise made in connection with the issuance and sale of the Bonds, or an actual or alleged omission of material fact relating to the Borrower or the Project necessary in order to make any statements contained in the Limited Offering Memorandum or otherwise made in connection with the issuance and sale of the Bonds, in light of the circumstances in which such statements were made, not misleading.

(g) Obligations of the Borrower to indemnify the Trustee and its officers, directors or employees shall have the same priority as ordinary expenses of the Trustee under Section 504 of the Indenture and shall survive the expiration or termination of this Loan Agreement and the resignation or removal of the Trustee.

Section 8.08 RESERVED.

Section 8.09 Tax Exempt Status of the Series 2025A Bonds. The Borrower covenants that it will not take or omit to take any action nor permit any action to be taken or omitted which would cause the interest on any Series 2025A Bonds, the interest on which is excluded from gross income of the owners thereof for federal income tax purposes, to become included in gross income of any owner thereof.

The Borrower further covenants and agrees that it shall comply and shall comply with the representations and certifications it made in its Tax Compliance Agreement dated the date of issuance and delivery of the Series 2025A Bonds and that it shall take no action nor omit to take any action which would cause such representations and certifications to be untrue.

Section 8.10 No Competition. The Borrower shall not construct or operate any facilities competing with the Facility unless an Independent Consultant has delivered a certification or report concluding that such new facility will not adversely affect the ability of the Borrower to meet the Fixed Charges Coverage Ratio covenant and other financial covenants required herein.

Section 8.11 RESERVED.

Section 8.12 Licenses and Qualifications. The Borrower shall do all things necessary to obtain, maintain, and renew, from time to time, as necessary, all permits, licenses, and other governmental approvals necessary for operation of the Project. The Borrower hereby agrees to give prompt notice to the Issuer and the Trustee of the modification or loss of any such permit, license, or other governmental approval, which notice shall set forth the reasons for such loss.

Section 8.13 Operation of Project and Safety Code. The Borrower warrants that throughout the Loan Term it shall operate the Project as a housing manufacturing facility or cause the same to be operated as a housing manufacturing facility and shall continue to maintain the Project in compliance with all applicable life and safety codes and all applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of the United States of America, the State, and any political subdivision or agency thereof having jurisdiction over the Project.

Section 8.14 Permitted Indebtedness. The Borrower covenants and agrees that, until all of its Indebtedness and obligations due under Section 5.02 for Loan Payments have been fully paid or provided for, the Borrower shall not, directly or indirectly, incur, assume, or guarantee any Indebtedness, whether secured or unsecured, other than (a) Additional Bonds, (b) the Line of Credit, (c) the Guaranty, (d) Indebtedness consented to in writing by the Majority Holder, or (e) Short Term Indebtedness upon satisfaction of the following conditions: (i) the prior Fiscal Year's audit indicates the Fixed Charges Coverage Ratio was at least 1.20:1.00 for such Fiscal Year, (ii) a Financial Consultant provides a report indicating the Short Term Indebtedness will not prevent the Fixed Charges Coverage Ratio from being at least 1.20:1.00 in future Fiscal Years, (iii) collateral for the Short Term Indebtedness will be only inventory pledged on a basis subordinate to the Series 2025 Bonds and (iv) the principal amount of such outstanding Short Term Indebtedness in the aggregate is equal to or less than \$1,000,000; provided to the extent the Borrower incurs Short Term Indebtedness secured by inventory of the Project, the Borrower, the Trustee and the lender of such Short Term Indebtedness shall enter into an intercreditor agreement setting forth the relative priority of liens and interest in the Security and such inventory, including the Trustee having a subordinate lien on inventory securing such Short Term Indebtedness.

Section 8.15 No Self-Dealing. The Borrower may not enter into any service contract relating to the Project with any Person who is a related party to or an Affiliate of the Borrower unless such service contract provides for compensation to such Person that would be equal to or less than the reasonable, customary and ordinary compensation that would be paid under a similar service contract with a Person who was not a related party to or an Affiliate of the Borrower.

Section 8.16 Annual Budget and Rate Covenant; Annual Financial Statements and Certifications.

(a) No later than 60 days prior to the first day of each Fiscal Year, the Borrower shall prepare an Annual Budget of anticipated Gross Revenues and Operating Expenses for the succeeding Fiscal Year, and shall submit a copy of the Annual Budget to the Trustee and the Issuer. The Annual Budget must comply with the requirements specified in the definition of the term Annual Budget in Section 1.01. The Annual Budget shall continue in effect until such time as a new Budget or amended Annual Budget is submitted to the Trustee. The Annual Budget shall include provision for payment by the Borrower of the costs, fees, and expenses payable or incurred by reason of the Loan under the Loan Agreement and the Indenture, including all compensation for the expenses of the Trustee, including any paying agents and the reasonable expenses of the Issuer.

(b) Commencing in Fiscal Year 2028, the Borrower specifically covenants hereunder to budget for and thereafter maintain a Fixed Charges Coverage Ratio of not less than 1.20:1.00 calculated annually. In the event that the Borrower fails to maintain the Fixed Charges Coverage Ratio as set forth above for a Fiscal Year as certified in accordance with the Continuing Disclosure Agreement pursuant to Section 8.18, the Borrower covenants to engage a Financial Consultant to conduct an investigation of the Project and to make recommendations to the Borrower on remedies to achieve the

required Fixed Charges Coverage Ratio. The fees and reasonable expenses of the Financial Consultant shall be paid by the Borrower. The Borrower shall (i) take all actions within its control to comply with the Financial Consultant's recommendations, other than to the extent that any of the Financial Consultant's recommendations conflict with law or existing contracts with non-affiliates, or the Borrower shall in good faith determine by authorized action that such recommendations are unreasonable, impractical or unfeasible; and (ii) follow the recommendations of the Financial Consultant.

(c) Within 120 days after the end of each Fiscal Year, the Borrower shall provide to the Trustee a copy of the basic financial statements of the Borrower prepared by the Borrower's accountant, together with the certifications, as provided in the Continuing Disclosure Agreement. If the certifications provided in connection with the financial statements for such Fiscal Year state that (1) the Borrower is not in default under any provision of the Loan Agreement and has fully complied with all of the provisions thereof, and (2) the Fixed Charges Coverage Ratio of the Borrower for such Fiscal Year met or exceeded 1.20:1.00, then at the time such financial statements are provided by the Borrower to the Trustee, the Borrower shall notify the Trustee that the conditions for release of the amount in the Surplus Fund under Section 510 have been met for such Fiscal Year.

(d) At any time that a Fixed Charges Coverage Ratio of 1.20:1.00 or greater has not been maintained for two consecutive Fiscal Years as certified by the Borrower, the Trustee shall provide to the Depository Bank a notice of exclusive control and the Trustee shall take exclusive control of the Collections Fund and Operating Expense Fund as provided in the Depository Account Control Agreement; provided however that, in the event the Fixed Charges Coverage Ratio meets or exceeds 1.20:1.00 for any subsequent Fiscal Year, the Trustee will withdraw the notice of exclusive control in accordance with the provisions of the Depository Account Control Agreement.

Section 8.17 Right of Access. The Borrower agrees that subject to reasonable security and safety regulations and to reasonable requirements as to notice, the Issuer and the Trustee, and their or any of their respective duly authorized agents, shall have the right at all reasonable times to enter upon the Project Site and to examine and inspect the Project. The Borrower further agrees that the Issuer, the Trustee, and their duly authorized agents shall have such rights of access to the Project Site and the Project as may be reasonably necessary for the proper maintenance of the Project in the event of failure by the Borrower to perform its obligations hereunder.

Section 8.18 Continuing Disclosure Agreement. The Borrower shall enter into the Continuing Disclosure Agreement on the Closing Date and, while any of the Bonds are Outstanding, agrees to make the filings as required by such Continuing Disclosure Agreement. A failure to comply with the reporting requirements of the Continuing Disclosure Agreement shall not constitute a default or Event of Default under the Loan Agreement or any other Bond Document or Borrower Document.

Section 8.19 Prohibited Uses. No portion of the proceeds of the Series 2025A Bonds will be used to finance or refinance any facility, place or building used or to be used (i) to the

extent such prohibition is not prohibited by law, primarily for sectarian instruction or study or as a place for devotional activities or religious worship; or (ii) by any Person that is not an organization described in Section 501(c)(3) of the Code or by a Code Section 501(c)(3) organization, including the Borrower, in an "unrelated trade or business" (as such term is defined in Section 513 of the Code), in such manner or to such extent as would result in any of the Series 2025A Bonds being treated as an obligation not described in Section 103(a) of the Code. The covenant in clause (i) of this Section shall survive payment in full or defeasance of the Series 2025A Bonds.

[End of Article VIII]

ARTICLE IX
ASSIGNMENT, LEASING, ENCUMBERING, AND SELLING;
REDEMPTION; LOAN PREPAYMENTS AND ABATEMENT;
INSTALLATION OF BORROWER'S OWN MACHINERY
AND EQUIPMENT

Section 9.01 Assignment, Leasing, and Selling. Except as provided in the Bond Documents, the rights and obligations of the Borrower under this Loan Agreement may not be assigned and delegated, and the Project may not be leased (other than in accordance with the Bond Documents) or sold, as a whole or in part, by the Borrower without obtaining the consent of the Majority Holder.

Section 9.02 Restrictions on Encumbrance of the Project by the Borrower. The Borrower agrees that it shall not permit any part of the Project or the Project Site or the Gross Revenues, including accounts receivable, to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, except for Permitted Encumbrances or except as otherwise permitted under this Loan Agreement.

Section 9.03 Redemption of Series 2025 Bonds. The Issuer, at the written request of the Borrower at any time and if the Series 2025 Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Indenture to effect redemption or purchase of all or part of the then Outstanding Bonds, as may be specified by the Borrower, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

Section 9.04 Prepayment of Loan. There is expressly reserved to the Borrower the right, and the Borrower is authorized and permitted, at any time it may choose, to prepay all or any part of the Loan Payments and other amounts payable under Section 5.02, and the Issuer agrees that the Trustee may accept such prepayments of Loan Payments and other amounts when the same are tendered by the Borrower in accordance with the Indenture and Article XI. All Loan Payments and other amounts so prepaid shall at the written direction of the Borrower be credited toward the Loan Payments and other amounts specified in Section 5.02, in the order of their due dates, or applied to the retirement of Series 2025 Bonds prior to maturity (either by redemption or purchase) in accordance with the Indenture. The Borrower shall also have the right to surrender Series 2025 Bonds acquired by it in any manner whatsoever to the Trustee for cancellation, and such Series 2025 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired and shall be allocated as credits to Loan Payments as provided in the Indenture.

Section 9.05 Reference to Series 2025 Bonds Ineffective After Bonds Paid. Upon payment in full of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture) and all fees and charges of the Trustee, all references in this Loan Agreement to the Series 2025 Bonds and the Trustee shall be ineffective,

and neither the Trustee nor the owners of any of the Series 2025 Bonds shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested. For purposes of this Loan Agreement the Series 2025 Bonds shall be deemed fully paid:

(a) if there is no default under Section 8.09 and there is on deposit in the Bond Fund a total amount sufficient to pay the principal of all the then Outstanding Series 2025 Bonds plus the interest due thereon until and at their respective maturities and provision for payment of all Trustee's and paying agents' fees, accrued and to accrue, has been made in a manner satisfactory to the Trustee and such paying agents, or

(b) if there have been irrevocably deposited with the Trustee as more fully provided in the Indenture (i) under circumstances which do not render interest on any Series 2025A Bonds, the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, includable therein, money or direct obligations of the United States of America which when due will provide money sufficient to pay, redeem, and retire all the then Outstanding Series 2025A Bonds (including, without limitation, principal, premium, interest to maturity or earlier applicable redemption date, as the case may be, expenses of redemption, and Trustee's and paying agents' fees and expenses), and (ii) evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been duly given by the Issuer or the Trustee has been irrevocably authorized to give such redemption notices.

[End of Article IX]

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Loan Agreement, any one or more of the following events:

(a) The Borrower's failure to pay the amounts required to be paid pursuant to the Note under Section 5.02 of this Loan Agreement at the times specified therein.

(b) The Borrower's breach in any material respect of any representation or warranty contained in this Loan Agreement, the Guaranty, the Mortgage or any other Bond Document or the Borrower's failure to observe, perform, or comply with any covenant, condition, or agreement in this Loan Agreement, the Guaranty, the Mortgage or any other Bond Document or Borrower Document on the part of the Borrower to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of 30 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Borrower by the Issuer or the Trustee, unless the Issuer and the Trustee shall agree in writing to an extension of such time prior to its expiration. In the case of any such breach or default which cannot with due diligence be cured within such 30 day period but can be wholly cured within a period of time not materially detrimental to the rights of the Issuer and the Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the breach or default is corrected in accordance with and subject to any directions or limitations of time established by the Issuer. The Borrower shall within the applicable period furnish to the Trustee and the Issuer a certificate certifying that such breach or default is such that it cannot with due diligence be cured within such 30 day period but can be wholly cured within a period of time not materially detrimental to the rights of the Issuer and the Trustee and that corrective action has been instituted and is being diligently pursued and will be diligently pursued until the breach or default is corrected. The Borrower shall notify the Trustee and the Issuer by certificate when such breach or default has been corrected. The Trustee shall be entitled to rely upon any such certificate given pursuant to this paragraph.

(c) The Borrower shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of the Project, (ii) fail to promptly lift or bond (if legally permissible) any execution, garnishment, or attachment of such consequence as will impair the ability of the Borrower to carry on its operations at the Project, (iii) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect), (iv) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (v) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such

federal bankruptcy law or any similar law in effect in a foreign jurisdiction, or (iv) take any action for the purpose of effecting any of the foregoing.

(d) A proceeding or case shall be commenced, without the application of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Borrower, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the Borrower or of all or any substantial part of the assets of it or of the Project, or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect for a period of 60 days, whether consecutive or not.

(e) The occurrence and continuance of an Event of Default under any of the Bond Documents or any Borrower Document.

(f) The failure by the Borrower promptly to satisfy or cause to be set aside any execution, garnishment, or attachment of such consequence as in the opinion of Independent Counsel will materially impair its ability to carry out its obligations under this Loan Agreement.

(g) The Borrower fails to engage the Financial Consultant when required by Sections 8.11 or 8.16 hereof or to follow the lawful recommendations of the Financial Consultant in accordance with Sections 8.11 or 8.16; or if the Fixed Charge Coverage Ratio is less than 1.0.

(h) This Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this Loan Agreement by reason of any changes in the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment, or order of any court or administrative body (whether state or Federal) entered after the contest thereof by the Issuer or the Borrower in good faith to such extent that the Note and the obligations evidenced thereby are no longer enforceable by the Issuer.

(i) The Borrower or its permitted successors or assigns shall cease to exist.

(j) Any foreclosure of, or ousting of the Borrower from possession of, the Project or any portion thereof under any indenture of mortgage, Mortgage or any other security interest given by the Borrower, or for any other reason, unless the new owner of the Project or portion thereof is approved by the Issuer; provided, however, that if such new owner fails to comply strictly with all the terms of the Bond Documents which would be applicable to the Borrower if it were still the owner of the Project or portion thereof, regardless of the fact that such new owner is not a party to such documents, then there shall nevertheless have occurred an Event of Default hereunder.

(k) A Construction Default shall have occurred.

Section 10.02 Remedies on Default. Whenever any Event of Default referred to in Section 10.01 shall have happened and be continuing, the Issuer, to the extent permitted by law, may take any one or more of the following remedial steps:

(a) The Trustee shall have the right to pursue all remedies specified in Section 902 of the Indenture and any available remedy under the Guaranty and the Mortgage, and to take all other actions set forth in Article IX of the Indenture or in the Guaranty or the Mortgage upon the occurrence of any Event of Default hereunder, including accelerating all amounts due hereunder. Upon a declaration of acceleration by the Trustee following an Event of Default (whether or not the Series 2025 Bond principal has been accelerated), all amounts payable hereunder and under the Note shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or elsewhere to the contrary notwithstanding. Upon a declaration by the Trustee under Section 902 of the Indenture, all unpaid installments of Loan Payments and other amounts payable hereunder shall become immediately due and payable. The term "all unpaid installments of Loan Payments and other amounts payable hereunder" shall mean the amount set forth in Section 10.02(d).

(b) The Issuer and the Trustee shall have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower related to the Project.

(c) The Trustee shall from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the Loan Payments and other amounts payable by the Borrower hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Loan Agreement, subject to Article IX of the Indenture.

(d) At any time after the expiration of the Loan Term pursuant to subsection (a) hereof, whether or not the Issuer shall have collected any current damages, the Issuer shall, at its option, be entitled to recover from the Borrower, and the Borrower shall pay to the Issuer on demand, as and for liquidated and agreed final damages for the Borrower's default and in lieu of all current damages beyond the date of such demand, an amount equal to all unpaid installments of Loan Payments and other amounts payable as hereinafter defined if any Bonds are then outstanding and unpaid, and if any statute or rule of law shall validly limit the amount of such liquidated final damages to less than the amount agreed upon, the Issuer shall be entitled to the maximum amount allowable under such statute or rule of law. The term "all unpaid installments of Loan Payments and other amounts payable" shall mean an amount equal to the entire principal amount of the then Outstanding Bonds, together with any applicable redemption premiums and all interest accrued or to accrue on and prior to the next succeeding redemption date or dates on which the Bonds can be redeemed after giving notice to the owners thereof as required by the Indenture (less money available for such purpose then held by the Trustee) and plus any other payments due or to become due hereunder, including, without limitation, any unpaid fees and expenses of the Trustee and any paying agents of the Bonds which are

then due or will become due prior to the time that the Bonds are paid in full and the trust established by the Indenture is terminated.

(e) The Trustee may, on behalf of the Issuer, pursue all remedies available at law or in equity.

(f) The Issuer and/or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Loan Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement, the Note, the Guaranty, the Mortgage and the Deposit Account Control Agreement.

(g) The Issuer or the Trustee, upon any Default under the Note, the Mortgage, or this Loan Agreement, as a matter of right, without notice and without giving bond to the Borrower or anyone claiming under it, may have a receiver appointed of all the rents, issues, and profits pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the protection, possession, control, management, and operating of the Project, and the Borrower hereby irrevocably consents to such appointment.

(h) Upon the happening and continuance of an Event of Default, it shall be lawful, subject to the rights of occupants if the occupants are not in default, for the Issuer or the Trustee on behalf of the Issuer, by such officer or agent as it may appoint, to take possession of all or any part of the Project together with the books, papers, and accounts of the Borrower pertaining thereto, and including the rights and the position of the Borrower under any leases, and to hold, operate, and manage the same, and from time to time to make all needful repairs and improvements as by the Issuer shall be deemed wise; and the Issuer may, subject to any leases, lease dwelling units in the Project in the name and for the account of the Borrower and collect, receive, and sequester the rents, revenues, and other income, charges, and moneys, therefrom, and out of the same and any moneys received from any receiver of any part thereof, after deducting all proper costs and expenses of so taking, holding, and managing the same, including reasonable compensation to the Issuer, its agents and counsel, pay and/or set up proper reserves for the payment of any or all of the following in such order and amounts as the Trustee, in the Trustee's sole discretion, may elect: the payment of any sums due under any proper lien, taxes, water and sewer charges, insurance premiums, and all other carrying charges, and to the maintenance, repair, or restoration of the Project, and on account and in reduction of all amounts due under the Indenture. In the event that all Defaults have been made good and the Issuer shall have surrendered possession to the Borrower, its successors or assigns, the right of entry provided in this Section shall again exist upon any subsequent Event of Default.

Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of principal of and interest and any premium on the Series 2025 Bonds collected pursuant to action taken under this Section shall be paid into the Revenue Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Series 2025 Bonds have been paid and discharged in accordance with the provisions

of the Indenture, shall be paid as provided in Article VIII of the Indenture for transfers of remaining amounts in the funds created in the Indenture.

No action taken pursuant to this Section shall relieve the Borrower from its obligations pursuant to Section 5.02 and Section 10.02(a), all of which shall survive any such action, and the Issuer or the Trustee may take whatever action at law or in equity as may appear necessary and desirable to collect the Loan Payments and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement, or covenant of the Borrower hereunder.

Section 10.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 10.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it shall on demand therefor pay to the Issuer or the Trustee the reasonable fees of such attorneys and such other expenses so incurred by the Issuer and/or the Trustee. Any attorneys' fees required to be paid by the Borrower under this Loan Agreement shall include attorneys' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals.

Section 10.05 Waiver of Events of Default. The Issuer or the Trustee may waive any Event of Default hereunder and its consequences or rescind any declaration of acceleration of payments of the Loan Payments and other amounts due hereunder. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or the Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Issuer or the Trustee, then and in every such case the Issuer, the Trustee and the Borrower shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to or affect any subsequent or other Event of Default or impair or exhaust any right, power, or remedy consequent thereon.

Section 10.06 Waiver of Stay or Extension Laws. To the extent permitted by law, the Borrower covenants not to plead, or in any manner claim the advantage of, any stay or extension law, now or at any time hereafter in force, which may affect the covenants or the performance of this Loan Agreement, the Note, the Guaranty or the Mortgage, and to the extent permitted by

law, the Borrower hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay, or impede the execution of any power herein granted to the Issuer or the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

[End of Article X]

ARTICLE XI OPTIONS IN FAVOR OF BORROWER

Section 11.01 General Options to Terminate Loan Agreement. The Borrower shall have, and is hereby granted, the following options to terminate the Loan Term:

(a) at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the Borrower may terminate the Loan Term by (i) paying to the Trustee an amount which, when added to the amount on deposit in the Bond Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund and the Repair and Replacement Reserve Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, principal, redemption premium, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption, and Trustee's and paying agents' fees and expenses), (ii) in the case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, (iii) paying to the Issuer any and all sums then due to the Issuer under this Loan Agreement, and (iv) otherwise complying with the provisions of Article VIII of the Indenture, and

(b) upon full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and of any and all sums then due to the Issuer and the Trustee under this Loan Agreement, the other Bond Documents prior to the end of the Loan Term, the Borrower may terminate the Loan Term by giving the Issuer notice in writing of such termination which shall forthwith become effective.

Section 11.02 Option and Obligation to Prepay Loan in Certain Events. The Borrower shall have, and is hereby granted, the option to prepay the Loan in whole and not in part prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if any of the following shall have occurred:

(a) the Project shall have been damaged or destroyed by fire or other casualty to such extent that, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, (i) the Project cannot be reasonably restored within a period of six consecutive months to substantially the condition thereof immediately preceding such damage or destruction or (ii) the Borrower is thereby prevented from carrying on its normal operations at the Project for a period of six consecutive months or (iii) the cost of reconstruction would exceed the total amount of Net Proceeds of insurance carried thereon; or

(b) title to, or the temporary use of, a substantial portion of the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority or person, firm, or corporation acting under governmental authority and such a

taking or takings result, in the opinion of a Consulting Architect expressed in a certificate filed with the Issuer and the Trustee, in the Borrower being thereby prevented from carrying on its normal operations therein for a period of six consecutive months.

Notwithstanding the foregoing, the Borrower shall have the obligation to prepay the Loan in whole and not in part prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Indenture), if the events stated in subsection (a) or (b) of this Section shall have occurred, unless the Borrower shall furnish to the Trustee the items required by Section 7.01(c) or Section 7.02(d), whichever is applicable.

In the case of the above events stated in subsection (a) of this Section, the Borrower, if it is obligated to prepay the Loan or if it exercises its option to prepay the Loan, must prepay the Loan in whole and not in part within 180 days after such event. In the case of the above events stated in subsection (b) of this Section, the Borrower, if it is obligated to prepay the Loan or if it exercises its option to prepay the Loan, must prepay the Loan, in whole or in part within 180 days after such event. If the Borrower is obligated to prepay the Loan or exercises its option to prepay the Loan pursuant to subsection (a) or (b) of this Section, any Net Proceeds of insurance or of any condemnation award shall be paid into the Unrestricted Redemption Account of the Bond Fund.

To exercise such option, the Borrower shall, within 60 days following the event authorizing the exercise of such option, give written notice of the exercise of such option to the Issuer and to the Trustee, if any of the Bonds shall then be unpaid or provision for payment shall not have been made in accordance with the provisions of the Indenture, and shall specify therein the date of tender of such prepayment price, which date shall not be less than 45 nor more than 120 days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The prepayment price payable by the Borrower in the event it is obligated to prepay the Loan or in the event of its exercise of the option granted in the circumstances described in subsections (a) or (b) of this Section shall be the sum of the following:

- (1) an amount of money which, when added to the amount then on deposit and available in the Bond Fund, the Debt Service Reserve Funds, the Repair and Replacement Reserve Fund, the Operating Expense Reserve Fund and the Administrative Expense Fund, will be sufficient to retire and redeem all the then Outstanding Bonds on the applicable redemption date provided by the Indenture, including without limitation, principal, all interest to accrue to said redemption date, and redemption expense, but without premium, plus
- (2) an amount of money equal to the Trustee's and paying agents' fees and expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus
- (3) an amount of money equal to the Issuer's expenses under this Loan Agreement accrued and to accrue until such final payment and redemption of the Bonds.

Section 11.03 No Obligation to Prepay Loan. The Borrower shall be under no obligation to prepay the Loan except as herein expressly required or provided.

Section 11.04 Option to Prepay the Loan and Redeem Bonds at Prior Optional Redemption Dates. The Borrower shall also have the option to prepay Loan Payments related to the Bonds and other amounts payable under this Loan Agreement in such manner and amounts as will enable the Issuer to redeem the Bonds prior to maturity, in whole or in part on the dates and at the prices and subject to other requirements of Section 303 of the Indenture. Bonds redeemed pursuant to this Section shall be redeemed in accordance with the procedures set forth in Article III of the Indenture or applicable Supplemental Indenture. The Loan Payments and other amounts payable by the Borrower in the event of its exercise of the option granted under this Section shall be (i), in the case of partial redemption, the amount necessary to pay principal, all interest to accrue to the redemption date, the applicable redemption premium, if any, as provided in Section 303 of the Indenture, and any redemption expense, and (ii) in the case of a total redemption, the amounts set forth in Article VIII of the Indenture and the applicable redemption premium, if any, as provided in Section 303 of the Indenture.

Section 11.05 Relative Position of Options and the Indenture. The options granted by Section 11.01 and Section 11.02 may be exercised whether or not the Borrower is in Default hereunder, provided that no such Default will result in nonfulfillment of any condition to the right of the Borrower to prepay the Loan by making the payments required hereunder.

[End of Article XI]

ARTICLE XII
MISCELLANEOUS

Section 12.01 Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by telecommunication as permitted by express provisions of this Loan Agreement, addressed as follows:

If to the Issuer:	City of Rifle 202 Railroad Avenue Rifle, Colorado 81650 Attention: Mayor
If to the Borrower:	Habitat for Humanity of the Roaring Fork Valley, Inc. 53 Calaway Court Glenwood Springs, Colorado 81601 Attention: President/CEO and COO
If to the Trustee:	U.S. Bank Trust Company, National Association 950 17th Street Denver, Colorado 80202 Attention: Jennifer Petruno, Vice President
If to the Underwriter:	D.A. Davidson & Co. 1550 Market Street, Suite 300 Denver, Colorado 80202 Attention: Alexandra Iseman

A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Underwriter. Any party named in this Section 12.01 may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent. The Borrower agrees to the provisions of Section 1001(s) of the Indenture, with respect to the use of Electronic Means, and Section 1304 of the Indenture, with respect to the use of electronic signatures.

Section 12.02 Recording and Filing. The Mortgage or appropriate notices thereof shall be recorded in all offices as may at the time be provided by law as the proper place for recordation thereof. The security interest of the Issuer created by the Mortgage in the Equipment, the inventory, and other personal property comprising part of the Project and the accounts, chattel paper, documents, instruments, and general intangibles arising in any manner from the Borrower's ownership and operation of the Project and the security interest of the Trustee created by the Indenture in the Issuer's right, title, and interest in this Loan Agreement, the Note, the Guaranty and the Mortgage and in the revenues and amounts to be received and held hereunder and thereunder shall be perfected by the filing of financing statements or instruments effective as

financing statements which fully comply with the State Uniform Commercial Code-Secured Transactions or by the taking of possession of appropriate collateral. The parties further agree that all necessary continuation statements shall be filed within the time prescribed by the State Uniform Commercial Code-Secured Transactions, and the appropriate parties shall maintain possession of appropriate collateral in order to continue the security interests identified in this Section 12.02, to the end that the rights of the owners of the Bonds and the Trustee in the Project and other collateral shall be fully preserved as against third party creditors of, or purchasers for value in good faith from, the Issuer or the Borrower.

Section 12.03 Maintenance of Security Interests. Annually, within 30 days after the end of each Fiscal Year, and so long as the Bonds have not been discharged under the Indenture, the Borrower shall file with the Trustee a certificate describing, as of the last day of the immediately preceding Fiscal Year, each item of tangible personal property not described in a previous similar certificate, which has been added to the Project, whether as a substitution, replacement, or addition, and whether or not, when added, it became real property, if the aggregate cost of such items in the preceding Fiscal Year exceeds \$25,000. The Borrower shall deliver possession of all instruments or cash deemed necessary or advisable by Independent Counsel for perfection of and continuance of the perfection of the security interests in such property. At the expense of the Borrower, the Issuer and the Trustee shall deliver all instruments, including financing statements, required of it in the opinion of such Independent Counsel, and the Borrower shall file all such instruments, or cause them to be filed, and the Borrower shall continue the security interests of all such instruments by appropriate refilings, or cause them to be so continued, and shall maintain possession of all appropriate instruments in accordance with Section 3.03 until all Bonds have been discharged under the Indenture.

Section 12.04 Construction and Binding Effect. This Loan Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, and their respective successors and assigns subject, however, to the limitations contained in Sections 8.03 and 9.01. The Issuer and Borrower specifically intend and agree to limit contractually the amount of interest payable under this Loan Agreement, the Note, the other Bond Documents, and all other instruments and agreements related hereto and thereto to the maximum amount of interest lawfully permitted to be charged under applicable law. Therefore, none of the terms of this Loan Agreement, the Note, the other Bond Documents, and any instrument pertaining to or relating hereto and thereto, shall ever be construed to create a contract to pay interest at a rate in excess of the maximum rate permitted to be charged under applicable law, and neither Borrower nor any other party liable or to become liable hereunder, or under the Note, the other Bond Documents, or under any other instruments and agreements related hereto and thereto, shall ever be liable for interest in excess of the amount determined at such maximum rate, and the provisions of this paragraph shall control over all other provisions of this Loan Agreement, the Note, or the other Bond Documents, or of any other instrument pertaining to or relating to the transactions herein and therein contemplated. If any amount of interest taken or received by Issuer shall be in excess of said maximum amount of interest which, under applicable law, could lawfully have been collected by the Issuer incident to such transactions, then such excess shall be deemed to have been the result of a mathematical error by all parties hereto and shall, at the election of Issuer, either be applied as credit against the then unpaid principal amount of the Loan or refunded promptly to the party paying such amount. All amounts paid or agreed to be paid in connection

with such transactions which would under applicable law be deemed "interest" shall, to the extent permitted by such applicable law, be amortized, prorated, allocated, and spread throughout the stated term of the Loan. "Applicable law" as used in this paragraph means that law in effect from time to time which lawfully permits the charging and collection of the highest permissible lawful, nonusurious rate of interest on the transactions herein contemplated, including laws of the State of Colorado and of the United States of America; and "maximum rate" as used in this paragraph means, with respect to each portion of the obligations referred to herein, the maximum lawful, nonusurious rate of interest (if any) which under applicable law the Issuer is permitted to charge from time to time with respect to such portion of such obligations.

Section 12.05 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.06 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund, the Debt Service Reserve Funds, the Operating Expense Reserve Fund, the Repair and Replacement Reserve Fund, or other funds provided for herein upon expiration or sooner termination of the Loan Term, as provided in this Loan Agreement, after payment in full of the Series 2025 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture), the fees, charges, and expenses of the Trustee and paying agents in accordance with the Indenture, shall belong to and be paid to the Borrower.

Section 12.07 Fees Paid by the Borrower. The Borrower shall pay or cause to be paid all fees and expenses relating to this Loan Agreement, including but not limited to, the expense of examination of title, premiums of mortgagee's title insurance in such amount and form as may be satisfactory to the Trustee, costs of all supplemental examinations and certifications of title, the recording fee upon the Mortgage, expenses of any present or future assignment or assignments of collateral security, if any, required by the Trustee, and attorneys' fees. In case the Trustee pays or advances any money for fees, surveys, recording, recording tax, examination of title, mortgagee's title insurance policies, preparation of documents, any expenses incurred in the completion of this transaction, the payment of any insurance premiums, encumbrance, tax, assessment, or other charge or lien upon the Project, or any other amounts necessary for the payment of the cost of improvements, the same shall be advances payable in accordance with Section 6.08 of this Loan Agreement.

Section 12.08 No Agency Relationships. The Issuer, the Bondholders and the Trustee do not assume the duties of the contractor or architect of any construction or any Additions or Alterations and shall be under no obligation to construct or supervise the construction of the Project or any Additions or Alterations or to make any inspections of the improvements related thereto, and it is further understood and agreed that any inspection by the Issuer or the Trustee or their agents of any construction or any Additions or Alterations, whether paid for by the Borrower or its successors in title, is for the sole purpose of protecting the security of the Bondholders, and the Borrower shall not be entitled to claim any loss or damage against the Issuer or the Trustee or their agents or employees for the failure of the Issuer's or the Trustee's agents or employees to properly discharge their responsibilities to the Issuer or the Trustee.

Section 12.09 [RESERVED].

Section 12.10 Amendments, Changes, and Modifications. Neither this Loan Agreement nor the Indenture may be amended, changed, modified, altered, or terminated, except as provided in the Indenture.

Section 12.11 Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.12 Law Governing Construction of this Loan Agreement. This Loan Agreement is prepared and entered into with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 12.13 Subordination to Indenture. This Loan Agreement and the rights and privileges hereunder of the Borrower are specifically made subject and subordinate to the rights and privileges of the Trustee and the owners of the Bonds appertaining thereto set forth in the Indenture.

[End of Article XII]

IN WITNESS WHEREOF, the Issuer has executed this Loan Agreement by causing its name to be hereunto subscribed by its Mayor and attested by its City Clerk; and the Borrower has executed this Loan Agreement by causing its name to be hereunto subscribed by its Chief Executive Officer; all being done as of the day and year first above written.

CITY OF RIFLE, COLORADO

By: _____
Mayor

Attest:

City Clerk

HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY, INC.

By: _____
Chief Executive Officer

EXHIBIT A

Description of Project Site

LEASE PARCEL PROPERTY DESCRIPTION

A PARCEL OF LAND FOR THE PURPOSE OF A LEASE AREA, BEING A PORTION OF THAT PARCEL DESCRIBED IN QUITCLAIM DEED RECORDED JUNE 9, 2004 AS RECEPTION NO. 653729 IN THE GARFIELD COUNTY, COLORADO CLERK AND RECORDER'S RECORDS, SITUATE IN THE S1/2S1/2NE1/4 AND IN THE SE1/4 SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH PRINCIPAL MERIDIAN, GARFIELD COUNTY, COLORADO. ALL BEARINGS RELATIVE TO A BEARING OF S00°42'53"E ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 18, BETWEEN THE NORTH 1/4 CORNER, A FOUND 3" BRASS CAP ON 2-1/2" PIPE STAMPED "1/4 S7 S18 1981 ELDORADO ENGINEERING LS 14060" AND THE SOUTH 1/4 CORNER, A FOUND 3 1/4" ALUMINUM CAP ON #6 REBAR STAMPED "1/4 S18 S19 LS 37075 2006". SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID RECEPTION NO. 653729; WHENCE SAID NORTH 1/4 CORNER SECTION 18 BEARS N00°42'53"W 2112.15 FEET; THENCE ALONG THE WEST LINE OF SAID RECEPTION NO. 653729, ALSO BEING THE SAID NORTH-SOUTH CENTERLINE S00°42'53"E 260.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID WEST LINE AND NORTH-SOUTH CENTERLINE S00°42'53"E 660.03 FEET; THENCE DEPARTING SAID WEST LINE AND NORTH-SOUTH CENTERLINE N89°51'31"E 666.06 FEET; THENCE N00°42'53"W 660.03 FEET; THENCE S89°51'31"W 666.06 FEET TO THE TRUE POINT OF BEGINNING, SAID PARCEL OF LAND CONTAINING 10.092 ACRES MORE OR LESS.

EXHIBIT B

Form of Note

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE TRANSFERABILITY OF THIS NOTE IS RESTRICTED BY THE DOCUMENTS REFERRED TO HEREIN.

PROMISSORY NOTE

Amount: _____

Dated: April __, 2025

HABITAT ROARING FORK VALLEY, INC. (the "Maker"), a Colorado nonprofit corporation, for value received, hereby promises to pay to the order of the CITY OF RIFLE, COLORADO (the "Payee"), a home-rule city and municipal corporation of the State of Colorado, at the corporate trust office of U.S. Bank Trust Company, National Association, as Trustee (the "Trustee") in Denver, Colorado, in lawful money of the United States of America, the principal sum of

DOLLARS

together with interest at the same rate of interest as the Bonds (defined below) bear per annum, from the date of initial delivery of the Bonds, computed on the basis of a 360 day year of twelve 30-day months.

Interest due hereon shall be payable semi-annually, commencing July 1, 2025 and on each July 1 and January 1 thereafter until this Note is fully paid in accordance with Section 5.02 of the Agreement (described below).

The principal amount hereof is payable as described in Section 5.02 of the Agreement in installments on the 25th day of each month thereafter until July 1, ____, when the unpaid balance hereof shall be due and payable, it being the intent to have money available at least five days before payments on the Bonds the principal of which must be paid in accordance with Schedule 1 attached hereto and made part hereof for all purposes.

If the prescribed date of payment of any of the principal of, penalty, and liquidated damages, if any, or interest herein is a Saturday, a Sunday, or a day on which banks are authorized by law to close, such payment shall be due on the next succeeding business day. This Note has been issued by the Maker pursuant to a certain Loan Agreement (the "Agreement"), dated as of April 1, 2025, by and between the Maker and the Payee for the purpose of (i) the acquisition, construction, equipping and installation of a 66,000 square feet modular housing manufacturing facility located on 10.5 acres leased by the Payee to the Maker within the

boundaries of the Payee; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds (defined below); (iii) the payment of certain capitalized interest on the Bonds; and (iv) the payment of the costs of issuance of the Bonds (the "Project"). Pursuant to the powers granted to the Payee and under an Indenture of Trust by and between the Payee and the Trustee (the "Indenture"), the Payee, as "Issuer," authorized and issued its Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Series 2025A Bonds"), in an aggregate principal amount of \$ _____, and its Revenue Bonds Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Taxable Series 2025B (the "Taxable Series 2025B Bonds"), in an aggregate principal amount of \$ _____ (the Series 2025A Bonds and the Taxable Series 2025B Bonds are herein collectively referred to as the "Bonds"). The Bonds are in like principal amount and bearing the same interest rate as this Note, in order to obtain a portion of the funds needed for the aforesaid purposes.

This Note is issued for the purpose of evidencing the Maker's obligation to repay such loan, and all amounts due and payable hereon, have been and are intended to be irrevocably assigned and endorsed (without recourse or warranty) by the Payee to the Trustee as partial security for the Bonds, under and subject to the terms and provisions of the Agreement. The terms of the Agreement also require the payment by the Maker from time to time of certain amounts to be deposited in certain Funds and Accounts established with the Trustee pursuant to the Indenture.

Notwithstanding any other provisions hereof, the principal of, and interest, on this Note, shall be payable at such times and in such amounts as will cause the Trustee to have available when due such amounts as are required to pay the principal of and interest on the Bonds, and other payments required by the Agreement.

This Note may be prepaid in order to accomplish redemptions as described in the Bonds.

This Note, and the payment hereof, will be secured by a Guaranty delivered by the Borrower (the "Guaranty") and by the terms, provisions, and lien of a certain Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement), dated as of the date hereof, from the Maker to the Payee, for itself and its successors and assigns (collectively, referred to as "holder"), of this Note, encumbering certain property and improvements (collectively the "Facility") situated in Rifle, Colorado (the "Mortgage"), to which reference is hereby made for a description of the security and the rights of the holder of this Note and the obligations of the Maker with respect thereto. If, for any reason, the interest paid on this Note, together with any other costs or consideration deemed to constitute interest under applicable law, shall exceed the maximum amount permitted by applicable law, the holder of this Note shall refund to the Maker, or, at the holder's option, credit against the principal of this Note, the portion of such interest as shall be necessary to cause the non-usurious amount of interest permitted by law. All sums paid or agreed to be paid to the holder hereof for the use, forbearance, or detention of the indebtedness evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of this Note.

If default is made in the payment of any installment of interest on or principal of this Note and this Note is placed in the hands of an attorney for collection, or if suit is filed hereon, or proceedings are had in bankruptcy, probate, receivership, reorganization, arrangement, or other judicial proceedings for the establishment or collection of any amounts called for hereunder, or any amount payable or to be payable hereunder is collected throughout any such proceedings, the Maker agrees to pay to the holder of this Note all reasonable attorneys fees and related expenses. All past due installments of principal or interest on this Note shall bear interest from, and after maturity until paid at the highest lawful rate permitted by law.

By its acceptance of this Note, the holder, as owner and holder of this Note, and the Mortgage and the Guaranty securing this Note agrees that, notwithstanding any provisions herein or in the Mortgage or the Guaranty to the contrary, in the event the holder hereof shall at any time take action to enforce the collection of indebtedness evidenced hereby or any other obligation of the Maker hereunder or under the Mortgage, the Guaranty or any other instrument executed in connection with or to additionally secure the indebtedness evidenced hereby, such holder may proceed to enforce the Mortgage and the Guaranty.

The Maker and all endorsers, guarantors, and sureties of this Note and all other persons liable or to become liable on this Note severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate, and notice of acceleration of the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, partial payments, releases, or substitutions of security, in whole or in part, with or without notice, before or after maturity.

This Note is subject to the terms and provisions of the Agreement, the Mortgage and the Guaranty, to which reference is hereby made, and under the circumstances provided therein, in addition to the foregoing, the due dates hereof may be accelerated and made immediately due and payable by any holder hereof or by the Trustee.

When payment or provision therefor has been made in respect of the principal of (whether at maturity or upon redemption or acceleration), premium, if any, or interest on all the Bonds in accordance with the Indenture, this Note shall be canceled and returned to the Maker. Subject to the foregoing, all payments shall be in the full amount required under this Note. The obligations of the Maker to make the payments required in the Agreement and to perform and observe any and all of the other covenants and agreements on its part contained therein shall be a nonrecourse obligation of the Maker payable from Pledged Revenues (as defined in the Agreement); provided, however, that the foregoing shall not affect the right of the Payee, its successors and assigns, to take all acts necessary to exhaust its rights against the Project for satisfaction of the indebtedness evidenced hereby. The obligations of the Maker to make the payments required hereunder shall be absolute and unconditional without defense or set-off by reason of any default by the Payee under the Indenture or under any other agreement between the Maker and the Payee or for any other reason, including without limitation any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Facility, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Colorado, or any political subdivision of either, or any failure of the

Payee to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the payments hereunder. In case any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid or illegal or unenforceable provision has never been contained herein.

This Note has been issued, executed, and delivered in the State of Colorado and shall be construed in accordance with and governed by the laws of said State, except to the extent that the laws of the United States may prevail.

HABITAT ROARING FORK VALLEY, INC.

By: _____
Title: _____

ENDORSEMENT, dated April __, 2025, to the Note, dated April __, 2025 in the principal amount of \$_____, made by Habitat Roaring Fork Valley, Inc. and payable to the order of the City of Rifle, Colorado. Pay to the order of U.S. Bank Trust Company, National Association, as Trustee, without recourse or any warranties, express or implied, by or upon the undersigned.

CITY OF RIFLE, COLORADO

By: _____
Title: _____

ATTEST:

By: _____
Title: _____

SCHEDULE 1

Maturity Schedule

BOND	CUSIP	PRINCIPAL AMOUNT	MATURITY	INTEREST
			DATE	RATE

EXHIBIT C

Form of Project Fund Requisition

**Certificate and Requisition for Payment
(Project Fund)**

Date: _____, 20____

Draw Request # _____

Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") hereby requests, pursuant to the Loan Agreement, dated as of April 1, 2025 (the "Loan Agreement"), by and between the Borrower and the City of Rifle, Colorado (the "Issuer") that the following amounts be disbursed to the following parties for the account of the Borrower from the _____ Account of the Project

(complete with either Construction Account or Issuance Account)

Fund created under the Trust Indenture, dated as of April 1, 2025, between the Issuer and U.S. Bank Trust Company, National Association (the "Trustee"):

Name of Payee

Amount Requested

The nature and purpose of the disbursement for which payment is requested is described below (or on an attached sheet if additional space is required):

The undersigned does hereby certify to the Trustee that, as of the date hereof, (1) all conditions to payment have been fulfilled and Borrower is entitled to receive the sums requested, (2) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed and there is no existing breach thereof, (3) the above-listed items are properly included within the definition _____ included within the Loan Agreement and is a proper charge against the

(complete with either "Project Costs" or "Issuance Costs")

costs of the Project for a purpose to which the Bond Proceeds may be applied, with invoices for such costs attached hereto, and has not been the basis for any previous disbursement, (4) the value of the work completed is as set forth in this requisition, (5) the work and materials covered by this requisition conform to the requirements of the Loan Agreement, (6) such payment, when added to all other disbursements previously made, will not result in a violation of the restrictions on use of Bond Proceeds specified in the Loan Agreement, (7) the construction of the Project has been performed in a good and workmanlike manner, (8) all required insurance has been obtained by the Contractor as required by the Construction Contract and is in effect, (9) all requirements under the Draw Agreement to submit a project fund requisition have been met, and (10) he or she has no knowledge of an occurrence of an "Event of Default".

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HABITAT FOR HUMANITY OF THE ROARING
FORK VALLEY, INC.

By: _____
Authorized Borrower Representative

[APPROVED:
EV STUDIO LLC, as Construction Monitor

By: _____
Authorized Officer]

[For Construction Account Requisitions only]

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EXHIBIT D

Form of Repair and Replacement Reserve Fund Requisition

Certificate and Requisition for Payment
(Repair and Replacement Reserve Fund)

Date:

Habitat for Humanity of the Roaring Fork Valley, Inc. (the "Borrower") hereby requests, pursuant to the Loan Agreement, dated as of April 1, 2025 (the "Loan Agreement"), by and between the Borrower and the City of Rifle, Colorado (the "Issuer") that the following amounts be disbursed to the following parties for the account of the Borrower from the Repair and Replacement Reserve Fund created under the Trust Indenture, dated as of April 1, 2025, between Issuer and U.S. Bank Trust Company, National Association (the "Trustee"):

Name of Payee	Nature of Disbursement	Amount
---------------	------------------------	--------

The Borrower does hereby certify to the Trustee that, as of the date hereof, (1) all conditions to payment have been fulfilled and Borrower is entitled to receive the sums requested, (2) the representations and warranties of the Borrower in the Loan Agreement are hereby ratified and confirmed and there is no existing breach thereof, and (3) the above-listed items are authorized disbursements from the Repair and Replacement Reserve Fund pursuant to Section 4.05 of the Loan Agreement and, as of the date hereof, are properly payable therefrom pursuant to Section 4.05 of the Loan Agreement and are extraordinary in nature. All capitalized terms not otherwise defined herein shall have the same meaning as designated in the Loan Agreement referred to above.

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Habitat for Humanity of the Roaring Fork Valley,
Inc.

By: _____
Authorized Borrower Representative

APPENDIX H
FORM OF THE MORTGAGE
(attached)

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When Recorded Return To:
U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202
Attn: _____

**LEASEHOLD DEED OF TRUST AND FIXTURE FILING
(With Assignment of Leases and Rents and Security Agreement)**

THIS LEASEHOLD DEED OF TRUST AND FIXTURE FILING (With Assignment of Leases and Rents and Security Agreement) (as it may be amended and modified from time to time, the “**Deed of Trust**”) is made as of April [], 2025, by and between **HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.**, a Colorado nonprofit corporation (the “**Grantor**”), whose mailing address is 53 Calaway Court, Glenwood Springs, CO 801601; **THE PUBLIC TRUSTEE OF GARFIELD COUNTY, COLORADO** (“**Trustee**”); and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association (“**Beneficiary**”), whose mailing address is 950 17th Street, Denver, Colorado 80202.

WHEREAS, Grantor will finance the acquisition, construction, equipping and installation of a 66,000 square feet modular housing manufacturing facility located on the Leasehold Estate (as defined in **Exhibit C** attached hereto) (the “**Facility**”), along with all reserve funds and the payment of certain capitalized interests thereon, through revenue bonds issued by the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado (the “**City**”), designated (i) “City of Rifle Revenue Bonds (Habitat for Humanity of the Roaring Fork Valley, Inc. Modular Housing Production Facility Project, Service Areas in Aspen and Glenwood Springs, Colorado) Series 2025A, and (ii) City of Rifle Revenue Bonds (Habitat for Humanity of the Roaring Fork Valley, Inc. Modular Housing Production Facility Project, Service Areas in Aspen and Glenwood Springs, Colorado) Taxable Series 2025B, each dated as of the date of issuance thereof, in the aggregate principal amount of [Twenty Three Million Four Hundred Ten Thousand and 00/100 Dollars (\$23,410,000.00)] (collectively, the “**Bonds**”);

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust, dated as of the first day of the month in which the Bonds are issued (the “**Indenture**”), by and between the City and Beneficiary (in its role as Bond Trustee) and proceeds of the Bonds will be loaned by the City to the Grantor pursuant to the Loan Agreement dated as of April [], 2025 (the “**Loan Agreement**”), and further, to secure the City’s obligation to repay principal of, premium, if any, and interest on the Bonds and for the benefit of the owners of the Bonds, the City has agreed to assign and pledge to the Beneficiary, and grant a first priority security interest in, all of the City’s right, title, and interest in the Loan Documents (except for the Unassigned Rights, as defined in the Loan Agreement), as such terms are defined below.

NOW THEREFORE:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Grantor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF

SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, all of Grantor’s right, title, interest and estate in and to the Primary Lease, as such term is defined on **Exhibit C**, and Grantor’s current and future interest, subject to the terms of the Primary Lease, in and to that certain real property located in the County of **GARFIELD, STATE OF COLORADO**, more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (collectively, the “**Premises**”);

TOGETHER WITH any interest of Grantor (but only of Grantor) in all buildings and other improvements now or hereafter erected on the Premises and the furniture, furnishings, equipment (including the Equipment), machinery, the Facility, and other personal property, and all replacements, substitutions, and additions thereto used in connection with the operation and use of the Premises which is not permanently affixed to the Facility (collectively, the “**Improvements**”), all of which shall be deemed and construed to be a part of the Premises;

TOGETHER WITH any interest of Grantor in all revenues, income, receipts and money of every nature in any form derived or received by Grantor solely from the Facility, including but not limited to, gross revenues derived from its operation and possession of and pertaining to such Facility, interest or earnings on investments, including earnings on investments on deposit in the funds and accounts of the Indenture which shall be treated in accordance with Section 602 of the Indenture, interest on any deposit accounts of Grantor to the extent controlled by the Beneficiary under the Deposit Account Control Agreement (as defined in the Loan Agreement), any revenues received from grant reimbursements related to the Premises, the Facility, and the Equipment (collectively, the “**Project**”) and any accounts receivable or rights Grantor may have in accounts receivable related to the Project (collectively, the “**Gross Revenues**”); provided however that Gross Revenues shall not include any revenue or income of the Borrower which is derived from its operations not relating to the Facility or its other assets, subject to the terms and provisions of **Article II** of this Deed of Trust with respect to all leases, licenses, and subleases of the Premises or Improvements now or hereafter existing or entered into, or portions thereof, if any, granted by Grantor, and further subject to the right, power and authority hereinafter given to Grantor to collect and apply such rents;

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Grantor now has or may hereafter acquire in the Premises or the Improvements;

TOGETHER WITH all easements, rights-of-way and other rights now owned or hereafter acquired by Grantor used in connection with the Premises or the Improvements or as a means of access thereto (including, without limitation, all rights pursuant to any truckage agreement and all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto) and all water and water rights and shares of stock evidencing the same;

TOGETHER WITH all leasehold estate, right, title and interest of Grantor in and to all leases or subleases covering the Premises or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Grantor thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature subject to the terms and provisions of **Article II** of this Deed of Trust;

TOGETHER WITH all right, title and interest now owned or hereafter acquired by Grantor in and to any greater estate in the Premises or the Improvements;

TOGETHER WITH all right, title, and interest of Grantor (but only of Grantor) in (i) the property and interests in property described on **Exhibit B** attached hereto and incorporated herein by reference, to the extent now or hereafter located on or used exclusively in connection with the Premises or the Improvements, (ii) all other personal property now or hereafter owned by Grantor that is now or hereafter located on and used exclusively in connection with the Premises or the Improvements, (iii) all other rights and interests of Grantor now or hereafter held in personal property that is now or hereafter located on and used exclusively in connection with the Premises or the Improvements, (iv) all personal property and rights and interests in personal property of similar type or kind hereafter acquired by Grantor and now or hereafter located on or used exclusively in connection with the Premises or the Improvements, and (v) all proceeds thereof (such personal property and proceeds are referred to herein collectively as the “**Personal Property**”);

TOGETHER WITH all right, title and interest of Grantor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Premises;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity (including, without limitation, claims or demands with respect to the proceeds of insurance in effect with respect thereto) that Grantor now has or may hereafter acquire in the Premises, the Improvements, the Personal Property, or any other part of the Trust Estate (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate (including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages);

TOGETHER WITH all proceeds of the foregoing.

The entire estate, property, right, title and interest hereby conveyed to Trustee as provided herein may hereafter be collectively referred to as the “**Trust Estate**.”

FOR THE PURPOSE OF SECURING (in such order of priority as Beneficiary may elect) the following (the “**Obligations**”):

(a) payment of indebtedness evidenced by (i) that certain promissory note in the original principal amount of \$_____ with interest thereon, executed by Grantor and payable to the City, dated as of the date of issuance of the Bonds to evidence Grantor’s obligation relating to the Bonds (“**Note**”), and (ii) any additional notes that may be issued by Grantor pursuant to the Loan Agreement to evidence its obligation to repay the loan of the proceeds of any Additional Bonds (“**Additional Notes**” and together with the Note, the “**Notes**”), each issued pursuant to that Loan Agreement;

(b) payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest thereon at the default rate as set forth in the Loan Agreement (which rate of interest is hereinafter referred to as the “**Agreed Rate**”);

(c) payment of all other sums, with interest thereon, that may hereafter be loaned to Grantor, or its successors or assigns, by Beneficiary, or its successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust;

(d) payment of all sums due and performance of every obligation of Grantor contained in the Loan Documents (as defined below);

(e) performance of every obligation of any Grantor contained in any agreement, document, or instrument now or hereafter executed by any Grantor reciting that the obligations thereunder are secured by this Deed of Trust, including, without limitation, all other obligations, agreements or indebtedness between any Grantor and any affiliate of Beneficiary;

(f) for the benefit of Beneficiary, compliance with and performance of each and every provision of any declaration of covenants, conditions and restrictions, any maintenance, easement and party wall agreement, or any other agreement, document, or instrument by which the Trust Estate is bound or may be affected;

(g) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations and indebtedness of Grantor to Beneficiary, pursuant to any other loan or credit agreement, promissory note, deed of trust, or other agreement, and all further renewals, extensions, modifications, and restatements of the foregoing, whether or not Grantor executed any extension agreement or renewal instruments.

This Deed of Trust, the Leasehold Addendum to Deed of Trust which is attached hereto as **Exhibit C** and made a part hereof, the Notes, the Loan Agreement, and any other deeds of trust, mortgages, agreements, guaranties or other instruments given to evidence or further secure the payment and performance of any or all of the Obligations, as the foregoing may be amended, modified, extended, or renewed from time to time may hereinafter be collectively referred to as the “**Loan Documents**.” Any term used but not defined in this Deed of Trust shall have the same meaning as defined in the Loan Agreement. Any term used in this Deed of Trust that is defined in the Uniform Commercial Code of the State of **COLORADO** as in effect from time to time, or under the Uniform Commercial Code, enforced from time to time, in any other state to the extent the same is the applicable law (“**Uniform Commercial Code**”), and not defined in this Deed of Trust, has the meaning given to the term in the Uniform Commercial Code, when used in this Deed of Trust.

GRANTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I COVENANTS AND AGREEMENTS OF GRANTOR

1.01 Payment and Performance of Secured Obligations. Grantor shall pay when due and/or perform each of the Obligations.

1.02 Maintenance, Repair, Alterations. Grantor shall keep the Trust Estate in good condition and repair. Grantor shall not remove, demolish, or substantially alter any of the Improvements, except with the prior written consent of Beneficiary. Grantor shall complete promptly and in a good and workmanlike manner any Improvement that may be now or hereafter constructed on the Premises and promptly restore in like manner any Improvements that may be damaged or destroyed from any cause whatsoever and pay when due all claims for labor performed and materials furnished therefor. Grantor shall comply with all Requirements (as defined below) and shall not suffer to occur or exist any violation of any Requirement. Grantor shall not commit or permit any waste or deterioration of the Trust Estate, and, to the extent allowed by law, shall keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair. Grantor shall perform its obligations under each Lease. “Requirement” and “Requirements” mean, respectively, each and all obligations and requirements now or hereafter in effect by which Grantor or the Trust Estate are bound or which are otherwise applicable to the Trust Estate, construction of any Improvements on the Trust Estate, or operation, occupancy or use of the Trust Estate (including, without limitation (i) such obligations and requirements imposed by common law or any law, statute, ordinance, regulation, or rule (federal, state, or local), and (ii) such obligations and requirements of, in, or in respect of (A) any consent, authorization, license, permit, or approval relating to the Trust Estate, (B) any condition, covenant, restriction, easement, or right-of-way reservation applicable to the Trust Estate, (C) any Lien or Encumbrance, (D) any other agreement, document, or instrument to which Grantor is a party or by which Grantor or the Trust Estate is bound or affected, and (E) any order, writ, judgment, injunction, decree, determination, or award of any arbitrator, other private adjudicator, court, government, or governmental authority (federal, state, or local) to which Grantor is a party or by which Grantor or the Trust Estate is bound or affected).

1.03 Required Insurance. Grantor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force with respect to the Trust Estate, at no expense to Trustee or Beneficiary, policies of insurance in forms and amounts and issued by companies reasonably satisfactory to Beneficiary covering such casualties, risks, perils, liabilities and other hazards as is required under the Loan Agreement. All such policies of insurance required by the terms of this Deed of Trust or the Loan Agreement shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Grantor or any party holding under Grantor that might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against Grantor.

1.04 Delivery of Policies, Payment of Premiums.

(a) Grantor shall furnish Beneficiary with certificates of insurance for each required policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the period of coverage in compliance with Section 6.06 of the Loan Agreement. Grantor may provide any of the required insurance through blanket policies carried by Grantor and covering more than one location, or by policies procured by a tenant or other party holding under Grantor; provided, however, all such policies shall meet the requirements referred to in Section 1.03. Such policies shall also contain endorsements and provisions as set forth in Section 6.06 of the Loan Agreement, including waivers of subrogation and provisions preventing cancellation or material modification without prior

notice to Beneficiary. If any inconsistency exists between this Deed of Trust and Section 6.06 of the Loan Agreement regarding insurance requirements, the terms of the Loan Agreement shall control. At least thirty (30) days prior to the expiration of each required policy, Grantor shall deliver to Beneficiary evidence reasonably satisfactory to Beneficiary of the payment of premium and the renewal or replacement of such policy continuing insurance in form as required by this Deed of Trust. All such policies shall contain a provision that, notwithstanding any contrary agreement between Grantor and insurance company, such policies will not be cancelled, allowed to lapse without renewal, surrendered or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty (30) days’ prior written notice to Beneficiary.

(b) In the event Grantor fails to obtain and maintain the policies of insurance with respect to the Trust Estate required by this Deed of Trust, Beneficiary may, at Beneficiary’s election, but without any obligation so to do, procure such insurance or single-interest insurance for such risks covering Beneficiary’s interest, and Grantor will pay all premiums thereon promptly upon demand by Beneficiary, and until such payment is made by Grantor, the amount of all such premiums shall bear interest at the Agreed Rate. Upon the occurrence and during the continuation of an Event of Default and the further request by Beneficiary, Grantor shall deposit with Beneficiary in monthly installments, an amount equal to one-twelfth (1/12) of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust (funds deposited for this purpose are referred to as “Insurance Impounds”). In such event Grantor will endeavor to cause all bills, statements, or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements, or other documents evidencing that a premium for a required policy is then payable, and provided there are sufficient Insurance Impounds, Beneficiary shall timely pay such amounts as may be due thereunder out of the Insurance Impounds. If at any time and for any reason the Insurance Impounds are or will be insufficient to pay such amounts as may be then or subsequently due, Beneficiary shall notify Grantor and Grantor shall immediately deposit an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of Insurance Impounds or to be obligated to pay any amounts in excess of the amount of the Insurance Impounds, nor shall anything contained herein modify the obligation of Grantor set forth in Section 1.03 to obtain and maintain insurance. Beneficiary may commingle Insurance Impounds with its own funds, and Grantor shall not be entitled to interest thereon. If after the imposition of Insurance Impounds, Grantor fails to deposit with Beneficiary sums sufficient to pay fully such premiums at least thirty (30) days before delinquency thereof, Beneficiary may, at Beneficiary’s election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Beneficiary upon demand with interest from the date advanced at the Agreed Rate, or at the option of Beneficiary the latter may, without making any advance whatever, apply any Insurance Impounds to payment of the Obligations in such order as Beneficiary may determine, notwithstanding that such Obligations may not yet be due.

1.05 Casualties; Insurance Proceeds.

(a) Grantor shall give prompt written notice thereof to Beneficiary after the happening of any casualty to or in connection with the Trust Estate or any part thereof, whether or not covered by insurance. All insurance proceeds shall be applied as provided in Article VII and Section 11.02 of the Loan Agreement. All proceeds of insurance shall be payable to Beneficiary, and Grantor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Beneficiary. If Grantor receives any proceeds of insurance resulting from such casualty, Grantor shall promptly pay over such proceeds to Beneficiary. If such proceeds are required to be applied to prepayment of the Notes pursuant to Section 11.02(a) of the Loan Agreement, Beneficiary shall apply such proceeds in accordance with the redemption provisions of the Indenture.

(b) Grantor shall not be excused from repairing or maintaining the Trust Estate as provided in Section 1.02 hereof or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are insurance proceeds available to Grantor or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such default or notice of default.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust as a mortgage, a sale under the power of sale, or any other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Grantor in and to all policies of insurance required by Section 1.03 shall inure to the benefit of and pass to the successor in interest to Grantor or the purchaser or grantee of the Trust Estate, to the extent such policies are assignable pursuant to the terms thereof.

1.07 Indemnification; Subrogation; Waiver of Offset.

(a) If Beneficiary is made a party to any litigation concerning the Note, this Deed of Trust, any of the Loan Documents, the Trust Estate or any part thereof or interest therein, or the occupancy of the Trust Estate by Grantor, then Grantor shall indemnify, defend and hold Beneficiary harmless for, from and against all liability by reason of said litigation, including reasonable attorneys' fees and expenses incurred by Beneficiary as a result of any such litigation, whether or not any such litigation is prosecuted to judgment.

(b) Grantor waives any and all right to claim or recover against Beneficiary, its successors and assigns, their directors, officers, employees, agents and representatives, for loss of or damage to Grantor, the Trust Estate, Grantor's property or the property of others under Grantor's control from any cause insured against or required to be insured against by this Deed of Trust.

(c) All sums payable by Grantor pursuant to this Deed of Trust shall be paid without notice (except for such notice as may be expressly required hereunder or under the other Loan Documents), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Grantor hereunder shall in no way be released, discharged or otherwise

affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference by any Person (as defined below) with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Premises or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; (v) any claim that Grantor has or might have against Beneficiary; (vi) any default or failure on the part of Beneficiary to perform or comply with any of the terms of the Loan Documents or of any other agreement with Grantor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Grantor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Grantor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Grantor. "**Person**" means any natural person, any unincorporated association, any corporation, any partnership, any joint venture, any trust, any other legal entity, or any governmental authority (federal, state, local or foreign).

1.08 Impositions.

(a) Grantor shall pay, or cause to be paid, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, (including, without limitation, nongovernmental levies or assessments such as maintenance charges, levies, or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) that are assessed or imposed upon the Trust Estate or become due and payable and that create, may create, or appear to create a lien upon the Trust Estate (the above are sometimes referred to herein individually as an "**Imposition**" and collectively as "**Impositions**"), provided, however, that if by law any Imposition is payable, or may at the option of the taxpayer be paid, in installments, Grantor may pay the same or cause it to be paid, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same becomes due and before any fine, penalty, interest, or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed a fee, tax, or assessment on Beneficiary and measured by or based in whole or in part upon this Deed of Trust or the outstanding amount of the Obligations, then all such taxes, assessments or fees shall be deemed to be included within the term Impositions as defined in Section 1.08(a) and Grantor shall pay and discharge the same as herein provided with respect to the payment of Impositions. If Grantor fails to pay such Impositions prior to delinquency, Beneficiary may, at its option, declare all or part of the Obligations, immediately due and payable. If Grantor is prohibited by law from paying such Impositions, Beneficiary may, at its option, declare all or part of the Obligations due and payable on a date which is not less than six (6) months from the date such prohibition is imposed on Grantor.

(c) Subject to the provisions of Section 1.08(d) and upon request by Beneficiary, Grantor shall deliver to Beneficiary within thirty (30) days after the date upon which any Imposition is due and payable by Grantor official receipts of the appropriate taxing authority, or other proof satisfactory to Beneficiary, evidencing the payment thereof.

(d) Grantor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending Grantor's covenant to pay any such Imposition at the time and in the manner provided in this Section 1.08, unless Grantor has given prior written notice to Beneficiary of Grantor's intent to so contest or object to an Imposition, and unless, in Beneficiary's absolute and sole discretion, (i) Grantor shall demonstrate to Beneficiary's satisfaction that the proceedings to be initiated by Grantor shall conclusively operate to prevent the sale of the Trust Estate or any part thereof or interest therein to satisfy such Imposition prior to final determination of such proceedings, or (ii) Grantor shall demonstrate to Beneficiary's satisfaction that Grantor has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale.

(e) Upon the occurrence and during the continuation of an Event of Default and upon the further request by Beneficiary, Grantor shall pay to Beneficiary, in monthly installments, an amount equal to one-twelfth (1/12) of the sum of the annual Impositions reasonably estimated by Beneficiary, for the purpose of paying the installment of Impositions due (funds deposited for this purpose are referred to as "Impositions Impounds"). In such event, Grantor further agrees to cause all bills, statements, or other documents relating to Impositions to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements, or other documents, and providing there are sufficient Impositions Impounds, Beneficiary shall timely pay such amounts as may be due thereunder out of the Impositions Impounds. If at any time and for any reason the Impositions Impounds are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary may notify Grantor and upon such notice Grantor shall deposit immediately an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of Impositions Impounds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 1.08(e). Beneficiary may commingle Impositions Impounds with its own funds and shall not be obligated to pay any interest on any Impositions Impounds. If Grantor fails to deposit with Beneficiary sums sufficient to fully pay such Impositions at least thirty (30) days before delinquency thereof, Beneficiary may, at Beneficiary's election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Beneficiary upon demand together with interest thereon at the Agreed Rate from the date of such advance.

(f) Grantor shall not initiate or suffer to occur or exist the joint assessment of any real and personal property included in the Trust Estate or any other procedure whereby the lien of real property taxes and the lien of personal property taxes shall be assessed, levied, or charged to the Trust Estate as a single lien.

1.09 Utilities. Grantor shall pay when due all charges that are incurred by Grantor for the benefit of the Trust Estate or that may become a charge or lien against the Trust Estate for gas, electricity, water, sewer, or other services furnished to the Trust Estate.

1.10 Actions Affecting Trust Estate. Grantor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and shall pay all costs and expenses (including, without limitation, costs of evidence of title, litigation, and attorneys' fees) in any such action or proceeding in which Beneficiary or Trustee may appear.

1.11 Actions By Beneficiary. If Grantor fails to make any payment or to do any act as and in the manner provided in any of the Loan Documents, Beneficiary, in its absolute and sole discretion, without obligation so to do, without releasing Grantor from any obligation, and with only such notice to or demand upon Grantor as may be reasonable under the then existing circumstances, but in no event exceeding twenty (20) days prior written notice, may make or do the same in such manner and to such extent as either may deem necessary or appropriate. In connection therewith (without limiting their general powers, whether conferred herein, in another Loan Document or by law), Beneficiary has and is hereby given the right, but not the obligation, (a) to enter upon and take possession of the Trust Estate; (b) to make additions, alterations, repairs and improvements to the Trust Estate that they or either of them may consider necessary or appropriate to keep the Trust Estate in good condition and repair; (c) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary; (d) to pay, purchase, contest or compromise any Lien or Encumbrance (as defined below) or alleged Lien or Encumbrance (as defined in Section 1.16) whether superior or junior to this Deed of Trust; and (e) in exercising such powers, to pay necessary expenses (including, without limitation, expenses of employment of counsel or other necessary or desirable consultants). Grantor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all respective costs and expenses incurred by them in connection with the exercise by Beneficiary of the foregoing rights (including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and attorneys' fees) together with interest thereon from the date of such expenditures at the Agreed Rate.

1.12 Transfer of Trust Estate by Grantor. As an inducement, Grantor agrees that, in the event of any Transfer (as hereinafter defined), without the prior written consent of Beneficiary, Beneficiary shall have the absolute right, at its option, without prior demand or notice, to declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. Beneficiary may grant or deny such consent in its sole discretion and, if consent should be given, any such Transfer shall be subject to this Deed of Trust, and such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Grantor or any maker or guarantor of the Note from any liability thereunder without the prior written consent of Beneficiary. Any permitted transfer, lease, or assignment shall be subject to the restrictions and conditions set forth in Section 9.01 of the Loan Agreement, and any transfer in violation of these provisions shall be null and void. In the event of a permitted release of any portion of the Trust Estate pursuant to Article IX of the Loan Agreement or the Trust Indenture, Beneficiary shall execute and deliver such partial releases as

may be necessary, provided that Grantor has satisfied all applicable conditions required under the Loan Agreement. As used herein, “**Transfer**” shall mean:

(i) any sale, transfer, conveyance, hypothecation, encumbrance, lease or vesting of the Trust Estate or any part thereof or interest therein to or in any Person, whether voluntary, involuntary, by operation of law, or otherwise, provided, however, that any lease approved or deemed approved by Beneficiary under the terms of the Loan Agreement is not a Transfer;

(ii) any consolidation or merger of Grantor or any member of Grantor into or with any Person, whether voluntary, involuntary, by operation of law, or otherwise; or

(iii) the execution of any agreements to do any of the foregoing.

1.13 Eminent Domain.

(a) In the event that any proceeding or action be commenced for the taking of the Trust Estate, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation (including, without limitation, inverse condemnation) or otherwise (hereinafter collectively referred to as a “**Taking**”), or if the same be taken or damaged by reason of any public improvement or Taking, or should Grantor receive any notice or other information regarding such Taking or damage, Grantor shall give prompt written notice thereof to Beneficiary. All compensation, awards, damages, rights of action and proceeds awarded to Grantor by reason of any such Taking or damage or received by Grantor as the result of a transfer in lieu of a Taking (the “**Condemnation Proceeds**”) are hereby assigned to Beneficiary, and Grantor agrees to execute such further assignments of the Condemnation Proceeds as Beneficiary or Trustee may require. If Grantor receives any Condemnation Proceeds Grantor shall promptly pay over such proceeds to Beneficiary. Beneficiary is hereby authorized and empowered by Grantor, at Beneficiary’s option and in Beneficiary’s sole discretion, as attorney-in-fact for Grantor, to settle, adjust, or compromise any claim for loss or damage in connection with any Taking or proposed Taking and, without regard to the adequacy of its security, to commence, appear in and prosecute in its own name and/or on behalf of Grantor any such action or proceeding arising out of or relating to a Taking or proposed Taking.

(b) Grantor shall not be excused from repairing or maintaining the Trust Estate as provided in Section 1.02 or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are Condemnation Proceeds available to Grantor or whether any such Condemnation Proceeds are sufficient in amount. The application or release of the Condemnation Proceeds shall not cure or waive any default or notice of default hereunder or under any other Loan Document or invalidate any act done pursuant to such default or notice of default.

1.14 Additional Security. No other security now existing, or hereafter taken, to secure the obligations secured hereby shall be impaired or affected by the execution of this Deed of Trust. All security for the Obligations from time to time shall be taken, considered and held as cumulative. Any taking of additional security, execution of partial releases of the security, or any

extension of the time of payment of, or modification of other terms of any of the Obligations shall not diminish the force, effect or lien of this Deed of Trust and shall not affect or impair the liability of any maker, guarantor, surety or endorser for the payment or performance of any of the Obligations. In the event Beneficiary at any time holds additional security for any of the Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with, or after a sale or realization is made hereunder.

1.15 Inspections. Beneficiary, and its agents, representatives officers, and employees, are authorized, after not less than 48 hours’ advance notice, to enter upon the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts Beneficiary is authorized to perform hereunder or under the terms of any of the Loan Documents.

1.16 Ownership and Liens and Encumbrances. Grantor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisitions be, and shall remain the owner of the Trust Estate free and clear of any Liens and Encumbrances. Grantor shall not grant, shall not suffer to exist, and shall pay and promptly discharge, at Grantor’s cost and expense, all Liens and Encumbrances and any claims thereof upon the Trust Estate, or any part thereof or interest therein, except as expressly permitted under Section 8.14 of the Loan Agreement. Grantor shall notify Beneficiary immediately in writing of any Lien or Encumbrance or claim thereof. Grantor shall have the right to contest in good faith the validity of any involuntary Lien or Encumbrance, provided that if Grantor loses such contest, Grantor shall thereafter diligently proceed to cause such Lien or Encumbrance to be removed and discharged. Any contest of liens by Grantor shall be conducted in compliance with the requirements of Section 6.09 of the Loan Agreement, including the obligation to bond over any contested Lien. If Grantor shall fail to remove and discharge any Lien or Encumbrance or claim thereof, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, after only such notice to Grantor as may be reasonable under the then existing circumstances, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such Lien or Encumbrance by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by law. Grantor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any Lien or Encumbrance or claim thereof, together with interest thereon from the date of each such expenditure at the Agreed Rate. Such costs and expenses shall be secured by this Deed of Trust. “**Lien or Encumbrance**” and “**Liens and Encumbrances**” mean, respectively, each and all of the following in respect of the Trust Estate: leases (except the Primary Lease), other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title, or interest granted to Trustee or Beneficiary in this Deed of Trust.

1.17 Beneficiary’s Powers. Without affecting the liability of any Person liable for the payment of the Obligations herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the Obligations, Beneficiary may, from time to time and without notice (a) release any person so liable,

(b) extend the Obligations, (c) grant other indulgences, (d) release, or cause to be released, at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (e) take or release any other or additional security or any guaranty for any Obligation herein mentioned, or (f) make compositions or other arrangements with debtors in relation thereto.

1.18 Financial Statements. Grantor shall deliver to Beneficiary such financial statements, balance sheets, profit and loss statements, operating statements, income and expense statements and other financial information in such detail and at the times required by the Loan Agreement.

1.19 Trade Names. Grantor shall notify Beneficiary in writing of any trade names or fictitious business names, and will, upon request of Beneficiary, execute any additional financing statements and other certificates necessary to reflect trade names or fictitious business names.

1.20 Leasehold. Grantor agrees not to terminate any leasehold estate, any interest therein, or the Lease granting such leasehold estate without the prior written consent of Beneficiary. In addition, Grantor agrees not to amend, modify, extend, or renew such leasehold estate with terms that shorten the term of the Lease, or in any other way which could reasonably be expected to materially adversely affect the Beneficiary's rights hereunder or under the other Loan Documents, without the prior written consent of Beneficiary. Consent of Lender to any amendment, modification, extension or renewal shall not be deemed to be a waiver of the right to require consent to other, future or successive amendments, modifications, extensions or renewals. Grantor agrees to perform all obligations and agreements under said leasehold and shall not take any action or omit to take any action which would effect or permit the termination of said leasehold. Grantor agrees to promptly notify Beneficiary in writing with respect to any default or alleged default by any party thereto and to deliver to Beneficiary copies of all notices, demands, complaints or other communications received or given by Grantor with respect to any such default or alleged default. Beneficiary shall have the option to cure any such default and to perform any or all of Grantor's obligations thereunder. All sums expended by Beneficiary in curing any such default shall be secured hereby and shall be immediately due and payable without demand or notice and shall bear interest from date of expenditure at the Agreed Rate.

1.21 Application of Insurance Proceeds and Condemnation Proceeds. Notwithstanding the other provisions of this Deed of Trust to the contrary, Beneficiary agrees that Grantor shall have the right to apply insurance proceeds and Condemnation Proceeds to the repair, replacement, or restoration of the Trust Estate if each of the following conditions precedent is satisfied:

(a) Grantor delivers notice to Beneficiary of its intention to repair, replace, or restore the Trust Estate within thirty (30) days after settlement of any claim under any insurance policies or any claim as to any Taking, the proceeds of which are used to pay for the repair, replacement, or restoration of the Trust Estate.

(b) Beneficiary and Grantor determine that the Trust Estate can be repaired, replaced, or restored to substantially the same condition prior to the Taking or casualty.

(c) No Event of Default, or event which with notice or lapse of time would become an Event of Default, has occurred and is continuing.

(d) All Condemnation Proceeds and insurance proceeds, as applicable, are deposited with Beneficiary.

(e) Grantor has delivered to Beneficiary (A) final plans and specifications for the repair, replacement, or restoration of the Trust Estate, (B) a budget of all costs, expenses, and fees for the repair, replacement, or restoration of the Trust Estate, (C) a construction schedule for the repair, replacement, or restoration of the Trust Estate, and (D) a construction contract for the repair, replacement, or restoration of the Trust Estate, and Beneficiary has approved such plans and specifications, budget, construction schedule, and construction contract and the contractor under the construction contract in its sole discretion.

(f) Grantor has obtained all other approvals and permits required to commence such repair, replacement, or restoration.

(g) The approved contractor commences the repair, replacement, or restoration of the Trust Estate.

If all of the above conditions are satisfied, Beneficiary will disburse the Condemnation Proceeds, insurance proceeds, and any other amount deposited with Beneficiary pursuant to the foregoing and in accordance with Beneficiary's customary procedures for disbursement of construction loans; provided that if requested by Beneficiary, Grantor shall execute such documents regarding such disbursements and requirements as Beneficiary may request. If any of the above conditions are not satisfied within the time limits described above or, if after satisfaction of the above conditions, Grantor does not prosecute and complete the repair, replacement, or restoration of the Trust Estate with due diligence and in accordance with the construction schedule and within the budget approved by Beneficiary, Beneficiary may at any time apply the then remaining Condemnation Proceeds, insurance proceeds, and any other amount deposited with Beneficiary to the payment of the obligations secured hereby, whether or not then due, and Beneficiary shall have no obligation to disburse such proceeds or deposited funds for the payment of the costs, expenses, and fees incurred in the repair, replacement, or restoration of the Trust Estate. If there are any Condemnation Proceeds, insurance proceeds, or other amounts deposited with Beneficiary pursuant hereto remaining after payment of such obligations in full, such funds shall be paid to the person legally entitled thereto.

Notwithstanding the forgoing, any and all applications made under this Section shall be applied in accordance with and subject to the terms and conditions set forth in Article VII of the Loan Agreement.

ARTICLE II ASSIGNMENT OF RENTS AND LEASES

2.01 Assignment of Rents and Leases. Effective upon the recordation of this Deed of Trust, Grantor hereby irrevocably, absolutely, presently and unconditionally assigns, transfers, and sets over to Beneficiary, to the extent in existence, all rents, security deposits, issues, profits, earnings, revenue, income, products and proceeds of leases, subleases or licenses of any part of the Trust Estate, whether now due, past due or to become due, including, without limitation, all

prepaid rents, security deposits, and all rights to payment from the above-listed items (some or all collectively, as the context may require, “**Rents**”), and all rights in and to any lease, sublease, license, or agreement written or oral, devising any portion of the Trust Estate whether in existence at or upon the recordation of this Deed of Trust or entered into after the recordation of this Deed of Trust (each, a “**Lease**”), and confers upon the Beneficiary the right to collect such Rents and enforce the provisions of any Leases with or without taking the Trust Estate. This is an absolute assignment, not an assignment for security only.

2.02 **Grant of License.** Beneficiary hereby confers upon Grantor a license (“**License**”) to collect and retain the Rents as they become due and payable and to otherwise possess and enjoy all of the landlord’s rights and obligations under all of the Leases, so long as no Event of Default, as defined in Section 4.01, shall exist and be continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License with notice to Grantor, and without regard to the adequacy of Beneficiary’s security under this Deed of Trust.

2.03 **Collection and Application of Rents and Enforcement of Leases.** Subject to the License granted to Grantor under Section 2.02, Beneficiary has the right, power and authority to collect any and all Rents and enforce the provisions of any Lease. Grantor hereby irrevocably appoints Beneficiary its attorney-in-fact, with full power of substitution, to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

- (a) Demand, receive and enforce payment of any and all Rents; or
- (b) Give receipts, releases and satisfactions for any and all Rents; or
- (c) Sue either in the name of Grantor or in the name of Beneficiary for any and all Rents; or
- (d) Enforce the provisions of any and all Leases.

The appointment granted in this Section 2.03 shall be deemed to be a power coupled with an interest. Beneficiary’s right to the Rents, or to enforce the provisions of any Lease, does not depend on whether or not Beneficiary takes possession of the Trust Estate as permitted under Article IV below. In Beneficiary’s sole discretion, Beneficiary may choose to collect Rents or enforce any and all Leases either with or without taking possession of the Trust Estate. Beneficiary shall apply all Rents collected by it in the manner provided under Section 2.06. If an Event of Default occurs and continues while Beneficiary is in possession of all or part of the Trust Estate and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted under in this Deed of Trust.

2.04 **Beneficiary Not Responsible.** Under no circumstances shall Beneficiary have any duty to produce Rents from the Trust Estate. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Premises and Improvements, Beneficiary is not and shall not be deemed to be:

- (a) A “mortgagee in possession” for any purpose; or
- (b) Responsible for performing any of the obligations of the Grantor as lessor under any lease; or
- (c) Liable in any manner for the Trust Estate or the use, occupancy, enjoyment or operation of all or any part of it.

2.05 **Leasing.** Grantor shall deliver copies or originals of any or all Leases to Beneficiary as and when requested from time to time by Beneficiary.

2.06 **Application of Rents.** Upon such entry, Beneficiary shall, after payment of all property charges and expenses and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the Rents received by it to the Obligations, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Beneficiary. Beneficiary shall not be accountable for more monies than it actually receives from the Trust Estate; nor shall it be liable for failure to collect Rents. Beneficiary shall make reasonable efforts to collect Rents, reserving, however, within its own absolute and sole discretion, the right to determine the method of collection and the extent to which enforcement of collection of Rents shall be prosecuted and Beneficiary’s judgment shall be deemed conclusive and reasonable.

2.07 **Indemnity.** Grantor hereby agrees to indemnify and hold harmless Beneficiary for, from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs, and expenses, including legal fees and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with this assignment; and all such losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs and expenses shall be deemed added to the indebtedness secured hereby and shall be secured by any and all other instruments securing said indebtedness.

2.08 **No Obligation to Perform.** Nothing contained herein shall operate or be construed to obligate Beneficiary to perform any obligations of Grantor under any Lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). Prior to actual entry into and taking possession of the Premises by Beneficiary, this assignment shall not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Trust Estate or any portion thereof, and the execution of this assignment by Grantor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Trust Estate is and shall be that of Grantor, prior to such actual entry and taking of possession.

ARTICLE III
SECURITY AGREEMENT

3.01 Creation of Security Interest. Grantor hereby grants to Beneficiary a security interest in and to all the Personal Property and the Trust Estate.

3.02 Representations, Warranties and Covenants of Grantor. Grantor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive creation of any indebtedness of Grantor to Beneficiary and any extension of credit thereunder) as follows:

(a) The Personal Property is not used or bought for personal, family or household purposes.

(b) The tangible portion of the Personal Property will be kept on or at the Premises or Improvements and Grantor will not, without the prior written consent of Beneficiary, remove the Personal Property or any portion thereof therefrom except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Grantor with similar items of greater value.

(c) At the request of Beneficiary, Grantor will join Beneficiary in executing one or more financing statements and fixture filings pursuant to the Uniform Commercial Code, in form satisfactory to Beneficiary and will pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable.

(d) Grantor's principal place of business is at the address given above in the preamble of this Deed of Trust. Grantor does not do business under any trade name except as previously disclosed in writing to Beneficiary. Grantor will immediately notify Beneficiary in writing of any change in its place of business or the adoption or change of any organizational name, trade name or fictitious business name, and will upon request of Beneficiary, execute any additional financing statements or other certificates necessary to reflect the adoption or change in trade name or fictitious business name.

(e) Grantor shall immediately notify Beneficiary of any claim against the Personal Property adverse to the interest of Beneficiary therein.

3.03 Use of Personal Property by Grantor. Until the occurrence of an Event of Default hereunder or under any other Loan Document, Grantor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Deed of Trust and not inconsistent with any policy of insurance thereon.

3.04 Remedies Upon an Event of Default.

(a) In addition to the remedies provided in Section 4.02 hereof, upon the occurrence of an Event of Default hereunder, Beneficiary may, at its option, do any one or more of the following:

(i) Either personally, or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Grantor and all others claiming under Grantor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Grantor with respect to the Personal Property or any part thereof. In the event Beneficiary demands, or attempts to take possession of the Personal Property in the exercise of any rights under this Deed of Trust, Grantor agrees to promptly turn over and deliver possession thereof to Beneficiary;

(ii) Without notice to or demand upon Grantor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Personal Property (including, without limitation, paying, purchasing, contesting or compromising any Lien or Encumbrance, whether superior or inferior to such security interest) and in exercising any such powers or authority to pay all expenses (including, without limitation, litigation costs and reasonable attorney's fees) incurred in connection therewith;

(iii) Require Grantor from time to time to assemble the Personal Property, or any portion thereof, at a place designated by Beneficiary and reasonably convenient to both parties, and deliver promptly such Personal Property to Beneficiary, or an agent or representative designated by Beneficiary. Beneficiary, and its agents and representatives, shall have the right to enter upon any or all of Grantor's premises and property to exercise Beneficiary's rights hereunder;

(iv) Realize upon the Personal Property or any part thereof as herein provided or in any manner permitted by law and exercise any and all of the other rights and remedies conferred upon Beneficiary by this Deed of Trust, any other Loan Document, or by law, either concurrently or in such order as Beneficiary may determine;

(v) Sell or cause to be sold in such order as Beneficiary may determine, as a whole or in such parcels as Beneficiary may determine, the Personal Property and the remainder of the Trust Estate;

(vi) Sell, lease, or otherwise dispose of the Personal Property at public sale, upon terms and in such manner as Beneficiary may determine. Beneficiary may be a purchaser at any sale; and

(vii) Exercise any remedies of a secured party under the Uniform Commercial Code or any other applicable law.

(b) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary shall give Grantor at least ten (10) days' prior written notice of the time and place of any public sale

of the Personal Property or other intended disposition thereof to be made. Such notice may be mailed to Grantor at the address set forth in Section 5.05.

(c) The proceeds of any sale under Section 3.04(a)(vi) shall be applied as follows:

(i) To the repayment of the reasonable costs and expenses of taking, holding, and preparing for the sale and the selling of the Personal Property (including, without limitation, costs of litigation and attorneys' fees) and the discharge of all Impositions, Liens and Encumbrances, and claims thereof, if any, on the Personal Property prior to the security interest granted herein (except any Impositions or Liens and Encumbrances subject to which such sale shall have been made);

(ii) To the payment of the Obligations in such order as Beneficiary shall determine; and

(iii) The surplus, if any, shall be paid to the Grantor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(d) Beneficiary may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Personal Property and such compliance will not be considered to affect adversely the commercial reasonableness of any sale of the Personal Property.

(e) Beneficiary may sell the Personal Property without giving any warranties as to such property, and may specifically disclaim any warranties of title, merchantability, fitness for a particular purpose or the like, and this procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Personal Property.

(f) Grantor acknowledges that a private sale of the Personal Property may result in less proceeds than a public sale.

(g) Grantor acknowledges that the Personal Property may be sold at a loss to Grantor and that, in such event, Beneficiary shall have no liability or responsibility to Grantor for such loss.

Beneficiary shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Beneficiary from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Personal Property pursuant to the terms hereof shall not operate to release Grantor until full payment of any deficiency has been made in cash.

3.05 Security Agreement. This Deed of Trust constitutes and shall be deemed to be a "security agreement" for all purposes of the Uniform Commercial Code and Beneficiary shall be entitled to all the rights and remedies of a "secured party" under the Uniform Commercial Code.

3.06 Fixture Filing. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. This Deed of Trust shall also be effective as a financing statement covering as extracted collateral (including oil and gas), accounts and general intangibles under the Uniform Commercial Code and the Uniform Commercial Code as in effect from time to time in any other state where the Trust Estate is situated. In addition, a carbon, photographic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

3.07 Authorization to File Financing Statements; Power of Attorney. Grantor hereby authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto, and continuation statements with or without signature of Grantor as authorized by applicable law, as applicable to the Trust Estate. For purposes of such filing, Grantor agrees to furnish any information requested by Beneficiary promptly upon request by Beneficiary. Grantor also ratifies its authorization for Beneficiary to have filed any like initial financing statements, amendments thereto, or continuation statements if filed prior to the date of this Deed of Trust. Grantor hereby irrevocably constitutes and appoints Beneficiary and any officer or agent of Beneficiary, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor or in Grantor's own name, but only to execute in Grantor's name any such documents and to otherwise carry out the purposes of this Section, to the extent that Grantor's authorization above is not sufficient. To the extent permitted by law, Grantor hereby ratifies and affirms all acts said attorneys-in-fact shall lawfully do, have done in the past, or caused to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

ARTICLE IV REMEDIES UPON DEFAULT

4.01 Event of Default. An Event of Default (as defined in the Loan Agreement) under the Loan Agreement, the Note or any other Loan Document and any breach, default or failure to comply with any provision of this Deed of Trust constitutes an "Event of Default" under this Deed of Trust.

4.02 Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default, Beneficiary may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind. Beneficiary, in addition to the exercise of any or all of the remedies specified elsewhere in this Deed of Trust, may exercise any or all of the remedies specified in this Article IV and in Section 3.04.

(a) Entry. Beneficiary, in person, by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, ex parte or otherwise, and without regard to the adequacy of its security or the solvency of Grantor, may enter, take possession of, manage and operate all or any part of the Trust Estate, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing

all of Grantor's or the then owner's Books and Records; entering into, enforcing, modifying, or canceling Leases (but not the Primary Lease) on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of Rents and other money owing to Grantor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Grantor shall assemble all of the Trust Estate that has been removed from the Premises and make all of it available to Beneficiary at the site of the Premises. Grantor hereby irrevocably constitutes and appoints Beneficiary as Grantor's attorney-in-fact, with full power of substitution, to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Grantor's name on any instruments. The appointment granted in this Section 4.02(a) shall be deemed to be a power coupled with an interest. Regardless of any provision of this Deed of Trust or any other Loan Document, Beneficiary shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Grantor to Beneficiary, unless Beneficiary has given express written notice of Beneficiary's election of that remedy in accordance with Section 9-620 of the Uniform Commercial Code. The entering upon and taking possession of the Trust Estate, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rents, Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale.

(b) Judicial Foreclosure. Commence an action to foreclose the lien of this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof.

(c) Public Trustee Foreclosure. Exercise of the power of sale herein contained.

(i) If Beneficiary elects to exercise the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(ii) Upon receipt of Beneficiary's Notice of Election and Demand for Sale, Trustee shall record same in the real estate records of the Clerk and Recorder's office of the County in which the Premises is located within the time allowed by applicable law. Thereafter, Trustee shall publish a notice of sale for the time and in the manner provided by applicable law and shall mail copies of such notice of sale in the manner prescribed by applicable law to Grantor and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law, at the time and place of sale fixed by it in such notice of sale, Trustee, without demand on Grantor, shall sell the Trust Estate which can be sold by the Trustee under applicable law, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable

at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient certificate or certificates describing such property and the time when the purchaser will be entitled to Trustee's deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or deeds shall be prima facie evidence of the truth of the statements made therein. Any person, including, without limitation, Grantor or Beneficiary, may purchase at such sale and Grantor hereby covenants to warrant and defend the title of such purchaser or purchasers.

(iii) Subject to the laws of the state within which this Deed of Trust is recorded, Trustee may postpone sale of all or any parcel of the Trust Estate by public announcement at the time and place of any previously scheduled sale.

(d) Appointment of Receiver. Beneficiary, as a matter of right and without notice to Grantor or any one claiming under Grantor, and without regard to the then value of the Trust Estate or the interest of Grantor therein, shall have the right to apply to any court having jurisdiction, either ex parte or otherwise, and without regard to the adequacy of its security or the solvency of the Grantor, to appoint a receiver or receivers of the Trust Estate, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Trust Estate or the date of expiration of any redemption period unless such receivership is sooner terminated.

(e) Other Remedies. Exercise all other rights and remedies provided herein, in any Loan Document or other document or agreement now or hereafter securing or guarantying all or any portion of the Obligations, or by law or at equity.

4.03 Remedies Not Exclusive. Beneficiary is entitled to enforce payment and performance of any and all of the Obligations and to exercise all rights and powers under the Loan Documents and under the law now or hereafter in effect, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured or guaranteed. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other rights herein contained, shall prejudice or in any manner affect Beneficiary's right to realize upon or enforce any other security or guaranty now or hereafter held by Beneficiary, it being agreed that Beneficiary is entitled to enforce this Deed of Trust and any other security or any guaranty now or hereafter held by Beneficiary in such order and manner as Beneficiary may in its absolute discretion determine. No remedy herein conferred upon or reserved to Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing under the law or at equity. Every power or remedy given by any of the Loan Documents or by law to Beneficiary or to which Beneficiary may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Beneficiary and, to the extent permitted by law, either of them may pursue inconsistent remedies.

4.04 Application of Proceeds. The proceeds of the sale of the Trust Estate or any portion thereof shall be applied in the following manner:

(a) First, to pay all costs and expenses of foreclosing this Deed of Trust and/or the sale or disposition of the Trust Estate or any portion thereof, including, but not limited to, trustee's fees, court costs, costs of evidence of title in connection with sale and reasonable attorneys' fees actually incurred; and

(b) Second, to pay the Obligations, to the extent permitted by applicable law, in any order and proportions as Beneficiary may choose in accordance with the Indenture; and

(c) Third, to remit the remainder, if any, to the person or persons legally entitled thereto.

ARTICLE V MISCELLANEOUS

5.01 Change, Discharge, Termination, or Waiver. No provision of this Deed of Trust may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of Beneficiary to exercise and no delay by Beneficiary in exercising any right or remedy under the Loan Documents or under the law shall operate as a waiver thereof.

5.02 Grantor Waiver of Rights. Grantor waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisalment before sale of any portion of the Trust Estate, and (b) all rights of redemption, valuation, appraisalment, stay of execution, notice of election to mature or declare due the Obligations and marshaling in the event of foreclosure of the liens hereby created, and (c) all rights and remedies that Grantor may have or be able to assert by reason of the laws of the State of **COLORADO** pertaining to the rights and remedies of sureties.

5.03 Release by Trustee. When all Obligations have been satisfied in full, and upon payment by Grantor of Trustee's fees, Beneficiary shall immediately request that Trustee release the lien of this Deed of Trust from all or any portion of the Trust Estate then encumbered hereby.

5.04 Notices. Any notice required or desired to be given by the parties hereto shall be in writing and may be personally delivered; mailed, certified mail, return receipt requested; sent by telephone facsimile with a hard copy sent by regular mail; or sent by a nationally recognized receipted overnight delivery service, including, by example and not limitation, United Parcel Service or Federal Express. Any such notice shall be deemed given when personally delivered; if mailed, three (3) delivery days after deposit in the United States mail, postage prepaid; if sent by telephone facsimile, on the day sent if sent on a business day during normal business hours of the recipient or on the next business day if sent at any other time; or if sent by overnight delivery service, one (1) business day after deposit in the custody of the delivery service. The addresses and telephone numbers for the mailing, transmitting, or delivering of notices shall be as follows:

To Beneficiary: U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202
Attn: _____
Email: _____

To Grantor: Habitat for Humanity Roaring Fort Valley
53 Calaway Court
Glenwood Springs, Colorado 81601
Attention: Gail Schwartz, President/CEO
Email: gails@habitatroaringfork.org

5.05 Captions and References. The headings at the beginning of each section of this Deed of Trust are solely for convenience and are not part of this Deed of Trust. Unless otherwise indicated, each reference in this Deed of Trust to a section or an exhibit is a reference to the respective section herein or exhibit hereto.

5.06 Invalidity of Certain Provisions. If any provision of this Deed of Trust is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust.

5.07 Attorneys' Fees. If any or all of the Obligations are not paid when due or if an Event of Default occurs, Grantor agrees to pay all costs of enforcement and collection and preparation therefore (including, without limitation, reasonable attorney's fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)), together with interest therein from the date of demand at the Agreed Rate.

5.08 Governing Law. THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF **COLORADO**, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES.

5.09 Joint and Several Obligations. If this Deed of Trust is signed by more than one party as Grantor, all obligations of Grantor herein shall be the joint and several obligations of each party executing this Deed of Trust as Grantor.

5.10 Number and Gender. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

5.11 Counterparts. This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to form physically one document, which may be recorded.

5.12 No Merger of Lease. If both the lessor's and lessee's estate under any lease or any portion thereof which constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects as evidenced by recording a written declaration executed by Beneficiary so stating, and, unless and until Beneficiary so elects, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Trust Estate shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.13 Status of Title. Grantor represents and warrants to Beneficiary that:

(a) it is the lawful owner of the Trust Estate free and clear of all Liens and Encumbrances and holds leasehold title to the Premises and title to the Improvements subject to the terms of the Primary Lease and that Grantor has full right, power and authority to convey and mortgage the same and to execute this Deed of Trust;

(b) Grantor's exact legal name is correctly set forth in the introductory paragraph of this Deed of Trust;

(c) if Grantor is not an individual, Grantor is an organization of the type and (if not an unregistered entity) is incorporated in or organized under the laws of the state specified in the introductory paragraph of this Deed of Trust; and

(d) if Grantor is an unregistered entity (including, without limitation, a general partnership), it is organized under the laws of the state specified in the introductory paragraph of this Deed of Trust.

5.14 Integration. The Loan Documents contain the complete understanding and agreement of Grantor and Beneficiary and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

5.15 Binding Effect. The Loan Documents will be binding upon, and inure to the benefit of, Grantor, Trustee and Beneficiary and their respective successors and assigns. Grantor may not delegate its obligations under the Loan Documents.

5.16 Time of the Essence. Time is of the essence with regard to the each provision of the Loan Documents as to which time is a factor.

5.17 Survival. The representations, warranties, and covenants of the Grantor and the Loan Documents shall survive the execution and delivery of the Loan Documents.

5.18 Costs and Expenses. All costs and expenses reasonably incurred by Beneficiary in connection with entering into possession of the Trust Estate, either by a court-appointed receiver or by any other legally permissible means, assuming control with respect to the development, construction, operation, maintenance, repair and/or restoration of the Trust Estate and/or any Improvements thereon, enforcing all Leases and/or collecting all Rents due thereunder, and taking any and all other acts permitted under the Loan Documents which Beneficiary shall reasonably determine to be necessary for the administration of the Loan Documents, to enforce the provisions and/or to carry out the purposes of the Notes, the Loan Agreement, this Deed of Trust and/or other Loan Documents (including without limitation any reasonable attorney's fees, appraisal and/or appraisal review charges, environmental consulting, inspection and/or review costs, property inspection fees, consultant expenses and other similar costs) shall be reimbursed by Grantor on demand and, if not then paid, all such sums shall be added to the amount owing under the Note and shall be secured by the lien of the Deed of Trust, and shall bear interest at the rate provided for in the Note, including any applicable default rate. For purposes hereof, Beneficiary shall include Beneficiary, and any beneficiary or holder of the Note.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Grantor has executed this Deed of Trust as of the day and year first above written.

GRANTOR:

**HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.,**
a Colorado nonprofit corporation

By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of **January, 2025**, by _____, as President of Habitat For Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation, on behalf of said entity.

My commission expires:

NOTARY PUBLIC

[SEAL]

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

All of Grantor's (but only Grantor's) assets now or hereafter located on or used exclusively in connection with the Premises or the Improvements, including without limitation, "Account", "Cash proceeds", "Chattel paper", "Collateral", "Deposit account", "Electronic chattel paper", "Equipment", "Fixtures", "General intangibles", "Goods", "Deed of Trust", "Inventory", "Investment property", "Letter-of-credit right", "Noncash proceeds", "Proceeds", and "Tangible chattel paper", as defined in the Uniform Commercial Code. Such assets include without limitation,

(a) All personal property (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, and construction materials and software embedded in any of the foregoing) in which Grantor now or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the Premises or the Improvements or used or useful in the operation, use, or occupancy thereof or the construction of any Improvements thereon, together with any interest of Grantor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to the Premises, Improvements, or such personal property ("**Personal Property**");

(b) All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues which, after the date hereof and while any portion of the Obligations remains unpaid or unperformed, may accrue from such Personal Property or any part thereof or from the Premises, the Improvements or any other part of the Trust Estate, or which may be received or receivable by Grantor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation, or use thereof;

(c) All of Grantor's present and future rights to receive payments of money, services, or property, including, accounts receivable, deposit accounts, chattel paper (whether tangible or electronic), notes, drafts, contract rights, instruments, general intangibles, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;

(d) All other intangible property (and related software) and rights relating to the Premises, the Improvements, the Personal Property described in Paragraph (a) above or the operation, occupancy, or use thereof, including, without limitation, all governmental and non-governmental permits, licenses, and approvals relating to construction on or operation, occupancy, or use of the Premises or Improvements, all names under or by which the Premises or Improvements may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Premises or the Improvements, and all good will and software in any way relating to the Premises or the Improvements;

(e) Grantor's rights under all insurance policies covering the Premises, the Improvements, the Personal Property, and the other parts of the Trust Estate and any and all proceeds, loss payments, and premium refunds payable regarding the same;

(f) All reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of any Improvements on the Premises;

(g) All causes of action, claims, compensation, and recoveries for any damage to, destruction of, or condemnation or taking of the Premises, the Improvements, the Personal Property, or any other part of the Trust Estate, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Premises, the Improvements, the Personal Property, or any other part of the Trust Estate, or for any loss or diminution in value of the Premises, the Improvements, the Personal Property, or any other part of the Trust Estate;

(h) All architectural, structural, mechanical, and engineering plans and specifications prepared for construction of Improvements or extraction of minerals or gravel from the Premises and all studies, data, and drawings related thereto; and also all contracts and agreements of the Grantor relating to the aforesaid plans and specifications or to the aforesaid studies, data, and drawings or to the construction of Improvements on or extraction of minerals or gravel from the Premises;

(i) All commercial tort claims Grantor now has or hereafter acquires relating to the properties, rights, titles, and interests referred to in this **Exhibit B** or elsewhere in the Deed of Trust;

(j) All letter of credit rights (whether or not the letter or credit is evidenced by a writing) Grantor now has or hereafter requires relating to the properties, rights, titles and interest referred to in this Deed of Trust;

(k) All proceeds from sale or disposition of any of the aforesaid collateral and all supporting obligations ancillary thereto or arising in any way in connection therewith; and

(l) All Grantor's rights in proceeds of the loan evidenced by the Note.

As used in this **Exhibit B** the terms "Obligations," "Note," "Trust Estate," "Premises," "Improvements" and all other capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Deed of Trust to which this **Exhibit B** is attached.

EXHIBIT C

LEASEHOLD ADDENDUM TO DEED OF TRUST

This Leasehold Addendum to Deed of Trust ("Addendum") is attached to and made a part of that certain Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) (the "Deed of Trust") executed by **HABITAT FOR HUMANITY OF THE ROARING FORK VALLEY, INC.**, a Colorado nonprofit corporation ("Grantor"), for the benefit of **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association ("Beneficiary"). This Addendum shall constitute a part of the Deed of Trust and shall supplement the terms and conditions of the Deed of Trust. In the event of a conflict between the terms of the Deed of Trust and this Addendum, the terms of this Addendum shall prevail. Unless otherwise defined herein, the capitalized terms used herein shall have the meanings ascribed to them in the Deed of Trust. The term, "Deed of Trust," as such term appears in any of the Loan Documents, shall mean and refer to the Deed of Trust, as supplemented by this Addendum, together with all exhibits.

1. Granting Clause. The granting language set forth in the second paragraph of the Deed of Trust shall extend to and include, and Grantor does hereby grant, bargain, sell, warrant and convey to Trustee, in trust with power of sale, for the use and benefit of Beneficiary, the entire right, title and interest of Grantor in and to the Leasehold Estate (hereinafter defined) demised to Grantor pursuant to the terms and conditions of the Primary Lease (hereinafter defined), together with any other or greater interest in the Property hereafter acquired by Grantor, including, but not limited to, any estate hereafter acquired by Grantor in the land or improvements demised to Grantor under the provisions of such Primary Lease, and the entire right, title and interest of Grantor in, to and under the Primary Lease. Except for that portion of the Property in which Grantor's interest therein is in the nature of a leasehold estate, the Deed of Trust shall be deemed to encumber, and to grant, bargain, sell, warrant and convey to Trustee, in trust with power of sale, for the use and benefit of Beneficiary, Grantor's right, title and interest to the Trust Estate. As used herein, the term "Primary Lease" shall mean that certain Amended and Restated City of Rifle/Habitat For Humanity Modular Housing Production Facility Site Ground Lease, between Grantor and the City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado, dated effective as of **January 15, 2025**.

2. Representations and Warranties. Grantor hereby represents, covenants and warrants to Beneficiary that:

a. Grantor is the sole owner and holder of the entire leasehold estate demised pursuant to the Primary Lease (referred to herein as the "Leasehold Estate") and the entire right, title and interest of the lessee or tenant under the Primary Lease creating such Leasehold Estate, and such Leasehold Estate and Grantor's interest under such Primary Lease are free and clear of all liens, encumbrances, security interests and other claims whatsoever.

b. the Primary Lease is in full force and effect and unmodified;

c. all rents (including any additional rents and other charges) reserved in the Primary Lease have been paid to the extent they were payable prior to the date hereof;

d. there are no defaults under the Primary Lease by any of the parties thereto and there are no events or circumstances existing which, after notice or the passage of time, or both, would constitute a default or an event of default under such Primary Lease; and

e. Grantor has obtained all such consents and approvals to mortgage, pledge, assign, transfer, grant, bargain, sell, warrant, convey and/or encumber Grantor's interest in and to the Leasehold Estate and/or the Primary Lease which are required from all landlords or lessors under the Primary Lease, and Beneficiary is, and at all times will be, free to exercise its rights and powers pursuant to the Deed of Trust without any further consent or approval of any landlord or lessor under such Primary Lease.

3. Payments. Grantor will pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rents, and other charges mentioned in and made payable by the Primary Lease for which provision has not been made hereinbefore, when and as often as the same shall become due and payable, and Grantor will within ten (10) days following Beneficiary's request therefor deliver to Beneficiary evidence of such payments.

4. Performance of Primary Lease. Grantor shall timely pay and perform, in a timely manner, each of its obligations under or in connection with the Primary Lease, and shall otherwise pay such sums and take such action as shall be necessary or required in order to maintain the Primary Lease in full force and effect in accordance with its terms. Grantor shall immediately furnish to Beneficiary copies of any notices given to Grantor by the lessor under the Primary Lease, alleging the default by Grantor in the timely payment or performance of its obligations under such Primary Lease and any subsequent communication related thereto. Grantor shall also promptly furnish to Beneficiary copies of any notices given to Grantor by the lessor under the Primary Lease, extending the term of the Primary Lease, requiring or demanding the expenditure of any sum by Grantor (or demanding the taking of any action by Grantor), or relating to any other material obligation of Grantor under such Primary Lease or any subsequent communication related thereto. Grantor agrees that Beneficiary, in its sole discretion, may advance any sum or take any action which Beneficiary believes is necessary or required to maintain the Primary Lease (and, if so provided under the terms of the Primary Lease) in full force and effect, and all such sums advanced by Beneficiary, together with all costs and expenses incurred by Beneficiary in connection with action taken by Beneficiary pursuant to this Section, shall be due and payable by Grantor to Beneficiary upon demand, shall bear interest until paid at the Agreed Rate, and shall be secured by the Deed of Trust.

5. No Modification or Cancellation. Grantor will neither do nor neglect to do anything which may cause or permit the termination of the Primary Lease. Grantor will not surrender the Leasehold Estate or its interest in and to the Primary Lease, nor terminate or cancel or suffer the termination or cancellation of the Primary Lease, and it will not without the express written consent of Beneficiary modify, change, supplement, alter or amend the Primary Lease, either orally or in writing, and as further security for the repayment of the indebtedness secured hereby and for the performance of the covenants herein and in the Primary Lease, Grantor hereby assigns to Beneficiary all of its rights, privileges and prerogatives under the Primary Lease to terminate, cancel, modify, change, supplement, alter or amend the Primary Lease, and any such termination, cancellation, modification, change, supplement, alteration or amendment of the Primary Lease without the prior written consent thereto by Beneficiary shall be void and of no

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force and effect. Grantor does hereby expressly release, relinquish and surrender unto Beneficiary all of Grantor's right, power and authority to cancel, surrender, amend, modify or alter in any way the terms and provisions of the Primary Lease and any attempt on the part of Grantor to exercise any such right without the written authority and consent thereto of Beneficiary being first had and obtained shall constitute an Event of Default hereunder and the entire indebtedness secured hereby shall, at the option of Beneficiary, become due and payable forthwith and without notice.

The foregoing notwithstanding, so long as there is no Event of Default hereunder, or in the performance by Grantor of any of the terms, covenants and conditions in the Primary Lease, Beneficiary shall have no right to terminate, cancel, modify, change, supplement, alter or amend the Primary Lease.

6. Subleases. All leases, subleases or licenses, if any, entered into by Grantor with respect to all or any portion of the Trust Estate shall provide that if Beneficiary forecloses under this or any other Deed of Trust encumbering the Trust Estate or enters into a new lease with the landlord under the Primary Lease, whether pursuant to the provisions for a new lease contained in such Primary Lease, in any landlord estoppel agreement executed for the benefit of Beneficiary, or otherwise, the subtenant shall attach to Beneficiary or its assignee and the sublease shall remain in full force and effect in accordance with its terms notwithstanding the termination of such Primary Lease.

7. Prepaid Rents; Security Deposits. Grantor hereby assigns to Beneficiary a security interest in any and all prepaid rents and security deposits and all other security which the landlord under the Primary Lease now or hereafter holds for the performance of Grantor's obligations thereunder.

8. Estoppels. Promptly upon written request by Beneficiary, but not more frequently than once per calendar year, Grantor shall use its best efforts to obtain from the landlords under Primary Lease, and furnish to Beneficiary, an estoppel certificate of such landlords stating the date through which rent has been paid under the applicable lease, whether or not there are any defaults under the Primary Lease, the specific nature of any claimed defaults, and such other matters as may be reasonably requested by Beneficiary.

9. No Waiver. Grantor will not waive, excuse, condone or in any way release or discharge the landlord under the Primary Lease of or from the obligations, covenants and agreements by said landlord to be done and performed.

10. Arbitration; Appraisal and Legal Proceedings. Grantor shall notify Beneficiary of any arbitration, appraisal or legal proceedings involving obligations under the Primary Lease, and Beneficiary may intervene in any such proceeding and be made a party. Grantor shall promptly provide Beneficiary with a copy of any decision rendered in any such proceeding.

11. Default Under or Termination of Primary Lease; Performance by Beneficiary. The occurrence of any default, after the expiration of any notice, grace and cure periods, by Grantor under the Primary Lease, or the termination of the Primary Lease before the expiration of the term thereof for any reason, without the prior written consent of Beneficiary, shall

constitute an Event of Default under the Deed of Trust and under each of the other Loan Documents. For purposes of determining whether a default exists, Beneficiary shall be entitled to rely on, and accept as correct, any notice of default delivered by the lessor under the Primary Lease. Beneficiary may (but shall not be obligated to) take any action Beneficiary deems necessary or desirable to prevent or cure any default by Grantor in the performance of or compliance with any of Grantor's covenants and obligations under the Primary Lease. In such event, the performance by Beneficiary on behalf of Grantor shall not remove or waive, as between Grantor and Beneficiary, the corresponding default under the terms hereof and any amount advanced and any costs incurred in connection therewith, with interest thereon at the Default Interest Rate, shall be repayable by Grantor without demand and shall be secured hereby and any such failure aforesaid shall be subject to all of the rights and remedies of Beneficiary under the Deed of Trust available on account of any Event of Default hereunder.

12. Advances by Beneficiary. To the extent permitted by law, the price payable by Grantor or by any other party so entitled, in the exercise of the right of redemption, if any, from a sale of the Trust Estate under a judicial order or decree of foreclosure of the Deed of Trust shall include all rents paid and other sums advanced by Beneficiary on behalf of Grantor as the tenant under the Primary Lease.

13. Merger. So long as any of the indebtedness secured by the Deed of Trust shall remain unpaid, unless Beneficiary shall otherwise consent in writing, the fee title, if any, to any portion of the Trust Estate (including the Property) and the Leasehold Estate shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates either in the landlord or in the tenant, or in a third party, by purchase or otherwise. Grantor further covenants and agrees that, in case Grantor shall acquire the fee title, or any other estate, title or interest in the Trust Estate (or any portion thereof), the Deed of Trust shall attach to and cover and be a lien upon such other estate so acquired, and such other estate so acquired by Grantor shall be considered as mortgaged, assigned or conveyed to Beneficiary and the lien hereof shall cover such estate with the same force and effect as though specifically herein mortgaged, assigned or conveyed. The provisions of this Section 14 shall not apply in the event the holder of the Note secured hereby acquires the fee title to the Trust Estate except if Beneficiary shall so elect.

14. Rights of Beneficiary. Beneficiary shall have the right at any time during the term of the Primary Lease to:

a. do any act or thing required of Grantor under the Primary Lease that Grantor fails to do, and any act or thing done and performed by Beneficiary shall be as effective to prevent a forfeiture of Grantor's rights under the Primary Lease as if done by Grantor itself; and

b. Upon an Event of Default, realize on the security afforded by the Leasehold Estate and the Trust Estate by exercising foreclosure proceedings or power of sale or other remedy afforded at law or in equity, or under the Deed of Trust, and to:

(i) transfer, convey or assign the title of Grantor in the Primary Lease for the entire estate created by the Primary Lease to any purchaser at any foreclosure sale, whether the foreclosure sale is conducted pursuant to court order or pursuant to the power of sale contained in the Deed of Trust; and

(ii) acquire and succeed to the interest of Grantor under the Primary Lease by virtue of any foreclosure sale, whether the foreclosure sale is conducted pursuant to court order or pursuant to the power of sale contained in the Deed of Trust, or by assignment or deed in lieu of foreclosure.

15. Bankruptcy Code.

a. Attachment to Right to Remain in Possession. The lien of the Deed of Trust shall attach to all of Grantor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, 11 U.S.C. § 365(h), including, without limitation, all of Grantor's rights to remain in possession of the property, estate and interest conveyed under the Deed of Trust.

b. Grantor's Election to Treat Primary Lease as Terminated. Grantor shall not without Beneficiary's prior written consent elect to treat the Primary Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1). Any such election made without Beneficiary's consent shall be void.

c. Assignment of Claim for Damages. Grantor hereby unconditionally assigns, transfers and sets over to Beneficiary all of Grantor's claims and rights to the payment of damages arising from any rejection by the landlord under the Primary Lease (i.e., the fee owner) under the Bankruptcy Code, 11 U.S.C. § 101, *et seq.* Beneficiary shall have the right to proceed in its own name or in the name of Grantor in respect of any claim, suit, action or proceeding relating to the rejection of the Primary Lease, including, without limitation, the right to file and prosecute, to the exclusion of Grantor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the landlord under the Primary Lease under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the indebtedness and obligations secured by the Deed of Trust shall have been satisfied and discharged in full. Any amounts received by Beneficiary as damages arising out of the rejection of the Primary Lease as aforesaid shall be applied first to all costs and expenses of Beneficiary (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this paragraph.

d. Disapproval of Rent Offset. If pursuant to Subsection 365(h)(1)(B) of the Bankruptcy Code, 11 U.S.C. § 365(h)(1)(B), Grantor shall seek to offset against the rent reserved in the Primary Lease the amount of any damages caused by the nonperformance by the landlord under the Primary Lease of any of such landlord's obligations under the Primary Lease after the rejection by such landlord of the Primary Lease under the Bankruptcy Code, Grantor shall, prior to effecting such offset, notify Beneficiary of its intent so to do, setting forth the amounts proposed to be so offset and the basis therefor. Beneficiary shall have the right to object to all or any part of such offset, and, in the event of such objection, Grantor shall not affect any offset of the amounts so objected to by Beneficiary. If Beneficiary shall have failed to object as aforesaid within ten (10) days after notice from Grantor in accordance with the first sentence of this paragraph, Grantor may proceed to effect such offset in the amounts set forth in Grantor's notice. Neither Beneficiary's failure to object as aforesaid nor any objection or other communication between Beneficiary and Grantor relating to such offset shall constitute an

approval of any such offset by Beneficiary. Grantor shall pay and protect Beneficiary, and indemnify and save Beneficiary harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorneys' fees) arising from or relating to any offset by Grantor against the rent reserved in the Primary Lease.

e. Control of Litigation. If any action, proceeding, motion or notice shall be commenced or filed in respect of the landlord under the Primary Lease or the estate, interest or property conveyed by Grantor hereunder in connection with any case under the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, Beneficiary shall have the option, to the exclusion of Grantor, exercisable upon notice from Beneficiary to Grantor, to conduct and control any such litigation with counsel of Beneficiary's choice. Beneficiary may proceed in its own name or in the name of Grantor in connection with any such litigation, and Grantor agrees to execute any and all powers, authorizations, consents or other documents required by Beneficiary in connection therewith. Grantor shall, upon demand, pay to Beneficiary all costs and expenses (including attorneys' fees) paid or incurred by Beneficiary in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Grantor as aforesaid shall be secured by the lien of the Deed of Trust and shall be added to the principal amount of the indebtedness secured hereby. Grantor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Primary Lease in any such case under the Bankruptcy Code without the prior written consent of Beneficiary.

f. Notice of Filing of Petition by or Against the Landlord Under the Primary Lease. Grantor shall, after obtaining knowledge thereof, promptly notify Beneficiary orally of any filing by or against the landlord under the Primary Lease of a petition under the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, by telephonic notice to the location for Beneficiary stated herein for notice. Grantor shall thereafter forthwith give written notice of such filing to Beneficiary setting forth any information available to Grantor as to the date of such filing, the court in which such petition was filed and the relief sought therein. Grantor shall promptly deliver to Beneficiary, following receipt, copies of any and all notices, summonses, pleadings, applications and other documents received by Grantor in connection with any such petition and any proceedings relating thereto.

g. Beneficiary's Assumption of the Primary Lease. If there shall be filed by or against Grantor a petition under the Bankruptcy Code, 11 U.S.C. § 101, *et seq.* and Grantor as lessee under the Primary Lease shall determine to reject the Primary Lease pursuant to Section 365(a) of the Bankruptcy Code, Grantor shall give Beneficiary not less than ten (10) days prior notice of the date on which Grantor shall apply to the Bankruptcy Court for authority to reject the Primary Lease. Beneficiary shall have the right, but not the obligation, to serve upon Grantor within such ten (10) day period a notice stating that (i) Beneficiary demands that Grantor assume and assign the Primary Lease to Beneficiary pursuant to Section 365 of the Bankruptcy Code and (ii) Beneficiary covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Primary Lease. If Beneficiary shall serve upon Grantor the notice described in the preceding sentence, Grantor shall not seek to reject the Primary Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given subject to the performance by Beneficiary of the covenant provided for in clause (ii) in the preceding sentence.

h. Extension of Rejection Period. Effective upon the entry of an order for relief in respect of Grantor under the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*, Grantor hereby assigns and transfers to Beneficiary a nonexclusive right to apply to the Bankruptcy Court under Subsection 365(d) of the Bankruptcy Code for an order extending the period during which the Primary Lease may be rejected or assumed.

16. Bankruptcy Code Defined. As used in the Loan Documents (i) any reference to the “**Bankruptcy Code**” shall be a reference to Title 11 of the United States Code, as the same may be amended from time to time or any successor statute, and (ii) any reference to a specific section of Title 11 of the United States Code shall be a reference to such section, as the same may be amended from time to time or any successor statute.

17. Grant of Security Interest. As additional security for the Obligations, Grantor hereby grants to Beneficiary a security interest in all of Grantor’s rights and remedies at any time arising under or pursuant to Section 365(h) of Title 11 of the Bankruptcy Code, or under or pursuant to any other provision of the Bankruptcy Code, including, without limitation, all of Grantor’s rights to remain in possession of any portion of the Trust Estate that is subject to a Primary Lease.

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APPENDIX I
FORM OF THE GUARANTY
(attached)

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GUARANTY AGREEMENT AND INDEMNITY

In order to induce City of Rifle, Colorado, a home-rule city and municipal corporation of the State of Colorado (with its successors and assigns, the “Lender”) to make a loan to Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (in such capacity with its successors and assigns, the “Borrower”), the undersigned, Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (in such capacity, the “Guarantor”), whose address is 53 Calaway Court, Glenwood Springs, CO 81601, hereby agrees with Lender as follows effective as of April [], 2025:

1. Guaranty. Guarantor acknowledges that Guarantor will substantially benefit from the making of the loan from the Lender to Borrower evidenced by the Note (as defined below). For this and other valuable consideration, the Guarantor hereby unconditionally and irrevocably guarantees the full performance and punctual payment when due, whether at stated maturity, by acceleration or otherwise, of each and all of the indebtedness, obligations and liabilities of the Borrower under the promissory note dated April [], 2025, executed by Borrower to the Lender in the principal amount of [] and 00/100 Dollars (\$[_,000,000.00]) (the “Note”), the Loan Agreement executed by Borrower of even date herewith (the “Loan Agreement”) and the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) encumbering the real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Property”), relating to such indebtedness (the Note, Loan Agreement, Deed of Trust and all other documents executed by Borrower in connection therewith being hereinafter referred to as the “Loan Documents”), including, without limitation, principal, interest, fees, expenses, and advances by the Lender pursuant to any of the Loan Documents (all such indebtedness, obligations and liabilities being the “Obligations”), together with any and all expenses, including but not limited to reasonable attorneys’ fees, which may be paid or incurred by the Lender in collecting any or all of the Obligations and/or in enforcing any rights hereunder.

2. Obligations Paid and Performed in Accordance with Terms Thereof. The Guarantor guarantees that the Obligations will be paid and performed strictly in accordance with the terms and provisions of the Loan Documents, regardless of any law, regulation or decree now or hereafter in effect in any jurisdiction which might in any manner affect any of such terms or provisions or the rights of the Lender with respect thereto, or which might cause or permit to be invoked any alteration in the time, amount or manner of payment or performance by the Borrower of any of the Obligations.

3. Enforceability of Guaranty. The Lender, in its sole discretion, may proceed to exercise any right or remedy which the Lender may have under this guaranty (this “Guaranty”) without pursuing or exhausting any right or remedy which it may have against the Borrower or any other person or entity or which it may have with respect to the collateral for any or all of the Obligations (“Collateral”); and the Lender may proceed to exercise any right or remedy which the Lender may have under this Guaranty without regard to any actions or omissions of the Borrower or any other person or entity.

4. Guaranty Absolute. The obligations of the Guarantor hereunder shall be absolute and unconditional irrespective of the validity, legality or enforceability of any of the Loan Documents, or the existence, value or condition of the Collateral, or any other circumstances which might otherwise

constitute a legal or equitable discharge of a surety or guarantor, it being agreed that the obligations of the Guarantor hereunder shall not be discharged except by payment as herein provided.

5. Guaranty Not Affected. Without limiting the generality of Section 4, the Guarantor hereby consents and agrees that, at any time and from time to time:

(a) the time, manner, place and/or terms of payment or performance of all or any of the Obligations may be extended or changed;

(b) any or all of the Collateral for any or all of the Obligations may be exchanged, released, surrendered, and/or otherwise disposed of;

(c) any action may be taken under or in respect of any of the Loan Documents and any guaranty agreements in the exercise of any remedy, power or privilege therein contained (including, without limitation, the acceleration of the maturity of the Note) or otherwise with respect thereto, or such remedy, power or privilege may be waived, omitted, or not enforced;

(d) the time for the Borrower’s performance of or compliance with any term, covenant or agreement on its part to be performed or observed under any of the Loan Documents may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to;

(e) any of the Loan Documents, or any terms thereof, may be amended or modified in any respect (including, without limitation, with respect to interest on the Note); and

(f) the liability of the Borrower or any other party to pay any and all of the Obligations may be settled, compromised, waived or released and payment of any and all of the Obligations may be subordinated to the prior payment of any other debts or claims of the Borrower;

all in such manner and upon such terms as the Lender deems proper, and without notice to or further assent from the Guarantor, and all without affecting this Guaranty or the obligations of the Guarantor hereunder, which shall continue in full force and effect until all of the Obligations and all obligations of the Guarantor hereunder shall have been fully paid and performed.

6. Waiver. The Guarantor hereby waives notice of acceptance of this Guaranty, presentment, demand, protest, notice of the occurrence of an Event of Default and any other notice of any kind whatsoever, with respect to any or all of the Obligations, and promptness in making any claim or demand hereunder. The Guarantor retains the right to assert any defenses available under applicable law that are not expressly waived herein, including defenses arising from fraud, bad faith, material misrepresentation, gross negligence, or misconduct by the Lender.

7. IN CONSIDERATION OF LENDER MAKING THE LOAN TO BORROWER, GUARANTOR HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATED TO THIS GUARANTY OR ANY OF THE LOAN DOCUMENTS, OR ANY ACTION TAKEN BY LENDER IN CONNECTION THEREWITH. Guarantor acknowledges that Guarantor has reviewed and discussed the Loan Documents with Guarantor’s legal counsel and understands the

provisions thereof, including specifically, but without limitation, this waiver of jury trial. Guarantor acknowledges that Guarantor has exercised independent judgment in executing this Guaranty and is acting upon Guarantor's own free will, without duress, coercion or compulsion of any nature whatsoever.

8. Reinstatement. This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower, or otherwise, all as though such payment had not been made.

9. Subrogation. The Guarantor will not exercise any rights which it may have acquired by way of subrogation under the Guaranty, by any payment made hereunder or otherwise, unless and until all of the Obligations shall have been paid and performed in full, and if any payment shall be made to the Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid and performed in full, each and every amount so paid will forthwith be paid to the Lender to be credited and applied upon any of the Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

10. No Waiver; Amendments. No failure or delay on the part of the Lender in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No amendment, modification, termination, or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice or demand in similar or other circumstances.

11. Continuing Guaranty; Miscellaneous Provisions. The Guarantor hereby represents and agrees that this is a continuing guaranty and (a) shall remain in full force and effect until payment and performance in full of the Obligations and any and all expenses which might be incurred by the Lender in collecting any or all of the Obligations and/or in enforcing any rights hereunder; (b) shall be governed by, and construed in accordance with, the laws of the State of Colorado; (c) shall be binding upon the Guarantor, its successors and assigns; and (d) shall inure to the benefit of and be enforceable by the Lender, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (d), the Lender may assign or otherwise transfer the Note held by it to any other person or entity, in whole or in part, and such subsequent holder of such Note or the owner of an interest therein, including the Trustee, shall thereupon become vested with all the powers and rights in respect thereof granted to the Lender herein or otherwise.

12. Representations and Warranties of Guarantor. The Guarantor represents and warrants to the Lender as of the date hereof as follows:

(a) The following named persons are, on and as of the date of this Guaranty, the principal officers of the Guarantor:

Gail Schwartz	Chief Executive Officer
Kristen Wilmes	Executive Director
Sheryl Bower	Chief Operating Officer

(b) The Guarantor has been duly incorporated, validly exists and is in good standing as a nonprofit corporation under the laws of the State of Colorado, with power and authority to own its properties and conduct its business and is lawfully qualified to do business in each jurisdiction where the ownership of its property requires such qualification.

(c) There are no overdue taxes, assessments, fees or other governmental charges payable by the Guarantor to the United States or the State of Colorado or, to the Guarantor's knowledge after due investigation, to any other state or municipality.

(d) There were presented to the Board of Directors of the Guarantor copies of this Guaranty and the Loan Documents. A resolution was duly adopted by the Board of Directors of the Guarantor by action by consent in lieu of a meeting approving this Guaranty and the execution hereof by the undersigned, which resolution has not been amended or repealed and is in full force and effect on and as of the date of this Guaranty in accordance with its terms.

(e) The Guarantor has the full power and authority to execute, deliver and perform this Guaranty, in substantially the form as the same was presented to, approved and authorized to be executed by, the Guarantor; the execution, delivery and performance of which has been duly authorized by all necessary action by the Guarantor; and no authority for the execution, delivery or performance of this Guaranty has been repealed, revoked or rescinded to and including the date of this Guaranty.

(f) The execution, delivery and performance of and compliance with this Guaranty, does not and will not (i) conflict with, violate or result in a breach of any of the terms or the provisions of, or constitute a default under any existing rule, regulation, ordinance, writ or injunction, or the Guarantor's Articles of Incorporation or Bylaws, (ii) require consent under (which has not heretofore been received), or result in a breach or default of, any credit agreement, indenture, purchase agreement, mortgage, deed of trust, commitment, guaranty, agreement or any other instrument to which the Guarantor is a party or by which the Guarantor may be bound or affected or (iii) conflict with or violate any existing law, rule, regulation, judgment, order or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Guarantor or any of its properties.

(g) The form and substance of the Loan Documents were reviewed and duly approved by the Guarantor.

(h) There is neither any action, litigation, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending, or, to the best of our knowledge after due investigation, threatened against or affecting the Guarantor, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the validity or the enforceability of this Guaranty, or which would have a materially adverse effect on the business, prospects or condition (financial or otherwise) of the Guarantor.

13. Termination by Guarantor. In the event that, notwithstanding the irrevocable nature of this Guaranty, Guarantor notifies the Lender of the revocation hereof, such revocation, if deemed by a court of competent jurisdiction to be effective, shall not be effective as to, and Guarantor shall nevertheless remain liable on this Guaranty with respect to, (i) the Obligations of the Borrower to the Lender in existence at the time of the Lender's receipt of such notice of revocation, (ii) any Obligations arising from future advances to the Borrower which the Lender is, at the time of receipt of such notice of revocation, obligated to make to the Borrower, and (iii) any amendments, modifications, renewals, extensions of, or other liabilities arising out of any such Obligations as described in (i) or (ii) whether occurring before or after the Lender's receipt of such notice of revocation. Any such revocation by one or more of any other guarantors of the Loan, if any, shall not affect the liability of the Guarantor as to any future transactions or Obligations of the Borrower to the Lender, even though not included within the type of Obligations described in (i), (ii) or (iii) above, but this Guaranty shall in all respects remain in force and effect as to such Obligations and transactions. Such notice of revocation by Guarantor shall not affect or impair the obligations of the Guarantor with respect to any interest on any Obligations of the type described in (i), (ii) or (iii) above, or any expenses incurred by the Lender in endeavoring to collect such Obligations, protecting the collateral therefor, or in enforcing this Guaranty against the Guarantor. Guarantor waives notice of any revocation given to the Lender by any other guarantor of the Loan. Any notice provided to Lender under this Guaranty shall also be simultaneously provided to the Trustee at the notice address provided in the Indenture.

14. Termination upon Full Repayment. This Guaranty shall automatically terminate and be of no further force or effect upon full and final satisfaction of the obligations under the Loan Documents, including indemnity obligations. Upon such termination, the Lender shall promptly execute and deliver to the Guarantor any necessary release or termination documentation to confirm the discharge of the Guaranty.

15. Enforcement Expenses. In addition to the obligations of the Borrower guaranteed hereunder, the Guarantor will pay or reimburse the Lender and any assignee of Lender, including the Trustee, for all costs, expenses and attorneys' fees incurred or paid by Lender or any assignee of Lender, including the Trustee, in endeavoring to enforce this Guaranty or collect any sum due hereunder.

16. Environmental Indemnity. Guarantor shall protect, indemnify and hold harmless Lender, its directors, officers, administrators, employees, agents, contractors, attorneys, successors, and assigns from and against any and all loss, damage, cost, liability or expense whether direct or consequential (including reasonable attorney's fees and costs incurred in the investigation of the status of the Property; and in the investigation, defense, settlement of claims, or otherwise incurred) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Property. As used herein the term Hazardous Substance shall have the meaning ascribed thereto in the Deed of Trust.

17. Third Party Beneficiary. Guarantor agrees that this Guaranty has been assigned to U.S. Bank Trust Company, National Association as trustee (the "Trustee") under that certain Indenture of Trust between the Lender and the Trustee, dated as of even date herewith, and the Trustee is a third party beneficiary of the covenants and agreements of Guarantor contained in this Guaranty. Guarantor

agrees that it will perform covenants and agreements contained in this Guaranty which relate to the Trustee as if such covenants and agreements had been made directly between Guarantor and Trustee.

18. Choice of Law; Jurisdiction and Venue. This Guaranty is made and dated as of the date above written and is to be governed by and construed according to the laws of the State of Colorado. Guarantor consents to the personal jurisdiction of the state and federal courts located in the State of Colorado in connection with any controversy related to this Guaranty, waives any argument that venue in any such forum is not convenient and agrees that venue for any litigation in connection with this Guaranty shall be in the District Court of the City and County of Denver, Colorado.

IN WITNESS WHEREOF this instrument is executed effective as of the date first written above.

Habitat for Humanity of the Roaring Fork Valley, Inc.,
a Colorado Nonprofit corporation

[to be added]

By: _____
Gail Schwartz, President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of April, 2025, by Gail Schwartz as President of Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation.

My commission expires: _____
(S E A L)

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

APPENDIX J
FORM OF BOND COUNSEL OPINION
(attached)

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[Closing Date]

City of Rifle, Colorado
202 Railroad Avenue
Rifle, Colorado 81650

D.A. Davidson & Co.
Denver, Colorado

U.S. Bank Trust Company, National Association
Denver, Colorado

City of Rifle, Colorado
Revenue Bonds
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
Series 2025A and Taxable Series 2025B

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Rifle, Colorado (the “Issuer”) in connection with the issuance of its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the “Series 2025A Bonds”), and its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”). The Series 2025 Bonds are issuable as fully registered bonds, without coupons, dated as of their date of issuance and in denominations of \$100,000 or any multiple of \$5,000 in excess of \$100,000.

The Series 2025 Bonds are being issued pursuant and in accordance with the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “Act”) and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the “Supplemental Act”), and a resolution adopted by the Issuer on January 15, 2025, and the terms and provisions of an Indenture of Trust, dated as of April 1, 2025 (the “Indenture”), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Issuer will lend the proceeds of the Series 2025 Bonds to Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the “Borrower”), pursuant to a Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), by and between the Issuer and the Borrower. We have examined the Issuer’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to issue this opinion letter. Except as otherwise expressly defined herein, capitalized terms used herein have the meanings ascribed to such terms in the Indenture.

The Series 2025 Bonds are dated, mature on the respective dates and bear interest at the rates as proved in the Indenture. The Series 2025 Bonds are subject to redemption prior to maturity in the manner and upon the terms set forth in the Indenture.

The proceeds of the Series 2025 Bonds will be used to (i) fund the acquisition, construction, equipping and installation of an approximately 66,000 square foot modular housing manufacturing facility to be located within the boundaries of the Issuer on approximately 10.5 acres leased by the Issuer to the Borrower pursuant to a ground lease; (ii) fund a required debt service reserve fund for the Series 2025A

Bonds; (iii) pay certain capitalized interest on the Series 2025 Bonds; and (iv) pay costs of issuance of the Series 2025 Bonds.

Regarding questions of fact material to our opinion, we have relied upon the Issuer's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigations.

Based upon such examination, it is our opinion as Bond Counsel that:

1. The Issuer is a municipal corporation and political subdivision of the State of Colorado (the "State"), validly organized and existing under the Constitution and laws of the State. Pursuant to the Act and the Supplemental Act, the Issuer is empowered to issue the Series 2025 Bonds and to loan the proceeds thereof to the Borrower for the purposes set forth above and to assign and pledge to the Trustee the amount payable by the Borrower under the Loan Agreement (other than certain indemnification rights and certain fees and expenses of the Issuer), from which the Series 2025 Bonds are payable.
2. The Series 2025 Bonds have been validly authorized, executed and issued in accordance with the laws of the State now in force and represent valid and binding special, limited obligations of the Issuer enforceable in accordance with their terms and are entitled to the benefit and security of the Indenture. The principal of and interest on the Series 2025 Bonds are payable solely from, and secured by an assignment and pledge by the Issuer to the Trustee of, the amounts to be received by the Issuer pursuant to the Loan Agreement (other than certain indemnification rights and certain fees and expenses of the Issuer). The Series 2025 Bonds and the interest thereon shall never constitute the debt or indebtedness of the State within the meaning of any provisions of the Constitution and statutes of the State, and shall never constitute a charge against the general credit of the Issuer, the Series 2025 Bonds being payable solely from the source described above. The Series 2025 Bonds shall not constitute a "multiple fiscal year direct or indirect debt or other financial obligation" of the Issuer under Article X, Section 20 of the Constitution of the State.
3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid and legally binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.
4. The interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes, and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph assumes compliance with requirements of the Code that must be met subsequent to the issuance of the Series 2025A Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Borrower have certified, represented and covenanted their compliance with such requirements. Failure to comply with certain of such requirements could cause the interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes, or could otherwise adversely affect such opinion, retroactive to the date of issuance of the Series 2025A Bonds. In addition, in rendering those opinions with respect to the treatment of the interest on the Series 2025A Bonds under the federal tax laws, we also further assume the correctness, of and rely on the opinion of Fennemore Craig, P.C., counsel to the Borrower, regarding the current qualification of the Borrower as an organization described in Section 501(c)(3) of the Code and the use of the facilities

financed with the Series 2025A Bonds in activities that are not considered "unrelated trade or business" activities of the Borrower, as defined in Section 513(a) of the Code, which opinion is subject to a number of qualifications and limitations. Failure of the Borrower to maintain its qualification as an organization described in Section 501(c)(3) of the Code, or to use the facilities financed by the Series 2025A Bonds in a manner that is substantially related to the Borrower's exempt purpose under Section 513(a) of the Code, may cause interest on the Series 2025A Bonds to be included in gross income retroactively to the date of issuance of the Series 2025A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds.

5. Interest on the Series 2025 Bonds is not subject to income taxation by the State.

It is to be understood that the rights of the owners of the Series 2025 Bonds and the enforceability of the documents described above may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and may also be subject to and limited by the exercise of judicial discretion, procedural and other defenses based on particular factual circumstances and equitable principles in appropriate cases, to the reasonable exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State, and to the exercise by the United States of powers delegated to it by the United States Constitution.

We are passing in this opinion only upon those matters set forth herein and are not passing in this opinion upon the accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Series 2025 Bonds or any other matter.

This opinion letter is issued as of the date hereof, and we assume no obligation to (i) monitor or advise you or any other person of any changes in the foregoing subsequent to the date hereof; (ii) update, revise, supplement or withdraw this opinion to reflect any facts or circumstances that may hereafter come to our attention, or changes in law, regulation or governmental agency guidance, or the interpretation of any of the foregoing, that may hereafter occur, or for any other reason whatsoever; or (iii) review any legal matters incident to the authorization, issuance and validity of the Series 2025 Bonds or the federal or State tax treatment of the Series 2025 Bonds.

This opinion letter has been prepared solely for your use in connection with the issuance of the Series 2025 Bonds, and should not be quoted in whole or in part or otherwise referred to, and should not be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

Respectfully submitted,

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APPENDIX K
FORM OF THE CONTINUING DISCLOSURE AGREEMENT
(attached)

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “**Agreement**”) dated as of [____], 2025, between Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the “**Borrower**”) and U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the “**Dissemination Agent**”) in connection with the issuance by the City of Rifle (the “**Issuer**”) of its \$[____] aggregate principal amount Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the “**Series 2025A Bonds**”), and its \$[____] aggregate principal amount Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “**Series 2025B Bonds**” and, together with the Series 2025A Bonds, the “**Bonds**”).

The Bonds are being issued by the Issuer pursuant to (i) a resolution adopted by the Issuer on January 15, 2025, and (ii) an Indenture of Trust dated as of March 1, 2025 (the “**Indenture**”) between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). The proceeds of the sale of the Bonds will be loaned to the Borrower pursuant to the Loan Agreement dated as of April 1, 2025 (the “**Loan Agreement**”) between the Issuer and the Borrower, in order to finance (i) the acquisition, construction, equipping and installation of a 66,000 square foot modular housing manufacturing facility (the “**Production Plant**”) located on 10.5 acres leased by the Issuer to the Borrower within the boundaries of the Issuer; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Series 2025A Bonds; and (iv) the payment of the costs of issuance of the Bonds (collectively, the “**Project**”).

1. **Purpose of the Agreement.** This Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the beneficial owners of the Bonds (the “**Beneficial Owners**”) and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

2. **Definitions.** The words and terms defined in this Agreement shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Indenture, the Loan Agreement or the Limited Offering Memorandum.

(a) “**Beneficial Owner**,” “**Bondholder**,” “**Holder**,” “**Owner**” or “**Registered Owner**” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the Holders of beneficial interests in the Bonds.

(b) “**Financial Obligation**” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(c) “**EMMA**” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

(d) “**Fiscal Year**” means any period of 12 consecutive months adopted by the Borrower as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

(e) “**GAAP**” means generally accepted accounting principles.

(f) “**Limited Offering Memorandum**” means the Limited Offering Memorandum dated [____], 2025, relating to the Bonds.

(g) “**Listed Events**” means any of the events listed in Section 7 of this Agreement.

(h) “**MSRB**” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

(i) “**Participating Underwriter**” means the original underwriter(s) of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

(j) “**Report**” has the meaning assigned to it in Section 4 hereof.

(k) “**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect on the date of this Agreement.

3. **Provision of Information by the Borrower**. The Borrower shall submit to the Dissemination Agent all of the following information:

(a) within 120 days after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2025, the basic financial statements of the Borrower prepared by the Borrower’s accountant, including the balance sheet, income (loss) statement, and the statement of cash flows of the Borrower and, shown separately therein, for the Facility, for the Fiscal Year then ended, which basic financial statements shall be accompanied by an Audit Report. Such annual audited financial statements described in this paragraph (a) shall be prepared in accordance with GAAP applied on a consistent basis and shall be accompanied by (i) a certificate of the Borrower to the effect that the Borrower is not in default under any provisions of the Loan Agreement and has fully complied with all of the provisions thereof, or if the Borrower is in default or has failed to so comply, setting forth the nature of the default or failure to comply and (ii), beginning with the Fiscal Year ending June 30, 2028, a certificate of the accountant reporting on the Borrower’s financial statements stating the Fixed Charges Coverage Ratio of the Borrower for such Fiscal Year;

(b) within 45 days of each fiscal quarter ending March 31, June 30, September 30 and December 31, beginning with the first fiscal quarter following the first six (6) months after the Substantial Completion of the Facility, the internal unaudited income (loss) statement and statement of cash flows of the Borrower for such fiscal quarter, together with (i) statistics showing

the number of units constructed in the Project ordered and completed in such fiscal quarter, (ii) the Fixed Charges Coverage Ratio for such quarter, and (iii) a calculation of Net Revenues Available for Fixed Charges;

(c) when any Event of Default under the Indenture or the Loan Agreement has occurred and is continuing, within no more than thirty (30) days after becoming aware of such Event of Default, a written notice signed by the Authorized Borrower Representative specifying such Event of Default, its status and what actions the Borrower proposes to take with respect thereto (*provided*, that no such notice shall be required if such Event of Default is cured prior to the expiration of such thirty (30) day period);

(d) by the 30th day of each month until the end of the month in which the Substantial Completion of the Facility (as defined in the Loan Agreement) occurs, commencing in May 2025, monthly construction reports regarding expenditures relative to the budget for the Project, including explanations for deviations from the budget, construction milestones set forth in the GMP Contract with the Contractor, the estimated date of Substantial Completion and the receipt of the certificate of occupancy for the Facility, the monthly estimate of the amount necessary, in its reasonable discretion, to pay for all costs of the development, design, acquisition, construction and equipping, and commencing operation of the Project which have not yet been paid, which monthly construction report may be satisfied by submitting the construction monitor report, and representative photographs of construction status at the Project's site;

(e) annually, no later than 60 days prior to the first day of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2026, a copy of the Annual Budget (as defined in, and complying with the requirements specified in such definition, in the Loan Agreement) of anticipated Gross Revenues and Operating Expenses (each as defined in the Loan Agreement) for the succeeding Fiscal Year; and

(f) annually, no later than 10 days following receipt from the Trustee, a copy of the calculation of the Trustee of the amount of interest accrued and payable for the applicable Fiscal Year based on the principal which remains outstanding on the Series 2025C Bonds as of July 1 of such Fiscal Year.

4. **Provision of Information to the MSRB; Means of Transmitting Information.** Within 10 days after receipt of each document delivered by the Borrower pursuant to Section 3 (the "**Report**"), the Dissemination Agent shall provide such Report to the MSRB. Each Report may be submitted as a single document or as separate documents comprising a package.

Subject to technical and economic feasibility, the Borrower shall employ such methods of information transmission as the Dissemination Agent shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

6. **Failure to File Reports.** If the Borrower fails to provide to the Dissemination Agent any Report (except for a notice of default described in Section 3(c)) by the applicable due date, the Dissemination Agent shall file or cause to be filed a notice in substantially the form attached as Exhibit A hereto with the MSRB.

7. **Material Events.**

(a) At any time the Bonds are outstanding, in a timely manner not in excess of ten (10) business days after the occurrence of a Listed Event, the Borrower shall provide or cause to be provided to the MSRB notice of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar proceedings of the Borrower*;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect holders of Bonds, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

8. **Termination of Reporting Obligation.** The obligations under this Agreement will terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

9. **Additional Information.** Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication in addition to that which is required by this Agreement.

10. **Quarterly Investor Calls.** The Borrower shall hold a quarterly investor call on or before the 30th day following the end of each fiscal quarter, beginning with the fiscal quarter ending June 30, 2025 to discuss the information provided above and to discuss the general status of the Project. Such obligation shall continue until the Fixed Charges Coverage Ratio, as shown in the certificate provided pursuant to Section 3(a) above, has been not less than 1.20 for two (2) consecutive fiscal years, following which the Borrower agrees to hold an investor call upon the written request of the Majority Holder. The Borrower shall submit to the Dissemination Agent for submission to EMMA a notice for such investor calls, including the date and time of the call and directions on how to obtain access information for such call, which shall be posted by the Dissemination Agent on EMMA no less than five (5) days prior to the date of the investor call. Within five (5) days following each investor call, the Borrower shall provide the Dissemination

* For the purposes of the event identified in paragraph (7)(a)(xii) hereof, the event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

Agent with a link to the recording of each call, which the Dissemination Agent shall post on EMMA.

11. **Beneficiaries.** This Agreement shall inure solely to the benefit of the Beneficial Owners and shall create no rights in any other person or entity.

12. **Dissemination Agent.** The Borrower may discharge the Dissemination Agent, with or without appointing a successor dissemination agent. The Dissemination Agent shall have no obligation to disclose information about the Bonds except as expressly provided herein. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower, apart from the relationship created hereby shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Borrower. The Borrower shall indemnify and hold harmless the Dissemination Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including reasonable attorney fees and expenses) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Agreement; provided that the Borrower shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. Nothing in this Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the Borrower for response. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Borrower, the Bondholders or any other party. The Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a force majeure event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible. The Borrower shall pay or reimburse the Dissemination Agent for its fees and expenses, including attorneys' fees and expenses, for the Dissemination Agent's services rendered in accordance with this Agreement as provided in the Loan Agreement and the Indenture, in an amount to be agreed upon from time to time hereunder. No provision of this Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

13. **Notices.** Any notices or communications shall be given as follows:

Dissemination Agent:

U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202
Attn: Jennifer Petrino
Ph: (303) 585-4530
Email: jennifer.petrino@usbank.com

Borrower:

Habitat for Humanity of the Roaring Fork Valley, Inc.
53 Calaway Court
Glenwood Springs, Colorado 81601
Attn: Kristen Wilmes, Chief Financial Officer
Ph: (970) 309-1411
Email: kristenw@habitatroaringfork.org

The Borrower and the Dissemination Agent may, by written notice to the other party, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

14. **Amendment.** Notwithstanding any other provision of this Agreement, this Agreement may only be amended by the parties hereto and with the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

15. **Default.** Any failure by the Borrower to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture and Loan Agreement upon the occurrence of an Event of Default, shall not apply to any such failure. If the Borrower fails to comply with this Agreement, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to comply with its obligations hereunder.

16. **Severability.** If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

17. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

18. **Electronic Transactions and Execution.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that any individual or individuals who are authorized to execute or consent to this Agreement, any Report, or any notice on behalf of the Borrower or the Trustee, as applicable, are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to the foregoing list of documents shall carry the full legal force and effect of any original, handwritten signature.

19. **Assignment.** The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

20. **Counterparts.** The Agreement may be executed on counterpart signature pages.

**HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.,**
a Colorado nonprofit corporation

By: _____
Gail Schwartz
Chief Executive Officer

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Dissemination Agent**

By: _____

Name: Jennifer Petrino

Title: Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE REPORT

Name of Issuer: City of Rifle, Colorado (the “**Issuer**”)

Bond Issue: City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the “**Series 2025A Bonds**”) in the aggregate amount of \$[____]; and

City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “**Series 2025B Bonds**” and, together with the Series 2025A Bonds, the “**Bonds**”) in the aggregate amount of \$[____].

CUSIP: _____

Date of Issuance: [____], 2025

NOTICE IS HEREBY GIVEN that the Borrower has not provided the following information required to be provided to the Dissemination Agent pursuant to Section 3[a],[b],[d],[e],[f] of the Continuing Disclosure Agreement dated as of [____], 2025, between the Borrower and the Dissemination Agent with respect to the above-named Bonds:

[_____]

The Borrower anticipate(s) that the above-referenced information will be filed by _____, 20__.

Dated: _____, 20__.

U.S. Bank Trust Company, National Association,
as Dissemination Agent

By: _____
Authorized Officer

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APPENDIX L

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s book-entry-only system has been obtained from DTC, and the Borrower and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2025 Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2025 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and dtc.org.

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book entry-system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025 Bond documents. For example, Beneficial Owners of the Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borrower as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borrower or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or Borrower, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borrower or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2025 Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2025 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2025 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Borrower or the Trustee. Under such circumstances,

in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Borrower may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system that has been obtained from sources that the Borrower believes to be reliable, but the Borrower takes no responsibility for the accuracy thereof.

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APPENDIX M
FORM OF INVESTOR LETTER
(attached)

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FORM OF INVESTOR LETTER

Date: _____

City of Rifle
202 Railroad Avenue
Rifle, Colorado 81650

U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202

D.A. Davidson & Co.
1550 Market St. #300
Denver, CO 80202

Re: [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A] [AND/OR] [City of Rifle Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B] (the "Bonds")

Ladies and Gentlemen:

The undersigned on behalf of [] [being the initial purchaser] [OR] [not on its own behalf but in its capacity as investment advisor to the [Name(s) of Fund(s)] identified opposite its signature hereto] as purchaser of that portion of the above-captioned Bonds as set forth opposite its signature hereto (the "Purchaser"), in connection with the purchase of the Bonds by the Purchaser, hereby makes the following representations and warranties upon which you are authorized to rely.

Capitalized terms used herein shall have the meanings given to them in the Indenture of Trust dated as of April 1, 2025 (the "Indenture"), between the City of Rifle, Colorado (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), or the Loan Agreement dated as of April 1, 2025 (the "Loan Agreement"), between the Issuer and Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), each relating to the Bonds.

The Purchaser states that: (a) it is (i) an Accredited Investor as defined in Rules 215 and 501(a) of Regulation D, promulgated under the Securities Act of 1933, as amended (the "1933 Act"); or (ii) a Qualified Institutional Buyer as defined in Rule 144A under the Securities Act.

The Purchaser understands that the Bonds have not been registered under the 1933 Act, or the securities laws of any state, and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser as set forth herein.

The Purchaser has sufficient knowledge and experience in financial and business matters in general, including the purchase and ownership of taxable or tax-exempt obligations such as the Bonds in particular, and is capable of evaluating the merits and risks involved in its purchase of the Bonds. The Purchaser is able to bear the economic risk of, and an entire loss of, its investment in the Bonds and understands that it may be required to bear the risks of an investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.

The Purchaser acknowledges that it has been provided a copy of the Preliminary Limited Offering Memorandum dated [___], 2025 as supplemented on _____, 2025 (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated [the date of sale] with respect to the Bonds (the "Limited Offering Memorandum"), and that it has either been supplied with or been given access to information which it deemed significant in making its investment decision, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Project, the Borrower, the Indenture, the Loan Agreement, the Ground Lease, the Guaranty, the Mortgage, the Line of Credit, the Bonds and the security therefor so that the Purchaser has been able to make its decision to purchase the Bonds.

The Purchaser understands that the Bonds involve a high degree of risk. The Purchaser has obtained all information requested by it in connection with the issuance of the Bonds as it regards necessary to evaluate all merits and risks of its investment in the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture and the Loan Agreement.

THE PURCHASER ACKNOWLEDGES THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PROVIDED IN THE TRUST ESTATE UNDER THE INDENTURE (CONSISTING PRIMARILY OF THE LOAN PAYMENTS TO BE MADE BY THE BORROWER UNDER THE LOAN AGREEMENT), AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONEYS OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF PRINCIPAL OF, AND INTEREST, ON THE BONDS

The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Issuer, the State of Colorado or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Colorado or any political subdivision thereof; that no right will exist to have taxes levied by the State of Colorado or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Issuer with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Issuer or the Trustee relating to the legal consequences or other aspects of its investment in the Bonds, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Indenture or the Loan Agreement or the adequacy of the funds pledged to the Trustee to secure repayment of the Bonds.

The Purchaser acknowledges and understands that the Bonds (i) are not registered under the 1933 Act and that the Indenture has not been registered under the Trust Indenture Act of 1939 and that such registration is not legally required as of the date hereof; (ii) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction; (iii) will not be listed on any stock or other securities exchange; (iv) will carry no rating from any rating service; and (v) may not be readily marketable.

Neither the Trustee, Bond Counsel, the Issuer, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its financial condition or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. Except for the information contained under the captions "INTRODUCTION—The Issuer," "THE ISSUER" and "ABSENCE OF MATERIAL

LITIGATION—The Issuer" in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, no written information has been provided by the Issuer to the Purchaser with respect to the Bonds.

The Purchaser is purchasing the Bonds solely for its own account (or an account of an affiliate or funds on behalf of whom it acts as a registered investment advisor) for investment purposes and has no present intention to resell or distribute all or any portion of, or interest in, the Bonds other than to an affiliate of the Purchaser (in which case the Purchaser is executing this Investor Letter on behalf of the affiliate as well as itself); provided that the Purchaser reserves the right to transfer or dispose of the Bonds at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 1 and 12 of this letter.

The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) in Authorized Denominations, and then only to another Qualified Institutional Buyer or Accredited Investor (as defined in paragraph 1 of this letter) and in accordance with (i) an applicable exemption from the registration requirements of Section 5 of the 1933 Act; (ii) any applicable state securities laws; and (iii) the transfer restrictions set forth in the Indenture.

No party other than the addressees hereto is entitled to rely on the representations and acknowledgments contained in this letter. Without limiting the generality of the foregoing, nothing in this letter will be deemed to relieve any party of its obligations under any federal or state securities laws.

The signatory hereof is a duly appointed, qualified and acting representative of the Purchaser with the authority to make the representations and acknowledgments contained herein on behalf of the Purchaser, and is authorized to execute and deliver this letter on behalf of the Purchaser.

\$ _____
Par Amount of the Bonds purchased

[NAME OF PURCHASER][, not on its own
behalf but in its capacity as investment advisor to
the [INSERT NAME[S] OF FUND(S) ABOVE
SIGNATURE LINE]

By: _____
Name: _____
Title: _____

[Signature Page to Investor Letter]



CITY OF RIFLE, COLORADO
REVENUE BONDS
**(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)**
SERIES 2025A AND TAXABLE SERIES 2025B
BOND PURCHASE AGREEMENT

May [], 2025

City of Rifle
202 Railroad Ave.
Rifle, Colorado 81650

Habitat for Humanity of the Roaring Fork
Valley, Inc.
53 Calaway Ct.
Glenwood Springs, Colorado 81601

Ladies and Gentlemen:

The undersigned, on behalf of D.A. Davidson & Co. (the “**Underwriter**”) hereby offers to enter into this Bond Purchase Agreement (this “**Bond Purchase Agreement**”) with the City of Rifle, Colorado (the “**Issuer**”), and Habitat for Humanity of the Roaring Fork Valley, Inc. (the “**Borrower**”), which, upon the execution hereof by the Issuer, the Borrower, and the Underwriter, will become a binding agreement among the Issuer, the Borrower, and the Underwriter. This offer may be accepted by the Borrower by its execution hereof on or before 5:00 p.m., Denver, Colorado time, on May [], 2025. This offer may be accepted by the Issuer by the execution of this Bond Purchase Agreement by its Mayor in accordance with the parameters of the bond ordinance adopted by the governing body of the Issuer on May 7, 2025 (the “**Bond Ordinance**”) pursuant to which the Issuer delegated authority to the Mayor to approve the final principal amount, maturity dates, interest rates, mandatory sinking fund redemption amounts and redemption dates for the bonds, all within the parameters set forth in the Bond Ordinance.

The Issuer and the Borrower acknowledge and agree that (i) the transaction contemplated by this Bond Purchase Agreement is an arm’s-length commercial transaction among the Issuer, the Borrower and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a financial advisor of the Issuer or the Borrower; (iii) the Underwriter has not assumed a financial advisory responsibility in favor of the Issuer or the Borrower with respect to the transaction contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or the Borrower on other matters) and the Underwriter has no obligation to the Issuer or the

Borrower with respect to the transaction contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement; (iv) the Underwriter is acting solely in its capacity as underwriter for its own account; (v) the Issuer and the Borrower have consulted their own legal, financial and other advisors to the extent it has deemed appropriate; and (vi) the Underwriter has financial and other interests that differ from those of the Issuer and the Borrower. For both subsections (ii) and (iii) herein, it is the Issuer's, the Borrower's understanding that a financial advisory relationship shall not be deemed to exist when, in the course of acting as Underwriter, a broker, dealer, municipal securities dealer or placement agent, advice is rendered to an issuer, including advice with respect to the structure, timing, terms and other similar matters concerning a new issue of municipal securities. The Underwriter hereby notifies the Issuer and the Borrower that it is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), it is not an agent of the Issuer or the Borrower, and it does not have a fiduciary duty to the Issuer or the Borrower in connection with the matters contemplated by this Bond Purchase Agreement.

1. **Purchase and Sale of the Bonds.** On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Underwriter agrees to purchase from the Issuer, and the Issuer agrees to sell to the Underwriter, (i) the Issuer's Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the "**Series 2025A Bonds**"), in an aggregate principal amount of \$[A-Principal] at a purchase price of \$[] (representing the par amount of the Series 2025A Bonds of \$[], plus net original issue premium of \$[], less an underwriting discount of \$[]) and (ii) the Issuer's Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the "**Series 2025B Bonds**" and, collectively with the Series 2025A Bonds, the "**Bonds**"), in an aggregate principal amount of \$[B-Principal], at a purchase price of \$[] (representing the par amount of the Series 2025B Bonds of \$[], plus net original issue premium of \$[], less an underwriting discount of \$[]). The interest rates, maturity dates and mandatory sinking fund redemption amounts for the Bonds shall be as set forth in Exhibit A hereto. Further, the Bonds shall be subject to redemption by the Issuer upon the direction of the Borrower as provided in the Final Pricing Results, attached hereto as Exhibit A.

2. **Background.** The Bonds shall be dated May [], 2025 and shall bear interest, mature, be redeemable and otherwise be as described in the Indenture of Trust dated as of May 1, 2025 (the "**Indenture**"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee thereunder (the "**Trustee**"). Proceeds of the Bonds will be loaned by the Issuer to the Borrower pursuant to a Loan Agreement dated as of May 1, 2025 (the "**Loan Agreement**"), by and between the Issuer and the Borrower. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture or the Loan Agreement.

The Bonds will be limited obligations of the Issuer and, as and to the extent set forth in the Indenture, will be payable from and secured by all the right, title, and interest of the Issuer in and to (a) the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), (b) the Promissory Note (the "**Note**") of the Borrower, (c) the Collateral Assignment of Project Documents dated as of May 1, 2025 (the "**Collateral Assignment**") from

the Borrower to the Trustee, (d) the Gross Revenues, (e) all the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Bonds and all money held by the Trustee in the funds created under the Indenture (except the Rebate Fund), (f) all the right, title, and interest of the Issuer in and to all money and securities and interest earnings thereon from time to time delivered to and held by the Trustee under the terms of the Indenture, (g) all the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing and (h) all right, title and interest of the Issuer in and to the Guaranty Agreement and Indemnity from the Borrower to the Issuer dated as of May 1, 2025 (the “**Guaranty**”) (the “**Trust Estate**”). The obligations of the Borrower under the Loan Agreement, and the payment of the Bonds also will be secured by the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) (the “**Mortgage**”) and amounts in the Collections Fund and Operating Expense Fund held by the Borrower which funds are subject to a Deposit Account Control Agreement among the Borrower, the Trustee and U.S. Bank National Association, as depository bank, dated May __, 2025 (“**DACA**”).

The Mortgage, the Collateral Assignment, the Guaranty, the DACA and the Construction Monitor Agreement dated as of May 1, 2025 among the Borrower, the Trustee and EV Studio, LLC (the “**Construction Monitor Agreement**”), are referred to herein as the “**Security Documents**.”

The Borrower entered into a loan agreement by and between The Denver Foundation and the Borrower (the “**Line of Credit**”) dated April 22, 2025, pursuant to which The Denver Foundation will make a revolving line of credit loan available to the Borrower up to an amount of \$2,500,000. The Line of Credit, the promissory note evidencing the Line of Credit, and all documents the Borrower enters into in connection with the Line of Credit are referred to herein as the “**Line of Credit Documents**.”

3. The proceeds from the sale of the Bonds will be used by the Borrower for the following purposes: (i) the acquisition, construction, equipping and installation of a 66,000 square foot modular housing manufacturing facility located on approximately 10.5 acres leased by the Issuer to the Borrower (the “**Facility**”) pursuant to the Amended and Restated City of Rifle/Habitat for Humanity Modular Housing Production Facility Site Ground Lease, effective as of January 15, 2025 (the “**Ground Lease**”), by and between the Issuer and the Borrower; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Senior Bonds; and (iv) the payment of the costs of issuance of the Bonds (collectively, the “**Project**”).

4. **Delivery of Limited Offering Memorandum.** The Amended and Restated Preliminary Limited Offering Memorandum, dated April 2, 2025, as supplemented on May __, 2025 (collectively, the “**Preliminary Limited Offering Memorandum**”), and the Limited Offering Memorandum dated May __, 2025, in substantially the form of the Preliminary Limited Offering Memorandum (the “**Limited Offering Memorandum**”), and use and distribution thereof by the Underwriter in connection with the offering of the Bonds have been approved by resolution of the Borrower. The Borrower shall deliver, or cause to be delivered to the Underwriter promptly after the acceptance hereof and in sufficient time to accompany any confirmation that requests payment from any customer (but, in any event, not later than the

earlier of (i) seven (7) business days after the execution of this Bond Purchase Agreement; or (ii) on or before the Closing Date (as hereinafter defined)), copies of the Limited Offering Memorandum in such number as the Underwriter may reasonably request in order to permit the Underwriter to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, as amended (“**Rule 15c2-12**”), and the applicable rules of the Municipal Securities Rulemaking Board with respect to distribution to each customer, upon request, of a copy of the Limited Offering Memorandum, and the Underwriter agrees to distribute such Limited Offering Memorandums in compliance with Rule 15c2-12. The Borrower acknowledges that the Limited Offering Memorandum may be distributed in an electronic format. The Underwriter agrees to submit in portable document format a copy of the Limited Offering Memorandum to “EMMA,” the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>.

5. **Limited Issuer’s Participation.** The Underwriter and the Borrower acknowledge that, except for the information contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions “INTRODUCTION—The Issuer,” “THE ISSUER” and “LEGAL MATTERS—Pending and Threatened Litigation—*No Proceedings Against the Issuer*” (collectively, the “**Issuer Sections**”) the Issuer has not participated in the preparation of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and has made no investigation of the facts contained therein and assumes no responsibility for the sufficiency, accuracy or completeness of the Limited Offering Memorandum. It is further understood and agreed that no obligation of the Issuer contained in this Bond Purchase Agreement, the Bonds or the other Issuer Documents (defined below) shall give rise to any pecuniary liability of the Issuer and that the Bonds shall be payable solely from amounts pledged under the Indenture.

6. **Delivery of Payment.** The Underwriter will accept delivery of the Bonds and pay the purchase price thereof as set forth in Section 1 hereof by Federal Reserve System wire transfer in immediately available Federal funds or by any other form of immediately available Federal Funds on the Closing Date.

7. **Representations of the Issuer.** The Issuer represents to the Underwriter and the Borrower that:

(a) The Issuer is a home-rule city and municipal corporation of the State of Colorado (the “**State**”). The Issuer is authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “**Act**”) and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the “**Supplemental Act**”), to issue revenue bonds for the purposes set forth therein and to enter into this Bond Purchase Agreement, the Ground Lease, the Loan Agreement, the Indenture and the Tax Compliance Certificate, dated as of March 18, 2025 (the “**Tax Compliance Certificate**”), by and between the Issuer and the Borrower, and to carry out its obligations hereunder and thereunder. This Bond Purchase Agreement, the Ground Lease, the Loan Agreement, the Indenture, the Tax Compliance Certificate and the Bonds, and any document executed by the Issuer related thereto shall be collectively referred to herein as the “**Issuer Documents**.”

(b) The Issuer has full legal right, power and authority (i) to adopt the Bond Ordinance, which authorized the issuance of the Bonds to finance the Project and the execution of Issuer Documents; (ii) to enter into the Issuer Documents; (iii) to finance the Project with proceeds of the Bonds; (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein; and (v) to carry out, consummate and give effect to all other transactions contemplated by each of the aforesaid documents to be carried out and consummated by the Issuer.

(c) The Issuer, as of the Closing Date, will have duly authorized (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Indenture; (ii) the execution, delivery and due performance of the Issuer Documents; and (iii) the taking of any and all such action by the Issuer as may be required by applicable laws of the State to carry out, give effect to and consummate the transactions contemplated by such documents.

(d) To the Issuer's knowledge, there is no litigation pending or to the best of the Issuer's knowledge threatened against the Issuer, with respect to which service or notice to the Issuer has been perfected or given, to restrain or enjoin the issuance and delivery of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued or delivered, or the pledge or application of any money or security provided for the payment of the Bonds. To the best knowledge of the Issuer, there is no litigation pending or threatened against the Issuer which questions the right of the Issuer to enter into the Issuer Documents or to issue the Bonds in the manner provided in the Indenture, the Act, the Supplemental Act and the Bond Ordinance.

(e) The adoption of the Bond Ordinance, the financing of the Project, and the execution and delivery of the Issuer Documents by the Issuer and all other agreements and instruments to which the Issuer is a party relating thereto, and the compliance with the provisions hereof and thereof, will not to the best of its knowledge violate any existing law or regulation or conflict with, result in a breach of any of the terms of or constitute a default under the any judgment, decree, order, statute, rule or regulation applicable to the Issuer or any indenture, mortgage, deed of trust, lease or other instrument to which the Issuer is a party or by which the Issuer is bound.

(f) Any closing certificate signed by any authorized official of the Issuer and delivered to the Underwriter shall be deemed to be a representation by the Issuer to the Underwriter as to the truth of the statements therein contained.

(g) As of the date of the Preliminary Limited Offering Memorandum and as of the date of this Bond Purchase Agreement and (unless an event occurs of the nature described in Sections 7(k) and (l) hereof) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 14 hereof) the information contained in the Issuer Sections did not, do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the

statements contained therein, in light of the circumstances under which they were made, not misleading.

(h) If any information in the Issuer Sections is supplemented or amended with the Issuer's consent, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 14 hereof) the information in the Issuer Sections as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(i) The information in the Issuer Sections in the Preliminary Limited Offering Memorandum is deemed final by the Issuer as of its date within the meaning of Rule 15c2-12, and the Issuer acknowledges the use by the Underwriter, prior to the date hereof, of the Preliminary Limited Offering Memorandum in connection with the offer and sale of the Bonds.

(j) The cost of financing the Project will be paid out of the proceeds of the Bonds and funds of the Borrower. No costs or expenses shall be borne by the Issuer in connection with the issuance of the Bonds, the preparation of any documents relating thereto, or any legal or financial consultants retained in connection therewith. The Bonds shall not constitute or become an indebtedness, a debt or a liability or a charge against the general credit or taxing power of the State, the General Assembly of the State, or of any county, city, city and county, town, school district, or other subdivision of the State or of any other political subdivision or body corporate and politic within the State other than the Issuer (but only to the extent of the revenues pledged in the Loan Agreement and the Indenture), and neither the State, the General Assembly of the State, nor any county, city, city and county, town, school district or other subdivision of the State, except the Issuer, to the extent provided above, shall be liable thereon; nor shall the Bonds constitute the giving, pledging or loaning of the faith and credit of the State, the General Assembly of the State or of any county, city, city and county, town, school district or other subdivision of the State or of any other political subdivision or body corporate and politic within the State; but the Bonds shall be payable solely from the funds pledged therefor. The issuance of the Bonds shall not, directly or indirectly or contingently, obligate the State or any subdivision of the State, nor empower the Issuer to levy or collect any form of taxes or assessments therefor or to create any indebtedness payable out of taxes or assessments therefor or make any appropriation for payment of the Bonds, and such appropriation or levy is prohibited.

8. **Representations of the Borrower.** In order to induce the Issuer and the Underwriter to enter into this Bond Purchase Agreement and to make the offer and sale of the Bonds, the Borrower represents to the Issuer and the Underwriter that:

(a) The Borrower shall provide such information, access to its properties and appropriate records and other cooperation, as may be reasonably requested in connection with the preparation, amendment and supplementation of the Limited Offering Memorandum until the Closing and for one hundred twenty (120) days after the Closing (as defined in Section 8 hereof) as, in the opinion of the Underwriter, may be required in connection with the offering of the Bonds and the preparation of the Limited Offering Memorandum.

(b) The Borrower is a validly organized and existing nonprofit corporation in good standing under the laws of the State and will obtain or cause to be obtained all necessary licenses, permits, accreditation and certifications required to carry on and operate the Project. The Borrower has all power and authority to consummate the transactions contemplated by this Bond Purchase Agreement and the Limited Offering Memorandum, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein. The Borrower has not received notice of any alleged violation and, to the best of its knowledge, the Borrower is not in violation of any zoning, land use or other similar law or regulation applicable to the Project which could adversely affect the Borrower's operation of the Project.

(c) The Borrower is an organization described in Section 501(c)(3) of the Code, and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business taxable income under Section 511 of the Code, which income is not expected to result from the consummation of any transaction contemplated by the Borrower Documents; the Borrower is not a private foundation as described in Section 509(a) of the Code; and the facts and circumstances which formed the basis of the Borrower's status as an organization described in Section 501(c)(3) of the Code as represented to the Internal Revenue Service continue substantially to exist. The Borrower has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service (the "IRS") to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified or that the IRS is considering revoking or modifying such exemption.

(d) The execution and delivery of the Ground Lease, the Loan Agreement, the Note, the Tax Compliance Certificate, the Mortgage, the Collateral Assignment, all agreements assigned by the Borrower to the Trustee pursuant to the Collateral Assignment, the DACA, the Construction Monitor Agreement, the Continuing Disclosure Agreement dated as of March 18, 2025 between the Borrower and the Trustee, as dissemination agent (the "**Continuing Disclosure Agreement**"), an AIA Document A102-2017 Standard Form of Agreement Between Owner and Contractor, dated as of January 8, 2025, and a GMP amendment thereto executed on February 20, 2025 and a second GMP amendment executed on [____], 2025 (collectively, the "**GMP Contract**") between the Borrower and Decatur Wilkie Inc. (the "**Contractor**"), this Bond Purchase Agreement, the Limited Offering Memorandum, and the other agreements contemplated by this Bond Purchase Agreement and the Limited Offering Memorandum (collectively, the "**Borrower Documents**"), the approval of the Borrower of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Indenture and the form of the Bonds, compliance by the Borrower with the provisions of any or all of the

foregoing documents and the application of the proceeds of the Loan for the purposes described in the Limited Offering Memorandum do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Borrower is a party or by which the Borrower or any of its property is or may be bound.

(e) The Borrower has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Preliminary Limited Offering Memorandum and in the Indenture and the approval of the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Bond Purchase Agreement, the Indenture and the form of the Bonds; and (ii) the execution, delivery and receipt of the Borrower Documents, and any and all such agreements, certificates and documents as may be required at the present time to be executed, delivered and received by the Borrower in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Limited Offering Memorandum, including but not limited to such certifications as may be necessary to establish and preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(f) There is no litigation or proceeding pending or, to the best of the Borrower's knowledge, threatened against or affecting the Borrower that challenges the validity of the Borrower Documents or the validity of the transactions contemplated by this Bond Purchase Agreement, the Borrower Documents and the Limited Offering Memorandum.

(g) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court or administrative body pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, or to the knowledge of the Borrower, any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect on the financial condition of the Borrower, the Borrower's management of its properties, or the transactions contemplated by this Bond Purchase Agreement and the Limited Offering Memorandum, or would have an adverse effect on the validity or enforceability of the Bonds, the Indenture, any of the Borrower Documents or which would in any way adversely affect the existence or power of the Borrower or which would in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(h) Each Borrower Document, when executed and delivered by the Borrower and any other parties thereto, will constitute the legal, valid and binding agreement of the Borrower enforceable against it in accordance with their respective terms; provided that the enforceability of each Borrower Document may be limited by bankruptcy, organization, insolvency and similar laws affecting the enforcement of creditors' rights and remedies generally, as applied in the event of bankruptcy, reorganization or insolvency of the Borrower and to equitable remedies. The Borrower has duly authorized all necessary action to be taken by it for the execution and delivery of each Borrower Document, and any and all other agreements and documents as may be required to be

executed or delivered by it in order to effectuate the transactions contemplated herein and therein.

(i) Other than as disclosed in the Limited Offering Memorandum, (i) the Borrower has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business, and (ii) there has been no material adverse change in the business, financial position, prospects or results of operation of the Borrower, which would adversely affect the ability of the Borrower to perform its obligations pursuant to the Borrower Documents.

(j) The Borrower has not received any written notice of an alleged violation and to its knowledge is not in violation of any zoning, land use or other similar law or regulation applicable to the Project, which would have, or would reasonably be expected to have a Material Adverse Effect. For purposes of this Purchase Agreement, a “**Material Adverse Effect**” means any material adverse change, or any development involving a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, in or affecting (i) the business, properties, general affairs, management, financial position, stockholders’ equity or results of operations of the Borrower and its subsidiaries, taken as a whole, other than as set forth or contemplated in the Limited Offering Memorandum; or (ii) the ability of the Borrower to perform in all material respects its obligations under, the Borrower Documents; or (iii) the issuance of the Bonds.

(k) No approvals, permits, consents, authorizations, certifications, or other orders not already obtained are required as of the date hereof by the Borrower from any governmental agency, authority, board, or commission having jurisdiction which could materially affect (A) the performance by the Borrower of its obligations under the Borrower Documents or (B) the leasing, acquisition, construction, or operation of the Project, except for approvals, permits, consents, authorizations, certifications, or other orders (i) described in the Limited Offering Memorandum as not having been obtained, (ii) not of material significance to the Project, or (iii) customarily granted in due course after application therefor and expected to be obtained without material difficulty, cost or delay.

(l) All permits (including building permits), licenses, and authorizations necessary for the leasing, ownership and operation of the Project in the manner contemplated by the Limited Offering Memorandum and each of the Borrower Documents have been obtained or are expected to be obtained, and said leasing, ownership and operation are not, to the best knowledge of the Borrower, in conflict with any zoning or similar ordinance applicable to the Project. The Borrower has not received any written notice or otherwise have actual knowledge of proceedings relating to the revocation or modification of any permits, licenses or authorizations with respect to the Project, except where the failure to possess or where any such revocation, modification or non-renewal of the same would not, individually or in the aggregate, have a Material Adverse Effect.

(m) The Borrower carries or will carry, or is covered by or will be covered by, on the Closing date, insurance from insurers of recognized financial responsibility in such amounts and covering such risks as is generally deemed adequate and customary for companies engaged in similar businesses in similar industries. All such policies of insurance are, or will be on the Closing date, be, in full force and effect; the Borrower is in compliance with the terms of such policies in all material respects and the has not received written notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance.

(n) Except as described in the Limited Offering Memorandum, the Borrower and the Project (i) is, and at all times prior hereto was, in compliance in all material respects with all laws, regulations, ordinances, rules, orders, judgments, decrees, permits or other legal requirements of any governmental authority, including without limitation any international, foreign, national, state, provincial, regional, or local authority, relating to pollution, the protection of human health or safety relating to hazardous materials, the environment, or natural resources, or to use, handling, storage, manufacturing, transportation, treatment, discharge, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”) applicable to it, which compliance includes, without limitation, obtaining, maintaining and complying with all permits and authorizations and approvals required by Environmental Laws to conduct its business, and (ii) has not received written notice or otherwise have knowledge of any actual or alleged material violation of Environmental Laws, or of any actual or potential material liability for or other material obligation arising out of the presence, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants. Except as described in the Limited Offering Memorandum, (i) there are no proceedings that are pending against the Borrower under Environmental Laws in which a governmental authority is also a party, in which the Borrower reasonably believe that monetary fines or sanctions of \$100,000 or more could be imposed, (ii) the Borrower is not aware of any proposed or pending Environmental Laws which it reasonably believes will have a material and adverse impact on the Borrower within the next one (1) year, and (iii) the Borrower does not reasonably anticipate that it will incur material capital expenditures relating to compliance with or liabilities or obligations under applicable Environmental Laws within the next one (1) year, beyond those already budgeted to maintain compliance with such Environmental Laws.

(o) Except for any obligations described in the Limited Offering Memorandum and the Borrower Documents, the Borrower has not incurred any material liability, direct or contingent, nor, since the date of the Limited Offering Memorandum, has there been any Material Adverse Effect.

(p) Upon the execution and delivery thereof, the Mortgage and other Security Documents will be effective to create legally valid and enforceable liens having, subject to legally required recordings and filings, the priorities as contemplated by the Mortgage and the other Security Documents on the collateral described therein and all necessary recordings and filings will be recorded and filed on or prior to the Closing Date, provided that with respect to the Mortgage, arrangements will be made to cause the Mortgage to be

recorded and filed on or promptly following the Closing Date, such that it will constitute valid, perfected security interests in such collateral, subject only to Permitted Encumbrances.

(q) At the Closing, no liens, if any, will then be existing and encumber the Project (other than Permitted Liens).

(r) The Borrower is not in breach of or in default under any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease, sublease or other instrument to which the Borrower is a party or by which the Borrower or its property is bound and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to any extent which could have a material adverse effect on the financial condition of the Borrower, the Borrower's management of its properties or the transactions contemplated by this Bond Purchase Agreement and the Limited Offering Memorandum, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds, the Loan Agreement, the Tax Compliance Certificate, the Security Documents, Ground Lease or the Indenture or in any way materially adversely affect the existence or powers of the Borrower or in any way adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

(s) Except for the Issuer Sections, the section titled "UNDERWRITING" and information relating to The Depository Trust Company (collectively, "**Excluded Sections**") as to which no representation is being made, the information contained in the Preliminary Limited Offering Memorandum was, as of its date, and is, as of the date of this Bond Purchase Agreement, true and correct in all material respects. Except for the Excluded Sections, as to which no representation is being made, the Preliminary Limited Offering Memorandum did not as of its date and does not as of the date of this Bond Purchase Agreement contain any untrue statement of a material fact, and the Preliminary Limited Offering Memorandum did not as of its date and does not as of the date of this Bond Purchase Agreement omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(t) Except for the Excluded Sections the information to be contained in the Limited Offering Memorandum is, as of its date, and will be, as of the date of Closing, true and correct in all material respects. Except for the Excluded Sections as to which no representation is being made, the Limited Offering Memorandum will not as of its date and as of the date of Closing contain any untrue statement of a material fact, and the Limited Offering Memorandum will not as of its date and as of the date of Closing omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(u) If the Limited Offering Memorandum is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again

supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 14 hereof) the information in the Limited Offering Memorandum as so supplemented or amended (except for the Excluded Sections) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

(v) If during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 14 hereof) the Borrower becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, it shall notify the Underwriter and the Issuer, and if in the reasonable opinion of the Underwriter such fact or event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Borrower will, at its expense, supplement or amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter and furnish to the Underwriter (i) a reasonable number of copies of the supplement or amendment, and (ii) if such notification shall be subsequent to the Closing Date, such legal opinions, certificates, instruments, and other documents as the Issuer and the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum.

(w) The Borrower will not take or omit to take any action which will cause the proceeds from the Loan to be applied or result in such proceeds being applied in a manner other than as provided in the Indenture, the Loan Agreement, the Tax Compliance Certificate and the Ground Lease.

(x) If between the date of this Bond Purchase Agreement and the date of the Closing any event shall occur that might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact that should be stated therein or is necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the Borrower shall notify the Issuer and the Underwriter, and if, in the reasonable opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Borrower shall cause the Limited Offering Memorandum to be amended or supplemented in a form and in a manner approved by the Issuer and the Underwriter.

(y) The Borrower hereby authorizes and ratifies the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, including all amendments and supplements thereto consented to by the Borrower, by the Underwriter in connection with the public offer and sale of the Bonds and consents to the use by the

Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offer and sale of the Bonds.

(z) The Borrower agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Bonds for offer and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, that, the Borrower shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction in which such consent may be required by law or regulation so that the Bonds may be offered or sold. The Borrower consents to the use of the Preliminary Limited Offering Memorandum by the Underwriter in obtaining such qualification.

(aa) Each representation, warranty or agreement stated in any certificate signed by any officer of the Borrower and delivered to the Issuer or the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the Borrower upon which the Issuer and the Underwriter shall be entitled to rely.

(bb) The Borrower has not previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12.

(cc) The Borrower covenants and agrees to enter into the Continuing Disclosure Agreement to provide ongoing disclosure about the Borrower, for the benefit of the registered and beneficial owners of the Bonds on or before the date of delivery of the Bonds as required by Section (b)(5)(i) of Rule 15c2-12, in the form attached to the Limited Offering Memorandum, with such changes as may be agreed to in writing by the Underwriter.

(dd) The Borrower has reviewed the Market & Demand Analysis for the Proposed Habitat Modular Housing Plant in Rifle, Colorado (the “**Market Study**”) dated August of 2024, prepared by Gruen Gruen + Associates, LLC and attached as APPENDIX D to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. The Borrower is not aware of any facts or information that would cause it to believe the assumptions and projections set forth in the Market Study are unreasonable. The Borrower is not aware of any information since the date of the Market Study that would represent any material change in status or condition to the assumptions underlying, or conclusions of, the Market Study.

(ee) The Borrower is not aware of any facts or information that would cause it to believe that the assumptions related to the Borrower’s projections included under the heading “BORROWER’S PROJECTIONS” in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum are unreasonable. The Borrower is not aware of any information since the date of the Preliminary Limited Offering Memorandum that would represent any material change in such assumptions or the results of the Borrower’s projections set forth therein.

9. **Delivery of the Bonds.** At the offices of Hogan Lovells US LLP, 1601 Wewatta Street, Suite 900, Denver, Colorado 80202, at 9:00 a.m., Denver time, on May [], 2025, or at

such other time or location or on such earlier or later date as you and we mutually agree upon (the “**Closing**” or the “**Closing Date**”), the Issuer will deliver or cause to be delivered to the Underwriter the Bonds, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds, subject to the terms and conditions set forth herein. The Bonds so to be delivered will be in fully registered form in such authorized denominations and registered in such name as the Underwriter may specify.

10. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2025A Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2025A Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2025A Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Series 2025A Bonds. If the 10% test has not been satisfied as to any maturity of the Series 2025A Bonds as of the execution of this Bond Purchase Agreement, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Series 2025A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or until all Series 2025A Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2025A Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2025A Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2025A Bonds, the Underwriter will neither offer nor sell unsold Series 2025A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Series 2025A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2025A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2025A Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series 2025A Bonds of that maturity or all Series 2025A Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Series 2025A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2025A Bonds.

(e) The Underwriter acknowledges that sales of any Series 2025A Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale

of the Series 2025A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2025A Bonds to the public),

(iii) a purchaser of any of the Series 2025A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

11. **Limited Offering Memorandum.** During the initial public offering of the Bonds (a period concluding twenty-five (25) days following the End of the Underwriting Period for the Bonds), the Borrower and the Issuer will (a) not consent to the distribution of any amendment of or supplement to the Limited Offering Memorandum to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by counsel for the Underwriter; and (b) if any event shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Limited Offering Memorandum in order to make the Limited Offering Memorandum not misleading in light of the circumstances existing at the time it is delivered to a purchaser, consent to the distribution of an amendment of or supplement to the Limited Offering Memorandum, prepared without expense to the Issuer (in form and substance satisfactory to the Underwriter) in a reasonable number of copies which will amend or supplement the Limited Offering Memorandum so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Limited Offering Memorandum is delivered to a purchaser, not misleading. Any amendment of or supplement to the Limited Offering Memorandum to be distributed pursuant to this Section shall contain a statement that the Issuer has neither participated in the preparation thereof nor made any independent investigation of the facts contained therein and a statement that the Issuer does not assume any responsibility for the sufficiency, accuracy or completeness of the information contained therein.

12. **Conditions to the Obligations of the Underwriter; Other Conditions.** The obligation of the Underwriter to purchase and pay for the Bonds will be subject to the accuracy of the representations on the part of the Issuer and the Borrower herein; to the accuracy of the statements of officials of the Issuer and of officers of the Borrower made pursuant to the provisions hereof; to the performance by the Issuer and the Borrower of their respective obligations hereunder; to the accuracy and completeness of the representations and certifications of the Borrower in the Borrower Documents; and to the following additional conditions:

(a) The Issuer Documents and the Borrower Documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect with only such changes therein as may be approved by the Underwriter.

(b) Subsequent to the date of this Bond Purchase Agreement and prior to the Closing Date:

(i) there shall not have occurred any material change, or any development involving a prospective material change in, or affecting the business or properties of the Borrower which in the judgment of the Underwriter, materially and adversely affects the investment quality of the Bonds; and

(ii) the market price of the Bonds, or the general market price of general credit or revenue obligations issued by states or political subdivisions thereof, or the market price of revenue obligations of the character of the Bonds shall (in the reasonable judgment of the Underwriter) not have been materially and adversely affected by reason of the fact that:

(A) (1) legislation shall have been enacted by either House of the Congress of the United States, or favorably reported for passage to either House of the Congress of the United States by any committee of such House to which such legislation has been referred for consideration; or (2) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court; or (3) an order, ruling or regulation shall have been made by the Treasury Department of the United States or the Internal Revenue Service, in each such case with the purpose or effect, directly or indirectly, of causing the interest on the Series 2025A Bonds to become included in the gross income of the holders thereof for federal income tax purposes or upon such income as would be received by the Issuer under the Loan Agreement; or

(B) a stop order, ruling, regulation or Limited Offering Memorandum by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, including all the underlying obligations, as contemplated hereby or by the Limited Offering Memorandum is in violation or would be in violation of any provisions of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect; or

(C) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America

shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(D) there shall have occurred (1) the closing of the New York Stock Exchange, or (2) the general suspension of trading on the New York Stock Exchange, or (3) the establishing of a general banking moratorium by federal, Colorado or New York State authorities;

(E) any event occurs or state of facts exists which makes untrue or incorrect in any material respect, as of the date of such event or state of facts, any statement or information contained in the Limited Offering Memorandum, or which requires the addition of any information in the Limited Offering Memorandum in order to make the statements and information contained therein not misleading in any material respect as of the Closing Date; or

(F) there shall have occurred (1) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or (2) a payment default on United States Treasury obligations, which in the reasonable opinion of the Underwriter materially adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(c) Subsequent to the date hereof and prior to the Closing Date, no order, decree or injunction of any court of competent jurisdiction, and no order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, and no legislation shall have been enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Bonds as contemplated hereby or by the Limited Offering Memorandum or the execution of or performance of this Bond Purchase Agreement, the Continuing Disclosure Agreement, the Indenture, the Loan Agreement, the Guaranty, the Mortgage, the Tax Compliance Certificate or the Ground Lease in accordance with their terms.

(d) The Underwriter shall have received the following documents:

(i) the approving opinion of Hogan Lovells US LLP, dated the date of Closing and addressed to the Issuer, the Trustee and the Underwriter, in the form attached to the Limited Offering Memorandum;

(ii) the supplemental opinion of Hogan Lovells US LLP, dated the date of Closing and addressed to the Issuer and the Underwriter, in substantially the form attached hereto as Exhibit C;

(iii) the Underwriter's counsel opinion of Ballard Spahr LLP, dated the date of Closing and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(iv) the opinion of Fennemore Craig, P.C, counsel to the Borrower, dated the date of Closing and addressed to the Issuer, Bond Counsel, the Trustee and the Underwriter, in substantially the form attached hereto as Exhibit D;

(v) the opinion of Karp Neu Hanlon, P.C., general counsel for the Issuer, dated the date of Closing and addressed to the Issuer, the Borrower and the Underwriter, in substantially the form attached hereto as Exhibit E;

(vi) a certificate dated the date of Closing, signed by a duly authorized officer of the Issuer in the form attached as Exhibit F;

(vii) a certificate dated the date of Closing signed by a duly authorized officer of the Borrower in the form attached as Exhibit G;

(viii) A certificate, dated the date of Closing and signed by an authorized officer of the Trustee, to the effect that (A) he or she is an authorized officer of the Trustee; (B) each of the Indenture, the Continuing Disclosure Agreement and the DACA has been duly executed and delivered by the Trustee and are enforceable against the Trustee, and the Bonds have been duly authenticated; (C) the Trustee has all necessary corporate and trust powers required to carry out the trust created by the Indenture; and (D) to his or her knowledge, the acceptance by the Trustee of the duties and obligations of the Trustee under the Indenture and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any material agreement or other material instrument to which the Trustee is subject;

(ix) specimen of the Bonds;

(x) copies of each of the Issuer Documents, Security Documents, Borrower Documents, and Line of Credit Documents duly executed by the parties thereto;

(xi) copy of the resolution of the Borrower approving and authorizing the execution and delivery of the Borrower Documents, Line of Credit Documents, authorizing the use of the Limited Offering Memorandum and approving the transactions contemplated by the Limited Offering Memorandum and this Bond Purchase Agreement;

(xii) a copy of the Bond Ordinance approving and authorizing the execution and delivery of the Issuer Documents, the issuance of the Bonds and financing of the Project;

(xiii) a certificate of the Colorado Secretary of State as to the good standing of the Borrower under the laws of the State;

(xiv) a copy of the executed Internal Revenue Service Form 8038;

(xv) A copy of a title insurance policy or title insurance binder or commitment to issue a title insurance policy, in standard ALTA form 2006 (or other form acceptable to the Underwriter, the Borrower and the Issuer), insuring the Borrower, as leasehold interest owner, and the Trustee, as mortgagee beneficiary, against title losses with respect to the Premises (as defined in the Mortgage), and with respect to the Trustee's title insurance commitment, in an amount equal to at least the initial aggregate face amount of the Bonds, in each case issued by a company authorized to issue the same and acceptable to the Underwriter, the Borrower and the Issuer and making reference to no liens or encumbrances that are not acceptable to the Underwriter, the Borrower and the Issuer and containing no exceptions that are not acceptable to the Underwriter, the Borrower and the Issuer;

(xvi) copies of the (A) U.S. Department of Energy - Response to Construction Submittal dated January 30, 2025, (B) Colorado Department of Public Health & Environment ("CDPHE") – Letter dated January 27, 2025, (C) CDPHE – Certification COR426403 authorizing Stormwater Discharges Associated with Construction Activities under CDPS General Permit COR400000 dated January 23, 2025, (D) City of Rifle Building Permit dated February 10, 2025, (E) CDPHE soil disturbance permit dated August 20, 2024, and (F) any other licenses, permits or approvals issued to commence construction of the Project;

(xvii) insurance consultant's certificate regarding the Borrower's compliance with the insurance requirements under the Borrower Documents;

(xviii) investor letters, in substantially the form attached as Appendix M to the Limited Offering Memorandum, executed by each investor in the Bonds solely with changes agreed to by the Underwriter;

(xix) evidence reasonably satisfactory to the Underwriter and its counsel that (a) the Mortgage shall have been delivered to a title company for due recordation as a mortgage of real estate, and any required filings with respect to personal property and fixtures subject to the lien of the Mortgage shall have been delivered to a title company for filing, in each place in which such recording or filing is required to provide notice of the lien of the Mortgage as a valid and enforceable lien and as a valid and enforceable security interest in the personal property and fixtures covered or purported to be covered by the Mortgage, with the priority purported to be created thereby, (b) all financing statements shall have been delivered for filing, recordation or registration in each office and in each jurisdiction where required to create and perfect a valid and enforceable security interest in the collateral covered or purported to be covered by the Borrower

Documents, with the priority purported to be created thereby, or arrangements for such filing, recordation or registration on the Closing Date reasonably acceptable to the Underwriter and its counsel have been made, and (c) all taxes and recording and filing fees required to be paid with respect to the execution, recording or filing of the Mortgage and the financing statements shall have been paid or provided for by the Borrower;

(xx) evidence satisfactory to the Underwriter that the Contractor has delivered to the Trustee two irrevocable standby letters of credit from Alpine Bank, each in the amount of \$500,000;

(xxi) a copy of the Blanket Letter of Representations of the Issuer, executed by the Issuer;

(xxii) evidence of holding of the public hearing (including a TEFRA hearing) and of the approval by the City and such other parties as required by law of the issuance of the Bonds pursuant to Section 147(f) of the Code;

(xxiii) consent of the Market Study provider relating to inclusion of the Market Study in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum;

(xxiv) consent of the Borrower's auditor to the inclusion of the Borrower's audited financial statements in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum;

(xxv) consent of Prosono LLC ("**Prosono**") relating to inclusion of the financial forecast dated February 18, 2025 included under the heading "BORROWER'S PROJECTIONS" in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum;;

(xxvi) consents of the Contractor, EV Studio, LLC, 3in1 Solutions LLC, TPI Industrial, Inc., Prosono, and Atlasta Solar Center LLC to the collateral assignment of their respective agreements pursuant to the Collateral Assignment;

(xxvii) blue sky memorandum; and

(xxviii) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

If the Issuer and the Borrower shall be unable to satisfy the conditions to the Underwriter's obligations in this Bond Purchase Agreement (unless such provisions are otherwise waived by the Underwriter) or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Borrower nor the Issuer shall have any further obligations hereunder except as provided in Sections 13, 14 and 15 hereof.

13. **Expenses.** All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including, without limitation, the costs of printing of the Bonds, advertising costs, the costs of printing, duplicating and mailing the Limited Offering Memorandum, the fees of consultants and rating agencies, CUSIP fees, fees of The Depository Trust Company, the initial fees of the Trustee in connection with the issuance of the Bonds and the fees and expenses of Bond Counsel, the Issuer, counsel for the Issuer, counsel for the Underwriter and counsel for the Borrower shall be paid by the Borrower. All travel and similar out-of-pocket expenses of the Underwriter, shall be paid by the Underwriter. If the Underwriter terminates this Bond Purchase Agreement for a reason other than a reason permitted hereunder, and if at the time of such termination the Issuer and the Borrower have satisfied the conditions to the Underwriter's obligations contained herein, the Underwriter agrees to pay all out-of-pocket expenses incurred by the Issuer and the Borrower, including reasonable attorneys' fees and disbursements, which relate to the financing, such payment by the Underwriter shall constitute full liquidated damages for such termination and for any and all defaults on the part of the Underwriter and shall constitute a full release and discharge of all claims and damages for such termination and for any and all such defaults.

14. **Indemnification.** The Borrower agrees to indemnify and hold harmless the Underwriter and the Issuer, any current, former or future member, director, officer, agent, official or employee of or counsel to the Underwriter and the Issuer and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Underwriter through the ownership of voting securities, by contract or otherwise, or of the Issuer, pursuant to the Act or the Issuer's regulations or bylaws, or who controls the Underwriter or the Issuer within the meaning of Section 15 of the Securities Act of 1933, as amended, including, without limitation, the State, and each and all and any of them (the "**Indemnified Parties**"), from and against any and all losses, claims, damages, liabilities or actions to the extent that such losses, claims, damages, liabilities, actions or expenses (including any legal or other expenses incurred by them in connection with investigating any claims against them and defending any actions) whatsoever caused by or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or caused by any omission or alleged omission from the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except, with respect to the Issuer, for any liability arising as a result of information contained under the Issuer Sections and except, with respect to the Underwriter, for any liability arising as a result of information contained under the captions "UNDERWRITING" and "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Series 2025A/B Bonds Debt Service Requirements," or with respect to the maturities, interest rates and prices of the Bonds listed on the cover page of the Limited Offering Memorandum, and to reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by them in defending any such action, including but not limited to any reasonable attorneys' fees.

The Underwriter agrees to the extent permitted by law to indemnify and hold harmless the Issuer and the Borrower, any current, former or future member, director, officer, agent,

official or employee of or counsel to the Issuer and the Borrower and each person, if any, who controls the Issuer and the Borrower within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, including, without limitation, the State (also “**Indemnified Parties**”), against any loss, claim, damage, liability, action or expense arising out of or based upon any allegation that (i) any of the information in or in connection with the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum contained under the captions “UNDERWRITING” and “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Series 2025 Bonds Debt Service Requirements” or with respect to the maturities, interest rates, CUSIP numbers and prices of the Bonds listed on the cover page of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum contains an untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) any statement, representation or information made or supplied by the Underwriter in connection with the offer or sale of the Bonds other than pursuant to the Limited Offering Memorandum includes any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or (iii) the Underwriter failed to comply with any registration requirements of the Underwriter applicable to the Underwriter or the Bonds under any securities or “blue sky” laws of any jurisdiction in which such registration or qualification is required or any failure by the Underwriter to deliver the Limited Offering Memorandum, following delivery to the Underwriter, to purchasers of the Bonds in accordance with Rule 15c2-12, and to reimburse the Issuer and the Borrower for any legal or other expenses reasonably incurred by them in defending any such action, including but not limited to reasonable attorneys’ fees.

In case any action shall be brought against the Indemnified Parties in respect of which the Borrower or the Underwriter, as the case may be, is or are required to indemnify the Indemnified Parties pursuant to the provisions of the preceding paragraphs, the Indemnified Parties shall promptly notify the Borrower or the Underwriter, as the case may be, in writing and the Borrower or the Underwriter, as the case may be, shall assume the defense thereof, including the employment of counsel and the payment of all expenses. Any Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof if such Indemnified Party reasonably concludes that a potential conflict of interest exists between them and the Issuer, the Borrower or the Underwriter, as the case may be, or in the event the indemnifying party fails to promptly assume the defense thereof but the fees and expenses of such counsel shall be at the expense of the party providing the indemnity. The Borrower or the Underwriter, as the case may be, shall not be liable for any settlement of any such action effected without the consent of such party, but if settled with the consent of such party, or if there be a final judgment for the plaintiff in any such action, the Borrower or the Underwriter, as the case may be, agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment, including but not limited to reasonable attorneys’ fees.

15. Determination of End of Underwriting Period. For purposes of this Bond Purchase Agreement, the “End of the Underwriting Period” for the Bonds shall mean the later of (a) the Closing Date, unless the Issuer and the Borrower have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date; or (b) the date on which the End of

the Underwriting Period for the Bonds has occurred under Rule 15c2-12; provided, however, that the Issuer and the Borrower shall be entitled to treat as the End of the Underwriting Period for the Bonds the date specified in the notice from the Underwriter stating the date which is the End of the Underwriting Period. Unless otherwise notified in writing by the Underwriter by the Closing Date, the Issuer and the Borrower can assume that the “End of the Underwriting Period” for purposes of Rule 15c2-12 shall be the Closing Date.

The Issuer and the Borrower may request from the Underwriter from time to time, and the Underwriter shall provide to the Issuer and the Borrower upon such request, such information as may be reasonably required in order to determine whether the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12 with respect to the unsold balances of Bonds that were originally sold to the Underwriter for resale to the public and which are held by the Underwriter for resale to the public.

16. Survival of Certain Representations and Obligations. The respective agreements, representations and other statements of the Issuer and the Borrower, of their respective officials or officers and of the Underwriter set forth in or made pursuant to this Bond Purchase Agreement, including the indemnification provisions provided herein, will remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Underwriter, the Issuer or the Borrower and will survive delivery of and payment for the Bonds. If for any reason the purchase of the Bonds by the Underwriter is not consummated, the Borrower shall remain responsible to pay, or cause to be paid, the expenses to be paid or reimbursed by it pursuant to Section 12 hereof (provided, however, that if the Underwriter has failed to consummate such purchase for a reason not permitted hereunder, the Underwriter shall remain responsible as provided in the last sentence of Section 12 hereof).

17. Notices. All communications hereunder will be in writing, and, if sent to the Underwriter, will be mailed, delivered or facsimiled and confirmed to it at 1550 Market Street, Suite 300, Denver, Colorado 80202 or, if sent to the Issuer or the Borrower, will be mailed, delivered or facsimiled and confirmed to them at their respective addresses described in the Indenture.

18. Successors. This Bond Purchase Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors, and no other person will have any right or obligation hereunder.

19. Counterparts and Electronic Signatures. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. Any individual or individuals who are authorized to execute this Bond Purchase Agreement are hereby authorized to execute this Bond Purchase Agreement electronically via facsimile or email signature pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Bond Purchase Agreement shall carry the full legal force and effect of any original, handwritten signature.

20. **Governing Law.** The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State and the laws of the United States of America.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have set their hands as of the date set forth above.

D.A. DAVIDSON & CO.

By _____
Managing Director
Date: _____, 2025
Time: _____ p.m.

HABITAT FOR HUMANITY OF THE
ROARING FORK VALLEY, INC.

By _____
Chief Executive Officer

CITY OF RIFLE, COLORADO

By: _____
Name: Sean Strode
Title: Mayor

[Signature Page to the Bond Purchase Agreement]

EXHIBIT A
RESULTS OF FINAL PRICING

[Results of Final Pricing are Attached]

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
CITY OF RIFLE, COLORADO
REVENUE BONDS, SERIES 2025A
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of D.A. Davidson & Co. ("D.A. Davidson"), hereby certifies as set forth below with respect to the sale and issuance of the City of Rifle, Colorado Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A in an aggregate principal amount of \$ _____ (the "Series 2025A Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) D.A. Davidson offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A attached hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2025A Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, D.A. Davidson has agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Series 2025A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement (to which D.A. Davidson is a party) shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement (to which the D.A. Davidson is a party) shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2025A Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Series 2025A Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2025A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2025), or (ii) the date on which D.A. Davidson sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Rifle, Colorado.

(e) *Maturity* means Series 2025A Bonds with the same credit and payment terms. Series 2025A Bonds with different maturity dates, or Series 2025A Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2025A Bonds. The Sale Date of the Series 2025A Bonds is _____, 2025.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer (or with a lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025A Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2025A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2025A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents D.A. Davidson’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2025A Bonds, and by Hogan Lovells US LLP in connection with rendering their opinion that the interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2025A Bonds. The representations set forth herein are not necessarily based on personal knowledge.

D.A. DAVIDSON & CO.

By: _____
Name: _____

Dated: _____, 2025

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

EXHIBIT C
SUPPLEMENTAL OPINION OF BOND COUNSEL

May __, 2025

City of Rifle, Colorado
202 Railroad Avenue
Rifle, Colorado 81650

D.A. Davidson & Co.
Denver, Colorado

City of Rifle, Colorado
Revenue Bonds
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
Series 2025A and Taxable Series 2025B

Ladies and Gentlemen:

Under even date herewith we are rendering as bond counsel to the City of Rifle, Colorado (the "Issuer") an opinion as to certain matters in connection with the issuance by the Issuer of its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Series 2025A Bonds"), and its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Series 2025 Bonds").

The Series 2025 Bonds are being issued pursuant to and in accordance with the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act") and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the "Supplemental Act"), and a resolution adopted by the Issuer on January 15, 2025, and the terms and provisions of an Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Issuer will lend the proceeds of the Series 2025 Bonds to Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the "Borrower"), pursuant to a Loan Agreement, dated as of May 1, 2025 (the "Loan Agreement"), by and between the Issuer and the Borrower. Except as otherwise expressly defined herein, capitalized terms used herein have the meanings ascribed to such terms in the Indenture.

In rendering the following opinion, we have examined a copy of the Loan Agreement, Amended and Restated Preliminary Limited Offering Memorandum dated April 2, 2025, as supplemented by a Supplement to Amended and Restated Preliminary Limited Offering Memorandum dated May [__], 2025 with respect to the Series 2025 Bonds (collectively, the "Preliminary Limited Offering Memorandum"), Limited Offering

Memorandum dated May __, 2025 with respect to the Series 2025 Bonds (the "Limited Offering Memorandum"), a certified transcript of the record of proceedings of the Issuer taken preliminary to and in authorization of the Series 2025 Bonds and such other documents, proceedings and matters of law as we deem necessary to form an appropriate basis for us to render this opinion letter. As to questions of fact, we have relied upon the representations of the Issuer, the Borrower and other parties contained in the Loan Agreement and in the certified proceedings and have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies), without undertaking to verify the same by independent investigation.

Based upon, subject to, and as limited by the foregoing, it is our opinion that, as of the date hereof and under existing law, the Series 2025 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

The opinion expressed in the preceding paragraph is based on our opinion of even date herewith (subject to the qualifications contained herein) relating to the Series 2025 Bonds.

* * * * *

In our capacity as bond counsel to the Issuer, we have not been engaged nor have we undertaken to review or verify the accuracy, completeness or sufficiency of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum or other offering material relating to the Series 2025 Bonds, except that in our capacity as bond counsel we have reviewed the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum under the captions "INTRODUCTION," "THE SERIES 2025 BONDS," "SECURITY FOR THE SERIES 2025 BONDS," "TRANSFER RESTRICTIONS," Appendices F, G and H solely to determine whether such information and summaries conform to the Series 2025 Bonds, the Indenture, the Loan Agreement and the Mortgage. The summary descriptions under such captions in the Preliminary Limited Offering Memorandum, as of its date and the date of the Bond Purchase Agreement, and the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and as of the date hereof, insofar as such descriptions purport to describe or summarize certain provisions of the Series 2025 Bonds, the Indenture, the Loan Agreement, and the Mortgage are accurate summaries of such provisions in all material respects (meaning that the material terms of such provisions are accurately described). In addition, the statements in the Preliminary Limited Offering Memorandum, as of its date and the date of the Bond Purchase Agreement, and the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and as of the date hereof, under the caption "TAX MATTERS" purporting to describe or summarize our opinions concerning certain federal tax matters relating to the Series 2025 Bonds have been reviewed by us and are accurate summaries of such opinions in all material respects (meaning that the material terms of such opinions are accurately described).

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this letter. This letter is furnished to you by us, as bond counsel to the Issuer, solely for your use in connection with the issuance of the Series 2025 Bonds on the date hereof and may not be relied upon by any other persons. This letter should not be quoted in whole or in part or otherwise referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

We also consent to the inclusion of the form of Bond Counsel Opinion attached as Appendix J to the Preliminary Limited Offering Memorandum and Limited Offering Memorandum.

Very truly yours,

EXHIBIT D

OPINION OF FENNEMORE CRAIG, P.C, COUNSEL TO THE BORROWER

May [], 2025

City of Rifle
202 Railroad Ave.
Rifle, Colorado 81650

D.A. Davidson & Co.
1550 Market Street, #300
Denver, Colorado 80202

Habitat for Humanity of the Roaring Fork Valley, Inc.
53 Calaway Ct.
Glenwood Springs, Colorado 81601

U.S. Bank Trust Company
950 17th Street
Denver, Colorado 80202

Ladies and Gentlemen:

We have acted as counsel to Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (the “**Company**”), in connection with the issuance and sale by the City of Rifle, Colorado (the “**Issuer**”) of its (i) Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Series 2025A (the “**Series 2025A Bonds**”), in an aggregate principal amount of \$[], and (ii) Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the “**Series 2025B Bonds**” and, collectively with the Series 2025A Bonds, the “**Bonds**”), in an aggregate principal amount of \$[] pursuant to an Indenture of Trust dated as of May 1, 2025 (the “**Indenture**”) between the Issuer and U.S. Bank Trust Company, as trustee thereunder (the “**Trustee**”) and the loaning of proceeds of the Bonds by the Issuer to the Company pursuant to the Loan Agreement dated as of May 1, 2025 (the “**Loan Agreement**”) between the Issuer and the Company. Trustee is sometimes referred to in this opinion letter as “you”.

The Bonds are being sold to D.A. Davidson & Co. (the “**Underwriter**”), pursuant to that certain Bond Purchase Agreement, dated May [], 2025 (the “**Bond Purchase Agreement**”), among the Issuer, the Underwriter and the Company. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement.

For purposes of rendering our opinions in this letter, we have reviewed originals or copies, certified or otherwise identified to our satisfaction as being true copies, of the following documents and have made no other investigation or inquiry:

1. the Indenture;
2. the Loan Agreement;

3. the Promissory Note from Borrower to Issuer with respect to the Loan relating to the Bonds (the “**Note**”);
4. the Bond Purchase Agreement;
5. the Continuing Disclosure Agreement dated May [], 2025 (the “**Disclosure Agreement**”) between the Company and U.S. Bank Trust Company, as dissemination agent;
6. the Amended and Restated Ground Lease dated January 15, 2025 (the “**Ground Lease**”), between the City and the Company;
7. the Leasehold Deed of Trust and Fixture Filing (With Assignment of Leases and Rents and Security Agreement) dated May [], 2025, from Company to the Public Trustee of Garfield County, Colorado, for the benefit of Trustee (the “**Deed of Trust**”), encumbering the real property described therein;
8. the Collateral Assignment of Contract Documents dated as of May [], 2025 (the “**Collateral Assignment**”) from the Company to the Trustee;
9. the Agreement for Design Services dated February 2, 2024 between EV Studio, LLC (the “**Architect**”) and the Company;
10. the Deposit Account Control Agreement dated May [], 2025 with regard to the Collections Fund and the Operations Expense Account (the “**DACA**”), among the Trustee, the Company, and U.S. Bank National Association;
11. the [Tax Certificate and Agreement dated as of May [], 2025 executed by the Authority and the Company] (the “**Tax Certificate**”);
12. that certain AIA Document A102 – 2017 Standard Form of Agreement Between Owner and Contractor dated as of January 8, 2025, as amended by that certain Guaranteed Maximum Price Amendment dated as of February 20, 2025 (as amended, the “**Construction Contract**”) between Jack Wilkie Builder, Inc., a Colorado corporation doing business as Decatur Wilkie, Inc. (the “**Construction Contractor**”), and the Company, together with all permitted exhibits, amendments, extensions and renewals thereof;
13. that certain Agreement Between EVstudio and Client for Design Services – Part 1 dated February 2, 2024, as supplemented by that certain Agreement Between EVstudio and Client for Design Services – Part 2 (collectively, the “**Architect Agreement**”) between EV Studio, LLC, a Colorado limited liability company (the “**Architect**”), and the Company, together with all permitted amendments, extensions and renewals thereof;
14. that certain Construction Monitor Contract dated May [], 2025 (the “**Construction Monitor Contract**”) between the Company and the Architect, in its

capacity as construction monitor, together with all permitted amendments, extensions and renewals thereof;

15. that certain Habitat for Humanity, Roaring Fork, CO Factory Development Services Agreement dated March 14, 2024 (the “**Development Services Agreement**”) between 3in1 Solutions LLC, an Alaska limited liability company (“**3in1**”), and the Company, together with all permitted amendments, extensions and renewals thereof;

16. that certain Standard Form of Agreement Between Owner and Contractor dated as of July 10, 2024 (the “**TPI Contract**”) between TPI Industrial, Inc., a Colorado corporation (“**TPI**”), and the Company, together with all permitted amendments, extensions and renewals thereof;

17. that certain Owner’s Engineering Representative agreement dated December 31, 2023 (the “**Prosono Contract**”) between Prosono LLC, a Colorado limited liability company (“**Prosono**”), and the Company, together with all permitted amendments, extensions and renewals thereof;

18. that certain Standard Agreement Between Developer and Subcontractor dated December 3, 2024 (the “**Solar Contract**”) between Atlasta Solar Center LLC, a Colorado limited liability company (“**Atlasta**”), and the Company, together with all permitted amendments, extensions and renewals thereof;

19. those certain drawings, plans and specifications related to an approximately 65,000 square foot modular housing manufacturing facility (the “**Production Plant**”);

20. those certain permits related to the Production Plant;

21. all those other contracts and/or agreements between the Company, the Construction Contractor, the Architect, 3in1, TPI, Prosono, Atlasta and any person or firm rendering services or supplying material in connection with the development, construction, furnishing, equipping, operation and production of the Production Plant, including any amendments, modifications, extensions or supplements thereto;

22. any other approvals, resolutions, and zoning variances described on Schedule 1 hereto (collectively, the (“**Project Approval Documents**”) required for the acquisition, construction, development and operation of the project described on Schedule 2 hereto (the “**Project**”);

23. that certain Guaranty Agreement and Indemnity from Habitat for Humanity of the Roaring Fork Valley, Inc., a Colorado nonprofit corporation (in such capacity, the “**Guarantor**”) in favor of Lender;

24. that certain Loan Agreement, dated as of April 22, 2025, by and between The Denver Foundation, and Borrower;

25. that certain Line of Credit Promissory Note from Borrower to The Denver Foundation, dated as of April 22, 2025;

26. One (1) Uniform Commercial Code Financing Statement to be filed with the Clerk and Recorder of Garfield County, Colorado, with Company, as debtor, and Trustee, as secured party (the “**County Financing Statement**”);

27. One (1) Uniform Commercial Code Financing Statement to be filed with the Secretary of State of Colorado, with Company, as debtor, and Trustee, as secured party (the “**State Financing Statement**” and together with the County Financing Statement, the “**Financing Statements**”);

28. (a) the letter dated as of February 4, 2020 from the United States Department of the Treasury, Internal Revenue Service to the Habitat for Humanity International Inc. and Habitat for Humanity International Parent regarding the qualification of the such entities and their subordinates as tax-exempt organizations, and (b) the letter dated as of February 29, 2024 from Habitat for Humanity International, Inc. to the Company confirming the application of such qualification to the Company (collectively, the “**IRS Determination**”);

29. the Amended and Restated Preliminary Limited Offering Memorandum dated April 2, 2025, as supplemented by that certain Supplement to the Amended and Restated Preliminary Offering Memorandum dated May [], 2025 (the “**Preliminary Limited Offering Memorandum**”);

30. the Limited Offering Memorandum dated May [], 2025 (the “**Limited Offering Memorandum**”);

31. Certificate of Good Standing for Company from the Colorado Secretary of State (the “**Company Good Standing**”), and Articles of Incorporation for a Nonprofit Corporation from the Colorado Secretary of State (the “**Company Charter**”); and

32. such other documents, records, agreements and certificates of the Company as we have deemed necessary or appropriate to render the opinions expressed below.

The agreements referenced in paragraphs **Error! Reference source not found.-25** above are referred to herein as the “**Company Documents**.”

Based upon our examination of the foregoing and subject to the assumptions, qualifications, exclusions and other limitations which are identified in this opinion letter (including the schedules attached to this letter), we advise you, and with respect to each legal issue addressed in this opinion letter, it is our opinion that:

a. Based solely on our review of the Company Good Standing and the Company Charter, the Company is a nonprofit corporation duly formed, validly existing and in good standing under the laws of the State of Colorado.

b. The Company is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is exempt from federal income taxation under Section 501(a) of the Code, except for taxation of unrelated business income, if any, under Section 511 of the Code. To our knowledge, (i) the IRS

Determination has not been materially modified, limited, revoked or superseded, (ii) the Company is in compliance in all material respects with all of the terms, conditions, requirements and limitations, if any, contained in the IRS Determination and has not taken or failed to take any action (including the failure to file any report or documents with the IRS) that would jeopardize its status as an organization described in Section 501(c)(3) of the Code that is not a “private foundation” as defined in Section 509(a) of the Code, and (iii) no administrative or judicial proceedings are pending or threatened which may adversely affect the classification of the Company as an organization described in section 501(c)(3) of the Code, and exempt from federal income taxation under section 501(a) of the Code, except for taxation of unrelated business income, if any, under Section 511 of the Code.

c. Use of the projects financed by the Bonds in the manner described in the documents executed and to be executed by the Company in connection with the transactions described herein will not constitute use in any unrelated trade or business within the meaning of Section 513 of the Code.

d. The Company has all requisite corporate power and authority to (a) own its properties and conduct its current business as contemplated in the Company Documents and the Limited Offering Memorandum, (b) execute and deliver the Company Documents and perform its obligations thereunder, and (c) carry out and consummate the transactions contemplated by the Company Documents.

e. The execution and delivery by Company of the Company Documents to which Company is a party has been duly authorized by all requisite company action.

f. Assuming the genuineness of each of the related signatures, Company has duly executed and delivered each of the Company Documents to which it is a party.

g. Each Company Document to which Company is a party, insofar as it is governed by and construed in accordance with the laws of the State of Colorado, is (i) enforceable against Company in accordance with its terms, and (ii) the legal, valid and binding obligation of Company, subject however, in each case, to any applicable bankruptcy, insolvency, and similar laws affecting creditors’ rights generally, as further described on Schedule B.

h. None of (x) the execution and delivery by the Company of the Company Documents; (y) compliance with, and the performance by the Company of, the terms and conditions of the Company Documents; or (z) the payment by the Company of its obligations under the Company Documents will (a) violate any provision of the Company’s Charter or bylaws; (b) violate the provisions of any United States federal or State of Colorado law, rule, regulation, court order, or decree known to us which is normally applicable to the Company or to transactions of the type contemplated by the Company Documents; (c) conflict with or constitute a violation or breach of or default under any agreement, contract, or other instrument to which the Company is a party or the Company and the Project is otherwise subject or bound; or (d) result in the creation or imposition of

any security interest in or lien or encumbrance upon any of the assets of the Company except security interests and liens created under the Company Documents in favor of the Trustee.

i. Neither (x) the execution, issuance and delivery by the Company of the Note nor the (y) the issuance of the Bonds requires either (a) registration under the Securities Act of 1933, as amended, or (b) qualification of any document under the Trust Indenture Act of 1939, as amended.

j. Aside from the proper filing of the Deed of Trust and Financing Statements as described herein, no notice, permit, consent, approval, authorization, registration, filing with or other action is required to be obtained by the Company from any governmental body or agency or judicial authority in connection with (a) the execution and delivery by the Company of the Company Documents or the Limited Offering Memorandum; (b) the issuance of the Note by the Company; (c) the consummation and performance by the Company of its obligations under the Company Documents; or (d) the creation by the Company of the security interests created by the Loan Agreement, the Deed of Trust, the Collateral Assignment and DACA (collectively, the “**Security Documents**”), in each case except for those that: (i) have not already been obtained or taken and provided to the Trustee, (ii) may be required in the ordinary course of business in connection with the performance by Company of its obligations under any covenants contained in the Company Documents; (iii) are permitted or required under the Company Documents; or (iv) are required pursuant to securities laws.

k. The Project Approval Documents are all of the governmental approvals required to be obtained by the Company under United States federal or State of Colorado laws, rules, regulations, court orders, or decrees known to us which are normally applicable to the Company or to the Project and which relate to the ownership, development, use, construction, maintenance and operation of the Project Site, and the ownership, development, use, construction, maintenance and operation of the Project and the ultimate use thereof as a modular housing manufacturing facility in accordance with the Bond Documents.

l. Except to the extent qualified or limited expressly herein or as noted on Schedule 1, each Project Approval Document listed in Part I of Schedule 1 has been duly obtained by and is in the name of the Company, is final and in full force and effect, is not subject to any appeal or further proceeding, any and all contingencies and/or conditions with respect thereto have been fully complied with by the Company, and all applicable appeal periods have expired without the assertion or filing of any appeal.

m. No Project Approval Document listed in Part II of Schedule 1 has been issued, and none is required to have been issued as of this date for the current state of development of the Project. To our actual knowledge, there is no reason to believe that any such Project Approval Document will be issued in an untimely manner or contain restrictions that would materially limit the operation of the Project.

n. The site leased to the Company pursuant to the Ground Lease (the “**Project Site**”) is properly zoned so as to permit the construction, operation and occupancy of the Project as contemplated in the Company Documents, and the Project Approval Documents permit construction of the Project in accordance with the Ground Lease and Bond Documents (as defined in the Loan Agreement).

o. The Project Approval Documents have been duly assigned to Trustee as collateral for the loan pursuant to the Bond Documents and the Security Documents, and Trustee would be entitled to the full use and enjoyment of such Project Approval Documents in connection with the exercise of its remedies under the Bond Documents, the Security Documents and/or following its acquisition of title to (or control of) the Project pursuant to the Security Documents.

p. The Project Site is presently in compliance with all applicable zoning, building, development, environmental, water and air pollution, and all other ordinances, orders, laws or regulations applicable thereto.

q. There is no fact, circumstance or reason now known to us, why, if the Project is constructed as contemplated by the Company Documents: (i) the Project would not be entitled to a final certificate of occupancy upon completion; (ii) Completion would not occur on or before the date of Substantial Completion (as defined in the Construction Contract); and (iii) the Project would not be permitted to be operated or used for its intended purpose as a modular housing manufacturing facility in accordance with the Company Documents.

r. The Deed of Trust contains the terms and provisions necessary to enable Trustee, following a default thereunder, to exercise the remedies which are customarily available to a holder of or beneficiary under a deed of trust in the State of Colorado.

s. The Deed of Trust is in proper form for recording in Garfield County, Colorado. Upon due recordation of the Deed of Trust in the public records of in Garfield County, Colorado, it is sufficient to create a duly perfected, legal, valid and enforceable lien on the Trust Estate (as defined in the Deed of Trust).

t. The County Financing Statement is in satisfactory form for recording or filing with the Clerk and Recorder of Garfield County, Colorado.

u. The State Financing Statement is in satisfactory form for filing with the Colorado Secretary of State.

v. The Financing Statements, the DACA and that portion of the Deed of Trust comprising the security agreement creates a valid security interest in favor of the Trustee with respect to that portion of the collateral described in the Security Documents which constitutes property in which a security interest can be granted under Articles 8 and 9 of the Uniform Commercial Code as presently in effect in the State of Colorado (the “UCC”). The term “**Collateral**” as used herein shall mean that portion of the collateral

described in the Security Documents which constitutes property in which such security interest can be granted.

w. Under the UCC, the perfection of the Trustee's security interests in the Collateral: (i) will, as a general matter and except as otherwise provided in Sections 9-301 through 9-307 of the UCC, be governed by the local law of the jurisdiction in which the applicable grantor is located (which in the case of (A) a registered organization (as defined in the UCC) is the State under whose laws such registered organization is organized or (B) an organization that is not a registered organization, at its chief executive office); (ii) will, in the case of a possessory security interest, generally be governed by the local law of the jurisdiction in which the collateral is located; (iii) which constitutes certificated securities will be governed by the local law of the jurisdiction in which the security certificates are located (other than perfection by filing, which is governed by the local law of the jurisdiction in which the applicable grantor is located) as specified in Section 9-305(a)(1) of the UCC; (iv) which constitutes uncertificated securities will be governed by the local law of the issuer's jurisdiction as specified in Section 8-110(d) of the UCC pursuant to Section 9-305(a)(2) of the UCC (other than perfection by filing, which is governed by the local law of the jurisdiction in which the applicable grantor is located); (v) which constitutes a security entitlement or a securities account will be governed by the local law of the securities intermediary's jurisdiction as specified in Section 8-110(e) of the UCC pursuant to Section 9-305(a)(3) of the UCC (other than perfection by filing, which is governed by the local law of the jurisdiction in which the applicable grantor is located); (vi) which constitutes goods covered by a certificate of title will be governed by the local law of the jurisdiction under whose certificate of title the goods are covered as specified in Section 9-303 of the UCC; (vii) which constitutes deposit accounts will be governed by the local law of the depositary bank's jurisdiction as specified in Section 9-304 of the UCC; (viii) which constitutes letter-of-credit rights will generally be governed by the local law of the issuer's or nominated person's jurisdiction as specified in Section 9-306 of the UCC; and (ix) which constitutes other categories will be governed by the laws of the jurisdiction or jurisdictions specified in Sections 9-301 through 9-307 of the UCC.

x. Under the principles described in the preceding paragraphs (**Error! Reference source not found.**) and (**Error! Reference source not found.**), with respect to perfection of the security interest in the Collateral consisting of real property and personal property, provided the Deed of Trust is properly recorded, upon filing of the Financing Statements in the proper jurisdiction, the Trustee shall have a valid and perfected security interest in all Collateral that may be perfected under the UCC by the filing of a deed of trust with the county clerk and recorder and the filing of financing statements in the office of the Secretary of State of Colorado and the Clerk and Recorder of Garfield County, Colorado. Upon the due execution and delivery of the DACA by the parties thereto, the Trustee will have a perfected security interest in Collateral consisting of deposit accounts specifically identified in the DACA (the "**Deposit Accounts**") under the UCC in respect of all such Deposit Accounts that are "deposit accounts" within the meaning of Section 4-9-102(a)(29) of the UCC.

y. Under the laws of the State of Colorado, no mortgage, documentary stamp or similar tax is payable in connection with the execution, delivery or recording of

the Deed of Trust or the filing of the Financing Statements, other than the payment of a recording fee.

z. Except as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there is no action, suit, or proceeding, inquiry or investigation, either administrative or judicial, at law or in equity, before or by any court, governmental agency, board, or body pending, or, to our knowledge after due inquiry, threatened against or affecting the Company that seeks to (a) contest or affect the limited liability company existence or powers of the Company; (b) contest or affect the power of the Company to enter into and perform its obligations or consummate the transactions contemplated under the Company Documents; (c) in any way contest or affect the authority for the issuance and delivery of the Bonds or the validity of the Indenture or the Company Documents; or (d) restrain or enjoin the issuance or delivery of any of the Bonds or the collection of revenues pledged under the Loan Agreement.

aa. The distribution of the Preliminary Limited Offering Memorandum and the execution, delivery, and distribution of the Limited Offering Memorandum have been duly authorized by the Company.

bb. Without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness, or fairness thereof, nothing has come to our attention that would lead us to believe that the Preliminary Limited Offering Memorandum, as of its date or as the date of Bond Purchase Agreement, or the final Limited Offering Memorandum, as of its date and as of the Closing Date, (except for any financial or statistical data or projections contained or required to be contained therein and the information respecting Depository Trust Company in the Limited Offering Memorandum and appendices relating to the Market Study (as defined therein), as to which no view need be expressed), contains or contained an untrue statement of a material fact or omits or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In preparing this letter, we have relied without any independent verification upon the assumptions recited in Schedule A hereto and upon (i) factual information represented to be true in the Company Documents, and (ii) factual information provided to us by an authorized representative of the Company. Our opinions are legal opinions and we make no representations of fact.

While we have not conducted any independent investigation to determine facts upon which our opinions are based or to obtain information about which this letter advises you, we confirm that we do not have any actual knowledge which has caused us to conclude that our reliance and assumptions cited in the preceding paragraph, including the Schedules referred to therein, are unwarranted or that any information supplied in this letter is wrong. The terms “**knowledge**,” “**actual knowledge**” and “**aware**” whenever used in this letter with respect to our firm mean the current conscious awareness without investigation at the time this letter is delivered on the date it bears by the following Fennemore Craig, P.C. lawyers who are the only lawyers at Fennemore Craig, P.C. who have had significant

involvement with the negotiation or preparation of the Company Documents: Arthur K. Griffin, Esq. and William Zaki Robbins, Esq.

Our advice on every legal issue addressed in this letter is based exclusively on the internal laws of the State of Colorado or the federal law of the United States that we, in the exercise of customary professional diligence, would reasonably recognize as being directly applicable to the Company or the transaction referred to in this opinion letter. To the extent that issues addressed by this letter may be governed in whole or in part by other laws, we express no opinion as to whether any relevant difference exists between the laws upon which our opinions are based and any other laws which may actually govern. Our opinions are subject to all applicable qualifications and assumptions set forth in Schedule A and Schedule B and do not cover or otherwise address any law or legal issue which is identified in Schedule C hereto or any provision in the Company Documents of any type identified in Schedule D hereto. Provisions in the Company Documents which are not excluded by Schedule D or any other part of this letter or its attachments are called the “**Relevant Agreement Terms**”.

Our advice on each legal issue addressed in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the jurisdiction upon whose law our opinion on that issue is based. The manner in which any particular issue would be treated in any actual court case would depend in part on facts and circumstances particular to the case, and this letter is not intended to guarantee the outcome of any legal dispute which may arise in the future. It is possible that some Relevant Agreement Terms of a remedial nature contained in the Company Documents may not prove enforceable for reasons other than those cited in this letter should an actual enforcement action be brought, but (subject to all the exceptions, qualifications, exclusions and other limitations contained in this letter) such unenforceability would not in our opinion prevent you from realizing the principal benefits purported to be provided by the Relevant Agreement Terms of a remedial nature contained in the Company Documents.

This opinion letter speaks as of the time of its delivery on the date it bears. We do not assume any obligation to provide you with any subsequent opinion or advice by reason of any fact about which we do not have actual knowledge at that time, by reason of any change subsequent to that time in any law covered by any of our opinions, or for any other reason. The attached schedules are an integral part of this letter, and any term defined in this letter or any schedules has that defined meaning wherever it is used in this letter or in any schedule to this letter.

Without our written consent: (i) no person other than you and your successors and assigns may rely on this opinion letter for any purpose; (ii) this opinion letter may not be cited or quoted in any financial statement, prospectus, private placement memorandum or other similar document, except as otherwise required by law; (iii) except as otherwise required by law, this opinion letter may not be cited or quoted in any other document or communication which might encourage reliance upon this opinion letter by any person or for any purpose excluded by the restrictions in this paragraph; and (iv) copies of this opinion letter may not be furnished to anyone for purposes of encouraging such reliance,

provided this opinion letter may be included in a transcript of final proceedings relating to the Bonds.

Sincerely,

DRAFT

Fennemore Craig, P.C.

SCHEDULE A

Assumptions

For purposes of our letter, we have relied, without investigation, upon each of the following assumptions and qualifications:

1. Our opinions are based upon existing laws, ordinances and regulations in effect as of the date hereof and as they presently apply, and the constitutionality or validity of a relevant statute, rule, regulation or agency action is not in issue.

2. We have assumed: (i) the competency of all parties signing the Company Documents and other documents on behalf of all parties; (ii) the genuineness of all signatures on behalf of all parties; (iii) the authenticity of all documents submitted to us as originals on behalf of all parties; (iv) the conformity to original documents of all documents submitted to us as certified or photostatic copies; (v) the accuracy, authenticity, and completeness of all records made available to us on behalf of all parties, by government authorities and contained in public records; (vi) that all necessary action has been taken, or will be refrained from taken where so forbidden, by all parties (other than Company) to the Company Documents so as to cause each of them to be bound by the Company Documents under the terms of their respective governing documents and the laws of their respective jurisdictions of formation (including compliance with any requirement of good faith, fair dealing and conscionability); (vii) that no party will in the future take any discretionary action (including a decision not to act) permitted under the Company Documents, as the case may be, that would result in a violation of law or constitute a breach or default under any other agreements or court orders to which such person may be subject; (viii) that the Trustee is not subject to Regulation T of the Board of Governors of the Federal Reserve System; (ix) no proceeds of the Loan will be used for any purpose which would violate or be inconsistent with the Company Documents; and (x) that the bona fide primary security for the debt evidenced by the Company Documents is the lien granted by Company to Trustee pursuant to the Deed of Trust.

3. We have assumed that: (i) the Company Documents executed by Trustee have been duly authorized, executed and delivered by Trustee, are within Trustee's power, are Trustee's legal, valid and binding obligations, and that Trustee is in compliance with all applicable laws, rules and regulations governing the conduct of Trustee's business with respect to this transaction, that Trustee has full power and authority to perform all of its obligations under the Company Documents and Trustee has acted in good faith and without notice of any defense against the enforcement of any rights created by the transactions effected under the Company Documents; (ii) the Company Documents will be enforced in circumstances and in a manner which are commercially reasonable; and (iii) all terms, provisions and conditions relating to the transaction referred to in this opinion letter are correctly and completely reflected in the Company Documents and there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course or prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Company Documents.

4. We have assumed that: (i) the Company has the requisite rights to any Collateral existing on the date hereof and will have the requisite rights to each item of Collateral arising

after the date hereof; (ii) the descriptions of Collateral in the Company Documents reasonably describe the property intended to be described as Collateral; (iii) value (as defined in Section 1-204 of the Colorado UCC) has been given by Trustee to the Company for the security interests and other rights in and assignments of Collateral described in or contemplated by the Company Documents; (iv) all information regarding the secured party on the Financing Statements is accurate and complete in all respects; (v) all agreements, other than the Company Documents (if any) with respect to which we have provided advice in our letter and other documents with respect to which we have expressly delivered opinions on which we have allowed Trustee to rely pursuant to this letter or reviewed in connection with our letter, would be enforced as written; (vi) Company will in the future obtain all permits and governmental approvals required, and will in the future take all actions required, relevant to the consummation of the transactions to be consummated pursuant to the Company Documents or performance of the Company Documents; and (vii) all information required to be disclosed in connection with any consent or approval by the Company or its managers, members, or directors and all other information required to be disclosed in connection with any issue relevant to our opinions has in fact been fully and fairly disclosed to all persons to whom it is required to be disclosed.

5. Our opinions are qualified to the extent that: (i) the characterization of, and the enforceability of any rights or remedies in, any agreement or instrument may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, equitable subordination, or similar laws and doctrines that affect the rights of creditors in general and general equitable principles; (ii) the availability of specific performance, injunctive relief or any other equitable remedy is subject to the discretion of a court of competent jurisdiction; (iii) the provisions of any document, agreement or instrument that (a) requires indemnification or contribution for liabilities under the provisions of any laws or in respect to the negligent or wrongful conduct of the indemnified party or its representatives or agents, (b) purport to confer, waive or consent to the jurisdiction of any court or the manner of service of process, or (c) waive any right granted by constitutional, common or statutory law, may be unenforceable as against public policy. Our opinions are also qualified to the extent that any provisions of the Company Documents granting so-called “self-help” or extrajudicial remedies (other than foreclosure by the applicable public trustee) may not be enforceable, provided, however, such unenforceable “self-help” or extrajudicial remedies provisions do not prevent the practical realization of the principal benefits of the secured lien intended by the Company Documents. We further advise that the award and amount of attorneys’ fees are subject to the discretion of the court before which any proceeding involving the Company Documents may be brought.

6. We have assumed that: (i) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence by any party in entering into the Company Documents; (ii) the conduct of the parties to the Company Documents has complied with any requirement of good faith, fair dealing and conscionability; (iii) all parties to the Company Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Company Documents; and (iv) Trustee is validly existing and in good standing in its jurisdiction of organization.

7. We have assumed that the consummation of the transaction contemplated in the Company Documents (i) does not violate or contravene any agreement or instrument executed by

or binding upon Trustee, and (ii) is not prohibited or restricted by any regulation, rule, directive or order of any agency having jurisdiction over Trustee.

SCHEDULE B
General Qualifications

All our opinions (“**our opinions**”) in the letter to which this Schedule is attached (“**our letter**”) are subject to each of the qualifications set forth in this Schedule.

1. Bankruptcy and Insolvency Exception. Each of our opinions is subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium and other similar laws relating to or affecting creditors’ rights generally. This exception includes:

a. the federal Bankruptcy Code and thus comprehends, among others, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of a non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses and the coverage of pre-petition security agreements applicable to property acquired after a petition is filed;

b. all other federal and state bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors laws that affect the rights of creditors generally or that have reference to or affect only creditors of specific types of debtors;

c. state fraudulent transfer and conveyance laws; and

d. judicially developed doctrines in this area, such as substantive consolidation of entities and equitable subordination.

2. Equitable Principles Limitation. Each of our opinions is subject to the effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles:

a. governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made;

b. affording equitable defenses (e.g., waiver, laches and estoppel) against a party seeking enforcement;

c. requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;

d. requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract;

e. requiring consideration of the materiality of (i) a breach and (ii) the consequences of the breach to the party seeking enforcement;

f. requiring consideration of the commercial impracticability or impossibility of performance at the time of attempted enforcement;

g. affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract; and

h. voiding or rendering unenforceable any clause or covenant that restricts the right of any person to perform services and receive compensation from any employer.

3. Other Legal Qualifications. Each of our opinions is subject to the effect of rules of law that:

a. limit or affect the enforcement of provisions of a contract that purport to waive, or to require waiver of, the obligations of good faith, fair dealing, diligence and reasonableness;

b. provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected;

c. limit the availability of a remedy under certain circumstances where another remedy has been elected;

d. provide a time limitation after which a remedy may not be enforced;

e. limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves negligence, gross negligence, recklessness, willful misconduct, strict liability, unlawful conduct, violation of public policy or litigation against another party determined adversely to such party;

f. where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange;

g. govern and afford judicial discretion regarding the determination of damages and entitlement to attorneys' fees and other costs;

h. permit a party that has materially failed to render or offer performance required by the contract to cure that failure unless (i) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (ii) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract;

i. limit the enforceability requirements in the Company Documents that provisions therein may only be waived or amended in writing, to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any such provision;

j. render guaranties unenforceable under circumstances where your actions, failures to act or waivers, amendments or replacement of the Company Documents evidencing or relating to the guaranteed obligations so radically change the essential nature of the terms and conditions of the guaranteed obligations and the related transactions that, in effect, a new relationship has arisen between you and the Company which is substantially and materially different from that presently contemplated by the Company Documents;

k. limit the enforceability requirements in the Company Documents as a result of misconduct by any of the Company or the Trustee, including without limitation breach of fiduciary duties, conspiracy, fraud or negligence;

l. limit the right of a creditor to use force or cause a breach of the peace in enforcing rights; and

m. relate to the sale or disposition of collateral or the requirements of a commercially reasonable sale.

4. Collateral Qualifications. The opinions and advice contained in opinion paragraphs **(Error! Reference source not found.)-(Error! Reference source not found.)** of our letter are subject to the following advice:

a. certain rights of debtors and duties of secured parties referred to in Sections 1-302 and 9-602 of the UCC may not be waived, released, varied or disclaimed by agreement prior to a default and our opinions regarding any such waivers, releases, variations and disclaimers are limited accordingly;

b. our opinions regarding the creation and perfection of security interests are subject to the effect of: (i) the limitations on the existence and perfection of security interests in proceeds resulting from the operation of Section 9-315 of the UCC; (ii) the limitations in favor of buyers, licensees and lessees imposed by Sections 9-320, 9-321 and 9-323 of the UCC; (iii) the limitations with respect to documents, instruments and securities imposed by Sections 9-331 and 8-303 of the UCC; (iv) other rights of persons in possession of money, instruments and proceeds constituting certificated or uncertificated securities; and (v) section 547 of the Bankruptcy Code with respect to preferential transfers and section 552 of the Bankruptcy Code with respect to any Collateral acquired by the Company subsequent to the commencement of a case against or by the Company under the Bankruptcy Code;

c. Article 9 of the UCC requires the filing of continuation statements (or original financing statements in lieu of continuation statements) within specified periods in order to maintain the effectiveness of the filings referred to in our letter;

d. additional filings may be necessary if Company changes its name, identity or company structure or the jurisdiction in which any of its places of business, its chief executive office or any Collateral is located;

e. your security interest in certain of the Collateral may not be perfected by the filing of financing statements under the UCC;

f. we express no opinion regarding the perfection of any lien or security interest in any property (whether real, personal or mixed, and whether such perfection be accomplished or purports to be accomplished by filing, by possession, by control or otherwise) except as specifically set forth in our letter, or regarding the continued perfection of any possessory security interest in any Collateral (or other security interest the perfection of which depends upon the location of such Collateral) upon or following the removal of such Collateral to another jurisdiction; we express no opinion regarding the perfection of any security interest in money or letter-of-credit rights or regarding the perfection of any possessory security interest in Collateral in possession of a person other than the secured party; and we express no opinion with respect to the perfection by filing of any security interest with respect to Collateral as to which the filing of a financing statement has not been authorized by the debtor either in an authenticated record or pursuant to Section 9-509(b) or (c) of the UCC; and we express no opinion regarding the priority of any lien or security interest;

g. the assignment of or creation of a security interest in any contract, lease, license, permit or other general intangible or account, chattel paper or promissory note may require the approval of the issuer thereof or the other parties thereto, except to the extent that restrictions on the creation, attachment, perfection or enforcement of a security interest therein are unenforceable under Sections 9-406 and 9-408 of the UCC;

h. we express no opinion with respect to any self-help remedies to the extent they vary from those available under the UCC or with respect to any remedies otherwise inconsistent with the UCC (to the extent applicable thereto) or other applicable law;

i. we express no opinion with respect to the creation, perfection or enforceability of security interests in property in which it is illegal or violative of governmental rules or regulations to grant a security interest (such as, for example, governmental permits and licenses);

j. we express no opinion with respect to the enforceability of any security interest in any accounts, chattel paper, documents, instruments or general intangibles with respect to which the account debtor or obligor is the United States of America, any state, county, city, municipality or other governmental body, or any department, agency or instrumentality thereof;

k. we express no opinion with respect to the enforceability of any provision of any Company Document which purports to authorize you to sign or file financing statements under circumstances not authorized under the UCC;

l. we express no opinion with respect to the enforceability of any provision of any Company Document which purports to authorize you to purchase at a private sale collateral which is not subject to widely distributed standard price quotations or sold on a recognized market;

m. we express no opinion regarding the Company's rights in or title to any of its properties, including without limitation, any of the Collateral;

n. we note that the perfection of any security interest may be terminated as to Collateral otherwise disposed of by the Company if such disposition is authorized in the Company Documents or otherwise by the Trustee;

o. we express no opinion regarding the enforceability of any pre-default waiver of notification of disposal of Collateral, mandatory disposition of Collateral or redemption rights;

p. we express no opinion regarding the enforceability of any provisions asserting that Collateral is owned by or is property of a secured party prior to such secured party's foreclosure of such Collateral in accordance with the UCC or, in the case of cash Collateral, the application of such cash Collateral in payment of the secured obligations; and

q. our opinions as to the validity, binding effect and enforceability of any Company Document do not constitute opinions as to the creation, perfection, effect of perfection or priority of any lien or security interest purported to be granted thereunder; opinions as to the creation, perfection, effect of perfection or priority of any lien or security interest are contained only in opinion paragraphs (Error! Reference source not found.)-(Error! Reference source not found.).

5. Regulatory Status. We express no opinion with respect to, and our opinions are subject to, the effect of the compliance or noncompliance with any state or federal laws or regulations applicable to you because of your legal or regulatory status or the nature of your business or requiring you to qualify to conduct business in any jurisdiction.

6. Additional State Qualifications.

a. We express no opinion as to the enforceability of provisions in the Company Documents imposing penalties, forfeitures, late payment charges or an increase in the interest rate on delinquency, to the extent that the same are not reasonably calculated to compensate Trustee but are instead intended to penalize any Company.

b. The provisions of the Company Documents permitting the acceleration of the indebtedness evidenced thereby upon the occurrence of an event of default are limited by C.R.S. § 38-38-104(1), which provides, at least in the foreclosure context, that whenever the only event of default or violation is nonpayment of sums due, the owner of the property or other parties obligated on the indebtedness shall have the right to avoid the acceleration and foreclosure sale by giving notice to the public trustee or sheriff conducting the sale, at least fifteen calendar days prior to the date of the foreclosure sale, of their intention to cure such default.

c. Trustee's rights to foreclose under the Company Documents upon the occurrence of an event of default are subject to applicable laws and statutes of the State of Colorado then in effect, including the Uniform Commercial Code of Colorado (with respect to personal property), any statutes or other laws limiting the foreclosure sale of property in parcels, and any statutes affording Company a right to redeem upon default or cure any default and reinstate the indebtedness secured thereby.

d. Under the laws of the State of Colorado, failure by an owner of evidence of debt to bid such owner's good faith estimate of the fair market value of real property being sold at foreclosure may be raised as a defense by any person or entity sued on a deficiency.

e. The assignment of rents in the Deed of Trust is subject to a Colorado rule of law which holds that such assignments are inchoate and do not become enforceable until the assignee takes some effectual step towards subjecting such rents to the payment of the debt, such as impounding the rents, securing an appointment of a receiver, filing a foreclosure action or obtaining possession of the subject property.

f. Provisions of the Company Documents that purport to allow Trustee to take possession of any collateral or to collect rents immediately upon default without Company's consent and without judicial appointment of a receiver, or to obtain appointment of a receiver upon an ex parte application as a matter of right, or provisions of the Company Documents which provide for the waiver of any statutory, common law, or equitable rights of Company or which may be deemed unconscionable or against public policy by a court with valid jurisdiction, may be unenforceable.

g. As to matters affecting title to the real property described in the Deed of Trust, we understand that Trustee is relying upon title insurance policies to be issued by a title company acceptable to Trustee. We have not made or undertaken to make any investigation of the state of title to such real property or to any other property described in the Company Documents. Without limiting the foregoing, we express no opinion with respect to the priorities of any of the liens created in favor of Trustee under the Company Documents in the real property or any personal property.

h. Provisions of the Company Documents pursuant to which any applicable statute of limitations is waived may not be enforceable.

i. Provisions of the Company Documents pursuant to which any applicable right of redemption is waived may not be enforceable.

j. Under C.R.S. § 38-39-201, any lien on real property created by the Deed of Trust will cease to be a lien fifteen years after the date on which the final payment or performance of the obligation secured thereby is due as shown by such Deed of Trust, provided that if the date on which the final payment or performance is due cannot be determined from the information contained in the Deed of Trust, such date shall be considered to be the date of the Deed of Trust or, if the Deed of Trust is undated, the date the Deed of Trust is first recorded.

k. Without limiting any qualification or exception set forth in this opinion letter, we express no opinion concerning Trustee's secured position and priority under the Deed of Trust with respect to indebtedness arising under the terms of the Deed of Trust to the extent (i) such indebtedness exceeds the maximum principal indebtedness set forth in the Deed of Trust, and (ii) the excess is not attributable to interest or other amounts enumerated in subsection (2) of C.R.S. § 38-39-106.

l. We express no opinion as to the enforceability of cumulative remedies to the extent such cumulative remedies purport to or would have the effect of compensating the

party entitled to the benefits thereof in amounts in excess of the actual loss suffered by such party or would violate applicable laws concerning real estate or missed collateral foreclosures or election of remedies (we call your attention to the fact that strict foreclosure under §9-620 of the Colorado Uniform Commercial Code would eliminate your right to seek a deficiency judgment).

SCHEDULE C

Excluded Law and Legal Issues

None of the opinions or advice contained in our letter covers or otherwise addresses any of the following laws, regulations or other governmental requirements or legal issues:

1. pension and employee benefit laws and regulations (e.g., ERISA);
2. federal and state antitrust and unfair competition laws and regulations;
3. compliance with fiduciary duty requirements;
4. the statutes and ordinances, the administrative decisions, and the rules and regulations, of counties, towns, municipalities and special political subdivisions and judicial decisions to the extent such decisions deal with any of the foregoing other than with respect to opinion paragraphs **(Error! Reference source not found.)**, **(Error! Reference source not found.)**, **(Error! Reference source not found.)**, and **(Error! Reference source not found.)**;
5. fraudulent transfer and fraudulent conveyance laws;
6. federal patent, trademark and copyright, state trademark, and other federal and state intellectual property laws and regulations;
7. other than with respect to opinion paragraphs **(Error! Reference source not found.)**, **(Error! Reference source not found.)**, **(Error! Reference source not found.)**, and **(Error! Reference source not found.)**, federal and state environmental, land use and subdivision, zoning, building, construction, tax, racketeering (e.g., RICO), occupational, health and safety (e.g., OSHA), and labor laws and regulations;
8. any laws, regulations, directives and executive orders that prohibit or limit the enforceability of obligations based on attributes of the party seeking enforcement (e.g., the Patriot Act, Trading with the Enemy Act and the International Emergency Economic Powers Act);
9. the effect of any law, regulation or order which hereafter is enacted, promulgated or issued;
10. Federal Reserve Board margin regulations;
11. other than the specific opinions set forth in opinion paragraphs **(Error! Reference source not found.)**-(**Error! Reference source not found.**), federal and state laws and regulations concerning filing and notice requirements;

12. federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, (iii) criminal and civil forfeiture laws, (iv) usury, and (v) corrupt practices;

13. regulation of utilities;

14. other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes); and

15. the Communications Act and the rules, regulations and policies of the FCC promulgated thereunder.

We have not undertaken any research for purposes of determining whether the Company or any of the transactions which may occur in connection with any Company Document is subject to any law or other governmental requirement other than to those laws and requirements which in our experience would generally be recognized as applicable to transactions of the type contemplated by the Company Documents to occur on the date hereof, and none of our opinions covers any other law or other requirement unless (i) we had actual knowledge of its applicability at the time our letter was delivered on the date it bears, and (ii) it is not excluded from coverage by other provisions in our letter or in any Schedule to our letter.

SCHEDULE D
Excluded Provisions

None of the opinions in the letter to which this Schedule is attached covers or otherwise addresses any of the following types of provisions which may be contained in the Company Documents:

1. Choice-of-law provisions.
2. Provisions mandating contribution towards judgments or settlements among various parties.
3. Waivers of (i) legal or equitable defenses, (ii) rights to damages, (iii) rights to counter claim or set-off, (iv) statutes of limitations, (v) rights to notice, (vi) the benefits of statutory, regulatory, or constitutional rights, unless and to the extent the statute, regulation, or constitution explicitly allows waiver, (vii) trials by jury, (viii) broadly or vaguely stated rights, and (ix) other benefits, in each case, to the extent they cannot be waived under applicable law.
4. Provisions providing for forfeitures or the recovery of amounts deemed to constitute penalties, or for liquidated damages to the extent deemed to be penalties, acceleration of future amounts due (other than principal) without appropriate discount to present value, and late charges, prepayment charges, and increased interest rates upon default (but only to the extent deemed to constitute penalties by a court of law).
5. Time-is-of-the-essence clauses.
6. Provisions which provide a time limitation after which a remedy may not be enforced.
7. Agreements to submit to the jurisdiction of any particular court or other governmental authority (either as to personal or subject matter jurisdiction); provisions restricting access to courts; waiver of service of process requirements which would otherwise be applicable; and provisions otherwise purporting to affect the jurisdiction and venue of or access to courts.
8. Provisions appointing one party as an attorney-in-fact for an adverse party or providing that the decision of any particular person will be conclusive or binding on others.
9. Provisions purporting to limit rights of third parties who have not consented thereto or purporting to grant rights to third parties.
10. Provisions which purport to award attorneys' fees solely to one party.
11. Provisions or agreements regarding shareholder voting rights.

12. Provisions, if any, which are contrary to the public policy of any jurisdiction.
13. Provisions which require the arbitration of disputes to the extent that relief is initially sought from a court of general jurisdiction.
14. Provisions purporting to create a trust or constructive trust without compliance with applicable trust law.
15. Provisions or agreements regarding proxies, member agreements, member voting rights, voting trusts, and the like.
16. Provisions in any of the Company Documents requiring Company to perform their obligations under, or to cause any other person to perform its or his obligations under, or stating that any action will be taken as provided in or in accordance with, any agreement or other document that is not a Company Document.
17. Confidentiality agreements.
18. Confession of judgment provisions.
19. Provisions that attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings.
20. Provisions that provide for the appointment of a receiver, except to the extent that all procedural and legal rules established in the appropriate jurisdiction are followed.

SCHEDULE 1
Project Approval Documents

Part I

1. Building Permit issued by the City of Rifle to Decatur Wilkie, Inc. as applicant and contractor, Company, as owner.
2. City of Rifle, Colorado Ordinance No. [] Series of 2025
3. Approval from Colorado Department of Public Health & Environment, dated January 27, 2025, regarding Construction submittal for the Habitat for Humanity Modular Construction Factory Project at the New Rifle Site on behalf of the City of Rifle
4. Approval from Colorado Department of Public Health & Environment, dated August 20, 2024, regarding Soil tests for the 66,000 SF modular factory building at the West Rifle Processing Site
5. Memo from Colorado Department of Public Health & Environment, dated January 23, 2025, Certification, Colorado Discharge Permit System Permit No., COR400000, Certification Number: COR426403.
6. Letter from United States Department of Energy to Company dated January 30, 2025 regarding Institutional Control Boundary covering the Project.
7. Quit Claim Deed recorded on June 9, 2004, conveying Project Site from the Colorado Department of Public Health & Environment to the Issuer.

Part II

1. Certificates of Occupancy.
2. Colorado Division of Housing Modular Factor Certification.
3. Colorado Division of Housing Modular Unit Design Approval.

SCHEDULE 2

Project Description

The project consists of: (i) the acquisition, construction, equipping and installation of an approximately 66,000 square feet modular housing manufacturing facility to be located within the boundaries of the Issuer on approximately 10.5 acres leased by the Issuer to the Company pursuant to the Ground Lease; (ii) the funding of a required debt service reserve fund for the Series 2025A Bonds; (iii) the payment of certain capitalized interest on the Bonds; and (iv) the payment of the costs of issuance of the Bonds.

EXHIBIT E

OPINION OF KARP NEU HANLON, P.C., GENERAL COUNSEL FOR THE ISSUER

May __, 2025

City of Rifle, Colorado
202 Railroad Avenue
Rifle, Colorado 81650

Habitat for Humanity of the
Roaring Fork Valley, Inc.
53 Calaway Court
Glenwood Springs, Colorado 81601

U.S. Bank Trust Company, National Association
950 17th Street
Denver, Colorado 80202

D.A. Davidson & Co.
1550 Market Street, Suite 300
Denver, Colorado 80202

**City of Rifle, Colorado
Revenue Bonds
(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)
Series 2025A and Taxable Series 2025B**

Ladies and Gentlemen:

As counsel to the City of Rifle, Colorado (the "Issuer"), in connection with the issuance by the Issuer of its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado), Series 2025A (the "Series 2025A Bonds"), and its \$_____ Revenue Bonds (Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility, Service Areas in Aspen, Glenwood Springs and Rifle, Colorado) Taxable Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Series 2025 Bonds"), we have reviewed:

(a) the Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), between the Issuer, as issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(b) the Loan Agreement, dated as of May 1, 2025 (the "Agreement"), between the Issuer, as issuer and Habitat for Humanity of the Roaring Fork Valley, Inc., as borrower (the "Borrower");

(c) the Bond Purchase Agreement, dated May __, 2025 (the "Bond Purchase Agreement"), among the Issuer, the Borrower and D.A. Davidson & Co., as underwriter of the Series 2025 Bonds;

(d) the Ground Lease dated July 10, 2023, amended and restated as of January 15, 2025 (the "Ground Lease"), from the Issuer to the Borrower;

(e) the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the "Act");

(f) the ordinance of the Issuer adopted May 7, 2025 (the "Ordinance") pursuant to which the Issuer approved the issuance of the Series 2025 Bonds and related matters;

(g) the Amended and Restated Preliminary Limited Offering Memorandum dated April 2, 2025 with respect to the Series 2025 Bonds (the "Preliminary Limited Offering Memorandum") and the Limited Offering Memorandum dated May __, 2025 with respect to the Series 2025 Bonds (the "Limited Offering Memorandum");

and such other documents, instruments and proceedings of the Issuer as we have deemed relevant to render this opinion. Terms not defined herein shall have the meanings ascribed to such terms in the Agreement.

Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the opinion that:

1. The Issuer is a home-rule city and municipal corporation of the State of Colorado.
2. The Issuer has full legal right, power and authority (i) to enter into the Bond Purchase Agreement, the Loan Agreement, the Indenture and the Ground Lease (collectively, the "Issuer Documents"); (ii) to issue, sell and deliver the Series 2025 Bonds; and (iii) to carry out and consummate all other transactions of the Issuer contemplated by each of the aforesaid documents.
3. The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, assuming due and proper authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements and special obligations of the Issuer enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, moratorium, insolvency or other similar laws affecting creditors' rights and remedies generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
4. The Series 2025 Bonds have been duly authorized, executed, issued, authenticated and delivered in accordance with the Indenture and constitute legal, valid and binding limited and special obligations of the Issuer enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, moratorium, insolvency or other similar laws affecting creditors' rights and remedies generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
5. With respect to the issuance, delivery and sale of the Series 2025 Bonds, the Issuer has in all respects complied with the Act, and all approvals, consents and orders of any governmental authority, board, commission, agency, council or other body having jurisdiction which constitute conditions precedent to the

performance by the Issuer of its obligations under the Issuer Documents have been obtained and are in full force and effect.

6. No action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body is pending or, to the best of our knowledge, threatened against or affecting the Issuer (i) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by any of the Issuer Documents or the validity of the Series 2025 Bonds, (ii) seeking to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or the application of the proceeds of the Series 2025 Bonds as provided in the Indenture, (iii) in any way contesting or affecting any authority for the issuance of the Series 2025 Bonds or the validity or enforceability of the Series 2025 Bonds or the Issuer Documents or (iv) in any way contesting the existence or powers of the Issuer.

7. The execution and delivery of the Issuer Documents do not, and the execution and delivery of the Series 2025 Bonds and compliance with the provisions thereunder or thereof, will not, in any material respect, conflict with or constitute on the part of the Issuer a violation or breach of or default under any other agreement or instrument to which the Issuer is a party or by which it is bound or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject.

In rendering the foregoing opinions, we have assumed the due authorization, execution and delivery of the Issuer Documents by the parties thereto other than the Issuer.

The opinions set forth herein are limited to the laws of the State of Colorado and, other than as expressly covered herein, we express no opinion with respect to the effect of any Federal laws or any laws of any other jurisdiction. The preceding opinions are further specifically qualified in that we express no opinion regarding the effect or requirements of the State of Colorado securities or blue sky laws or Federal securities laws.

Our opinions expressed herein are limited to the matters expressly set forth herein, and no opinion may be inferred beyond the matters expressly stated herein.

The opinions set forth herein are furnished by us for the sole benefit of the parties to whom this letter is specifically addressed and no other person or entity shall be entitled to rely upon these opinions without our express written consent.

* * * * *

In our capacity as counsel to the Issuer, we have not been engaged nor have we undertaken to review or verify the accuracy, completeness or sufficiency of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum or other offering material relating to the Series 2025 Bonds, except that in our capacity as counsel to the Issuer, we have reviewed the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum under the captions "INTRODUCTION – The Issuer," "THE ISSUER" and "ABSENCE OF MATERIAL LITIGATION – The Issuer" (the "Issuer Sections"). Based on this review of the Issuer Sections in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, we may state that no facts have come to the attention of the attorneys in our firm working on this matter which cause us to believe that the information included in such Issuer Sections in the Preliminary Limited Offering Memorandum as of its date and the date of the Bond Purchase Agreement, or in the Limited Offering Memorandum as of its date and as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this letter. This letter is furnished to you by us, as counsel to the Issuer, solely for your use in connection with the issuance of the Series 2025 Bonds on the date hereof and may not be relied upon by any other persons. This letter should not be quoted in whole or in part or otherwise referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

Very truly yours,

EXHIBIT F

FORM OF CLOSING CERTIFICATE OF THE ISSUER

CITY OF RIFLE, COLORADO

REVENUE BONDS

(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)

SERIES 2025A AND TAXABLE SERIES 2025B

May [], 2025

I, [], [Title] of the City of Rifle, Colorado (the “**Issuer**”), hereby certify as of the date first written above, as set forth below. Capitalized terms not defined herein shall have the meaning set forth in the Bond Purchase Agreement dated May [], 2025 (the “**Bond Purchase Agreement**”), among the Issuer, Habitat for Humanity of the Roaring Fork Valley, Inc. and D.A. Davidson & Co., as underwriter.

1. The Issuer is a home-rule city and municipal corporation of the State, authorized under the County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes, as amended (the “**Act**”) and the Colorado Supplemental Public Securities Act, constituting Article 57, Title 11, Section 201 et seq., Colorado Revised Statutes, as amended (the “**Supplemental Act**”), to issue revenue bonds for the purposes set forth therein and to enter into the Issuer Documents.

2. All of the representations and warranties of the Issuer contained in the Bond Purchase Agreement and in the Issuer Documents are true, complete and correct in all material respects (except to the extent any representation itself is qualified by “materiality,” “Material Adverse Effect” or a similar qualifier, in which case, it is true and correct in all respects) as of the date hereof.

3. Attached as Exhibit A are the names and titles of the officers of the Issuer who have executed the Issuer Documents. The signature set forth opposite the name of each such officer is a genuine specimen of such officer’s signature. Each of the individuals listed as an officer on Exhibit A is and, at all pertinent times, has been duly appointed, qualified and acting as such officer.

4. Attached as Exhibit B hereto is a true and correct specimen of the Bonds as initially issued and delivered. Each of the Bonds delivered at the closing of the issuance thereof held this day was duly executed and delivered on behalf of the Issuer by [], as [], and attested on behalf of the Issuer by []; the signatures of said officers thereon are their respective genuine or facsimile signatures; the seal of the Issuer affixed on the Bonds is a true and correct facsimile of the genuine corporate and common seal of the Issuer; and the Bonds constitute the legal, valid and binding limited obligations of the Issuer, and are entitled to the benefit of and security of the Indenture.

5. Attached as Exhibit C is a true, correct and complete copy of the Bond Ordinance. The Bond Ordinance was duly adopted at a public meeting duly convened pursuant to proper notice thereof given in accordance with all requirements of law and procedural rules of the Issuer, and is in full force and effect and has not been amended or modified since its date of adoption.

6. The Issuer has complied in all material respects with all of the agreements and conditions of the Bond Purchase Agreement and the Issuer Documents to be performed or satisfied by the Issuer on or prior to the date hereof and is not in default under or in material breach of any covenant on its part contained in the Bond Purchase Agreement or any other Issuer Document.

7. The information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the headings “INTRODUCTION – The Issuer,” “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION – The Issuer” did not as of the respective dates thereof and does not as of this date contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

8. No litigation is pending or, to the knowledge of the Issuer, threatened against the Issuer (A) to restrain or enjoin issuance or delivery of any of the Bonds or the collection of revenues pledged under the Indenture, (B) in any way contesting or affecting any authority for the issuance of the Bonds or the validity of the Bonds, the Bond Purchase Agreement or the other Issuer Documents, or (C) in any way contesting or affecting the powers or ability of the Issuer to perform its obligations under the Issuer Documents.

9. There is no default, event of default or event which, with the giving of notice or passage of time would be a default under the Ground Lease.

EXHIBIT G

FORM OF CLOSING CERTIFICATE OF THE BORROWER

CITY OF RIFLE, COLORADO

REVENUE BONDS

**(Habitat Roaring Fork Valley, Inc. Modular Housing Production Facility,
Service Areas in Aspen, Glenwood Springs and Rifle, Colorado)**

SERIES 2025A AND TAXABLE SERIES 2025B

May [], 2025

I, [], the [Secretary/OFFICER OTHER THAN THE OFFICER SIGNING FINANCING DOCUMENTS] of Habitat for Humanity of the Roaring Fork Valley, Inc. (the “Borrower”), hereby certify as of the date first written above, as set forth below. Capitalized terms not defined herein shall have the meaning set forth in the Bond Purchase Agreement dated May [], 2025 (the “Bond Purchase Agreement”), among the City of Rifle, Colorado, the Borrower, and D.A. Davidson & Co., as underwriter.

(a) The Borrower is a Colorado corporation with full corporate legal right, power and authority (i) to undertake the financing of the Project, (ii) to execute and deliver the Borrower Documents relating to the above-captioned bonds (the “Bonds”) and perform all of its obligations therein, and (iii) to carry out the transactions contemplated by the Borrower Documents.

(b) The Borrower has authorized the execution, delivery, receipt and due performance of the Borrower Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Borrower in order to carry out, give effect to and consummate the transactions to be carried out by the Borrower as contemplated by the Borrower Documents and the Limited Offering Memorandum. Each Borrower Document has been duly authorized and executed and is in full force and effect as of the date hereof.

(c) (i) Each of the Borrower’s representations and warranties set forth in each of the Borrower Documents (including the Bond Purchase Agreement) is true and correct in all material respects on the date hereof with the same effect as if made on the date hereof, (ii) no event has occurred since the date of the Limited Offering Memorandum to cause the Limited Offering Memorandum to contain an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (iii) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents on or prior to the Closing Date.

(d) On the date hereof each of the persons listed in Exhibit A attached hereto is a duly appointed, qualified and acting officer of the Borrower holding the respective office set forth

opposite his or her name, and the signature of each officer set forth in Exhibit A who executed documents in connection with the issuance of the Bonds is his or her genuine signature.

(e) Attached hereto as Exhibit B and Exhibit C, respectively, are the true and complete copies of the Borrower's (i) Articles of Incorporation and all amendments thereto, as filed on the dates indicated thereon and (ii) Bylaws, which were adopted by the Board of Directors of the Borrower and are in full force and effect on the date hereof. No amendments to or modifications of such Articles of Incorporation (as amended) or Bylaws have been proposed or approved by the Borrower.

(f) Attached hereto as Exhibit D is the resolution of the Borrower authorizing the execution and delivery of the Borrower Documents and the transaction contemplated therein. Such resolution was duly adopted in accordance with all requirements of law and the Bylaws of the Borrower and remains in full force and effect on the date hereof.

(g) Attached hereto as Exhibit E is a certificate of good standing issued by the Secretary of State of the State of Colorado with respect to the Borrower.

(h) Attached hereto as Exhibit F is a true, correct and complete copy of the letter from the Internal Revenue Service to the effect that the Borrower is a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code and that the Borrower is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. The aforesaid letter has not been modified, limited or revoked, and the Borrower has not been advised by the Internal Revenue Service of any proposed modification, limitation or revocation of such letter. The Borrower is in compliance with all terms, conditions and limitations, if any, contained in such letter and the facts and circumstances forming the basis of such letter, as represented to the Internal Revenue Service, continue substantially to exist. There has been no change or threatened change in the tax-exempt status of the Borrower.

(i) The Borrower has duly performed all of its obligations to be performed at or prior to the date hereof under the Bond Purchase Agreement.

(j) The Preliminary Limited Offering Memorandum, as of its date and as of the date of the Bond Purchase Agreement did not, and the Limited Offering Memorandum as of its date did not, and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (excluding the Excluded Sections).

(k) To the knowledge of the Borrower (after due inquiry), no "Event of Default" or "event of default" as defined in any of the Borrower Documents or event that, with a lapse of time or the giving of notice or both (other than payment of moneys not yet due), would constitute such an "Event of Default" or "event of default," has occurred and is continuing.

(l) There has not been any material adverse change in the financial or other condition of the Borrower from that set forth in or contemplated by the Limited Offering Memorandum.

(m) No event affecting the Borrower has occurred since the date of the Limited Offering Memorandum that should be disclosed in the Limited Offering Memorandum for the purpose for which it is to be used or that it is necessary to disclose therein so that the Limited Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) The Borrower is not aware of any information since the date of the Market Study that would represent any material change in status or condition to the assumptions underlying, or conclusions of, the Market Study.

(o) Subject to the inherent susceptibility of any projection, forecast or forward-looking statement to uncertainty and changes in circumstances, the Borrower has no reason to believe the assumptions and forecasts contained in connection with the financial projections used in connection with the Borrower's financing of the Project and set forth in the Limited Offering Memorandum are unreasonable in any material respect in light of the conditions existing at the time of delivery of such financial projections. Actual results may vary materially from those expressed or implied in such financial projections.

SUPPLEMENT DATED [____], 2025
TO AMENDED AND RESTATED
PRELIMINARY LIMITED OFFERING MEMORANDUM
DATED APRIL 2, 2025



CITY OF RIFLE, COLORADO
REVENUE BONDS
(HABITAT ROARING FORK VALLEY, INC. MODULAR HOUSING
PRODUCTION FACILITY, SERVICE AREAS IN ASPEN, GLENWOOD
SPRINGS AND RIFLE, COLORADO)

\$[____]*
SERIES 2025A

\$[____]*
TAXABLE, SERIES 2025B

This Supplement to Amended and Restated Preliminary Limited Offering Memorandum (this “**Supplement**”) supplements the Amended and Restated Preliminary Limited Offering Memorandum dated April 2, 2025 (the “**Preliminary Limited Offering Memorandum**”) with respect to the above captioned bonds. Capitalized terms used herein and not defined herein have the meanings specified in the Preliminary Limited Offering Memorandum. Additions are reflected with double underlining and deletions are reflected as a ~~strike through~~. The Preliminary Limited Offering Memorandum is hereby supplemented and amended as follows:

Par Amount

1. The par amount of the Series 2025A Bonds is hereby changed from \$22,585,000* to \$[____]*, and all references to the par amount of the Series 2025A Bonds throughout the Preliminary Limited Offering Memorandum shall refer to \$[____]*.
2. The par amount of the Series 2025B Bonds is hereby changed from \$825,000* to \$[____]*, and all references to the par amount of the Series 2025B Bonds throughout the Preliminary Limited Offering Memorandum shall refer to \$[____]*.

GMP Contract and Project Budget

1. The parties to the GMP Contract expect to enter into an amendment thereof on or before the date of issuance of the Series 2025 Bonds that will modify the Guaranteed Maximum Price to \$12,177,786 and the date of Substantial Completion to July 8, 2026. All references to the Guaranteed Maximum Price throughout the Preliminary Limited Offering Memorandum shall refer to \$12,177,786 and all references to the date of Substantial Completion throughout the Preliminary Limited Offering Memorandum shall refer to July 8, 2026.

* Preliminary; subject to change.

2. The expected commencement date of each of the Construction Letters of Credit is hereby changed from June 1, 2025 to August 1, 2025 and the expected expiration date of each of the Construction Letters of Credit is hereby changed from June 1, 2026 to August 1, 2026. All references to the expected commencement date and the expected expiration date of the Construction Letters of Credit throughout the Preliminary Limited Offering Memorandum shall refer to August 1, 2025 and August 1, 2026, respectively.
3. Page 13: The fourth bullet point starting on page 13 and paragraphs following on page 14 under “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project—*Professionals Involved in the Design and Construction of the Plant*” is hereby amended as follows:

- Decatur Wilkie Inc., Basalt, Colorado, is serving as the general contractor (the “**Contractor**”) for the construction of the Plant. The Borrower and the Contractor have entered into an AIA Document A102-2017 Standard Form of Agreement Between Owner and Contractor, dated as of January 8, 2025, and a GMP amendment thereto executed on February 20, 2025 (collectively and as may be further amended as described below, the “**GMP Contract**”), pursuant to which the parties agreed to a guaranteed maximum price of \$11,317,199 (the “**Guaranteed Maximum Price**”) and a deadline to achieve substantial completion of the Plant (“**Substantial Completion**”) by March 26, 2026, provided, however, the parties thereto expect to enter into an amendment thereof on or before the date of issuance of the Series 2025 Bonds that will modify the Guaranteed Maximum Price to \$12,177,786~~\$11,852,832~~ and the date of Substantial Completion to July 8, 2026~~April 30, 2026~~. The GMP Contract also provides that the Contractor is to receive a fee of 8%, and for a retainage of 5%. The Guaranteed Maximum Price includes a builder’s construction contingency of 7%. In the event that the Contractor fails to achieve Substantial Completion of the Plant by the contracted date, the GMP Contract does not provide for liquidated damages. The GMP Contract requires the Borrower to deposit \$50,000 with the Contractor to be used by the Contractor as interim working capital, which amount will be credit to the Borrower on the final application for payment and is anticipated to be paid initially from proceeds of the Series 2025 Bonds. The Borrower agrees to replenish such amount each month. After the City issued a building permit for the construction of the Plant, the Borrower issued Contractor a Limited Notice to Proceed dated January 28, 2025, allowing for the Contractor to proceed with obtaining all necessary surveys and enter into a subcontract with the proposed Project Site excavator. The Borrower issued a Second Limited Notice to Proceed February 10, 2025, allowing the excavator to commence excavating the Project Site, with such excavation subject to an expense cap of \$500,000. Due to bond market conditions and suspension of marketing for the Bonds, construction activities ceased on March XX, 2025. Construction is currently anticipated to recommence on or about the date of issuance of the Bonds.

According to the Borrower, approximately 95% of the Contractor’s financial obligations for construction of the Plant are with its subcontractors.

In connection with the issuance of the Series 2025 Bonds, the Contractor will provide two irrevocable standby letters of credit (collectively, the “**Construction Letters**”

of Credit”) from Alpine Bank, Glenwood Springs, Colorado, each in the amount of \$500,000 for the benefit of the Trustee as security for the performance of the Contractor, representing approximately 10% of the Contractor’s obligations for payment to its subcontractors. The Construction Letters of Credit are in lieu of a payment and performance bond. Either Construction Letter of Credit can be drawn by the Trustee in any amount up to the maximum if there is a default under the GMP Contract. Each of the Construction Letters of Credit are expected to commence on ~~August 1, 2025~~~~June 1, 2025~~ and expire after a one-year term on ~~August 1, 2026~~~~May 31, 2026~~. The Contractor has indicated that it has its own line of credit that could be drawn upon in the event any one-year GMP Contract warranty obligation occurring after expiration of the Construction Letters of Credit needs to be paid for by the Contractor.

In the event that the Borrower elects to terminate the GMP Contract for convenience, the GMP Contract requires that the Borrower pay the Contractor a termination fee of \$30,000. The GMP Contract does not require the Contractor to pay any liquidated damages for late delivery or any other default by the Contractor under the GMP Contract. The Construction Letters of Credit can be drawn upon for defaults under the GMP Contract.

4. Page 14: The fifth bullet point under “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project—*Professionals Involved in the Design and Construction of the Plant*” is hereby amended as follows:

- TPI Industrial, Inc., Grand Junction, Colorado (“TPI”), is manufacturing and installing the steel building for the Plant and providing the cranes for construction of the Plant for a price of approximately \$2,783,877, less any subtractions or additions on each line item of the contract bid. The Borrower and TPI have entered into a Standard Form of Agreement Between Owner and Contractor dated July 10, 2024 (the “TPI Contract”), which is separate from the Contractor and GMP Contract, to manufacture the steel building, transport it to the Project Site, and erect it on the concrete slab prepared by the Contractor (collectively, the “TPI Work”). [TPI estimates building delivery to occur on or around May 1, 2025 and its anticipated date of completion for all TPI Work is September 1, 2025. **Do these dates need to be updated in the contract? Habitat to check if contract updates needed**] Pursuant to the TPI Contract, TPI is required to achieve substantial completion no later than 150 days from the date that erection of the steel building commences. In the event that TPI fail to maintain the schedule of work set forth in the TPI Contract or otherwise materially breaches any provision of the TPI Contract, the Borrower may, among other things, contract with one or more additional contractors to perform such part of the TPI Work as the Borrower determines will provide the most expeditious completion of the total TPI Work and charge the cost thereof to TPI.

5. Page 14: The sixth bullet point under “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project—*Professionals Involved in the Design and Construction of the Plant*” is hereby amended as follows:

- Atlasta Solar, Grand Junction, Colorado (“**Atlasta**”), is installing the solar panels on the roof of the Plant as further described herein pursuant to a Standard Agreement Between Developer and Subcontractor dated December 3, 2024 (the “**Solar Contract**”) between Atlasta and the Borrower for a fixed price of \$359,650, subject to additions and deductions as provided therein, as well as specified alternate and unit prices and time and material rates and prices, totaling \$1,849,223. The Solar Contract also provides for a 5% Borrower retainage and one-year warranty period. According to the Borrower, Atlasta has already purchased and stored the solar panels and racking system required for the Plant.

6. Page 15: The project budget table and preceding paragraph on page 15 under “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—The Project—*Professionals Involved in the Design and Construction of the Plant*” is hereby amended and restated in its entirety as follows:

The budget for the construction of the Plant is as set forth below, after the execution of the contemplated amendment to the Guaranteed Maximum Price and date of Substantial Completion described above: **[Habitat to confirm/update highlighted figures below]**

Project Budget *

General Contractor	\$12,177,786 ¹
Owner Contingency	592,642
Solar Array	1,571,839
Metal Building (TPI Industrial, Inc.)	2,323,024
Tools and Equipment	981,143
Title Insurance Fees	90,000
Construction Monitor (EVstudio)	119,248
Borrower Project Supervision	100,000
Habitat RFV Predevelopment Costs ²	1,478,796
Total Uses	\$19,109,524

* Preliminary; subject to change.

¹ Includes 7% contractor contingency.

² Includes, among other things, a deposit to TPI of \$460,853 and a deposit to Atlasta Solar of \$277,383.

Working Capital

Page 17: The paragraphs under the heading “PROJECT DESCRIPTION AND CONSTRUCTION AND DEVELOPMENT OF THE PROJECT—Working Capital” are hereby amended as follows:

Working Capital

Line Of Credit. Working capital is required for start-up expenses and is expected to cover start-up costs. Funds available in the Operating Expense Reserve Fund will be drawn to pay for such working capital expenses, and will not pay any of the construction

costs of the Plant. The Borrower is required under the Loan Agreement to fund the Operating Expense Reserve Fund with a total of \$2,500,000 on or prior to Substantial Completion, which funds are currently expected to be provided from the proceeds of a two-year irrevocable revolving line of credit (the “**Line of Credit**”) from a donor advised fund owned and managed by the Denver Foundation in the amount of \$2,500,000.

The Borrower ~~entered~~must enter into the Line of Credit on April 22, 2025 ~~or prior to the issuance of the Series 2025 Bonds as a condition to the issuance of the Series 2025 Bonds.~~ On May 1, 2025 the Borrower drew \$1,828,771.18 of the Line of Credit for the purposes of, among other things, paying the Contractor’s initial construction costs of the Plant and reimbursing the Borrower for predevelopment costs.

Upon the issuance of the Series 2025 Bonds, a portion of both the Series 2025A Bonds proceeds and Series 2025B Bonds proceeds will be used to replenish the Line of Credit to its full amount of \$2,500,000.

The Line of Credit is an unsecured obligation of the Borrower and is not secured by the Mortgage or any other collateral of the Project. The repayment of the Line of Credit is anticipated to be made from the monetization of the Borrower’s real estate assets. According to the Borrower, the ~~expected~~ interest rate on the Line of Credit of 6% per annum is a concessionary rate due to the Borrower being a non-profit entity. The Borrower may draw on the Line of Credit once each quarter, subject to the Borrower’s compliance with the terms and conditions of the Line of Credit and no event of default having occurred under the Line of Credit. See “RISK FACTORS—Risk of Plant Operations—Risks Related to Funding Working Capital.”

As noted in the Financial Projections, the Plant is expected to “break even” to cover all construction costs and maximum annual debt service at 56% of capacity or 112 units per year. The Plant when at full capacity of 200 units per year is expected to produce an average of four units per week (assuming a 50-week work year).

The Borrower expects to fund the Operating Expense Reserve Fund with proceeds of the full amount of the Line of Credit, which proceeds will be delivered to the Trustee in accordance with the Loan Agreement and the Indenture, provided, however, that in the absence thereof the Borrower has agreed in the Loan Agreement to provide other funds as necessary and applicable for the purpose of funding deposits to the Operating Expense Reserve Fund. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Estimated Sources and Uses of Funds,” and “APPENDIX G—FORM OF LOAN AGREEMENT.” The initial deposit into the Operating Expense Reserve Fund of \$2,500,000** will be drawn by the Trustee and used for start-up costs as further described under “SECURITY FOR THE SERIES 2025 BONDS—Flow of Funds Under the Indenture; Funds and Accounts—*Operating Expense Reserve Fund*.” As shown in the Financial Projections set forth under “BORROWER’S PROJECTIONS” below, the amount of the Line of Credit is expected to be fully sufficient to meet such start-up costs in addition to fully funding the Operating Expense Reserve Fund to the Operating Expense Reserve Fund Requirement (as defined in the Loan Agreement) commencing

* Preliminary; subject to change.

[July 1, 2028] [Confirm this date is still correct per updated projections]. The Operating Expense Reserve Fund Requirement in Fiscal Year 2028 is anticipated to be \$1,456,145**, and, as shown in the Financial Projections set forth under “BORROWER’S PROJECTIONS” below, an amount greater than such requirement is anticipated to remain in the Operating Expense Reserve Fund following the funding of expenses in Fiscal Year 2028 prior to the release of amounts exceeding the Operating Expense Reserve Fund Requirement for such Fiscal Year. Notwithstanding the foregoing projections, however, no assurance is provided herein that such amount will remain available in the Operating Expense Reserve Fund. See “BORROWER’S PROJECTIONS” and Forward-Looking Statements at the front of this Limited Offering Memorandum.

See also “RISK FACTORS—Risks Relating to Construction Project.”

Borrower’s Projections

1. Page 22: The Borrower’s projections entitled “Annual Proforma using GAAP rules for Revenue Recognition (based on HFH RFV Fiscal Year, 7-1 – 6/30)**” are hereby amended and restated in their entirety as set forth below:

[ADD UPDATED PROJECTIONS TABLE]

2. Page 24: The Borrower’s projections entitled “Annual Cash Proforma for Repayment (Principal) of Series 2025A Bonds Pursuant to Special Mandatory Redemption and Operating Expense Reserve Fund**” are hereby amended and restated in their entirety as set forth below:

[ADD UPDATED PROJECTIONS TABLE]

Risk Factor Related to Tariffs

Page 31: A new subsection entitled “*Tariff Risk*” is hereby added at the end of the section entitled “RISK FACTORS—Risks Relating to Construction Project” as follows:

Tariff Risk. New or existing tariffs and other trade measures could adversely affect construction timing and costs. There is currently significant uncertainty about the future relationship between the U.S. and various other countries with respect to trade policies, treaties, tariffs and taxes. Current or future tariffs imposed by the U.S. may negatively impact costs of construction materials and costs for suppliers of products needed to construct and operate the Plant. For example, in early 2025, the U.S. presidential administration threatened or imposed tariffs on imports from various countries, including China, Mexico and Canada. In response, some of these countries threatened or announced tariffs on imports from the U.S. The extent to which these threats will be enacted and the duration for which enacted tariffs will be in place remain uncertain and could lead to an increase in the cost of materials needed for construction of the Plant and a number of other economic impacts including reduced economic activity generally, increased costs in the housing market, reduced demand or other potentially

* Preliminary; subject to change.

adverse economic outcomes that could affect the Borrower's ability to construct the Plant on time and on budget, and also the Borrower's economic operations.

According to the Borrower, materials costs constitute approximately 60% of the total modular unit sale revenue per unit. While some materials costs may increase, under certain of the Borrower's contracts for construction materials and services, supplies and materials have already been purchased or prices for materials have been locked in (e.g., steel under the TPI Contract and the solar panels to be installed under the Solar Contract). Additionally, according to the Borrower many of the construction materials including lumber, sheet goods, siding, trim and cabinets are sourced or manufactured in the United States. The Borrower believes that this, along with the combined 12% construction contingency, flexible modular unit pricing strategy, and comprehensive risk management approach will assist in absorbing any cost increases due to tariff impositions. Even though tariffs and other retaliatory trade measures imposed by other countries on United States goods and services have not yet appeared to have an impact on the Borrower's construction costs, and according to the Borrower, its contractors have not yet indicated any potential changes to costs other than the increase in the Guaranteed Maximum Price to be reflected in the GMP Contract, the Borrower cannot predict further developments around tariffs, and such existing or future tariffs could have a material adverse effect on the ability of the Borrower to complete construction of the Plant on time or on budget or operate the Plant and sell enough modular units to generate enough revenue to pay debt service on the Series 2025 Bonds.

Habitat RFV Board of Directors

Vanity Page and Page A-16: The Board of Directors listed on the vanity page and under "APPENDIX A—GOVERNANCE AND MANAGEMENT—Board of Directors" have been updated to remove Alex Revilla as shown below:

Danielle Howard, Chairperson	John Blair, Board Member
Jamie Steiner, Vice Chairperson	Allyson Decatur, Board Member
Scott McHale, Chair – Development	David Behrhorst, Board Member
	Anthony Sherman, Board Member
Jorge Rojas-Lopez, Treasurer, Finance	Gyles Thornely, Board Member
Committee Chair	
Kevin Seward, Chair, Modular Production	
Committee	

Board of Directors

Member	Position	Principal Occupation	First Year Elected	Term Expires
Danielle Howard	Chairperson	Financial Planner, Wealth by Design	2021	2029
Jamie Steiner	Vice Chairperson	Attorney, Hush Blackwell	2021	2029
John Blair	Board Member	Consultant, Juice Plus	2014	2025
Scott McHale	Chair – Development Committee	Architect, Z Group Architects	2014	2025
David Berhorst	Board Member	Real Estate Developer	2021	2029
Jorge Rojas-Lopez	Treasurer, Board Member	VP, FirstBank	2023	2031
Gyles Thornely	Board Member	Landscape Architect	2024	2032
Allyson Decatur	Board Member	General Contractor	2024	2032
Anthony Sherman	Board Member	Real Estate Developer	2024	2032
Kevin Seward	Board Member	Retired Business Executive	2024	2032

Habitat RFV CEO

1. Page A-16: The biography of Gail Schwartz under “APPENDIX A—GOVERNANCE AND MANAGEMENT—Executive Management” is hereby amended as follows:

Gail Schwartz, ~~Advisor~~Chief Executive Officer. A fifty-year resident of the Roaring Fork Valley, Gail assumed ~~her~~ the role as CEO of Habitat RFV in 2019 after having served as a Board member and Board chair of the organization. Gail’s career began with community and resort planning throughout North America with Sno-Engineering of Aspen, Colorado and New Hampshire for six years. In 1980, Gail became the Development Director and Interim Director of the Aspen/Pitkin County Housing Authority, bringing on line approximately 800 affordable homes for local workforce families in Aspen in four years. Gail went on to serve as a Colorado Commissioner on Higher Education appointed by former Governor Roy Romer; was elected to serve Colorado’s 3rd Congressional District as a member of the University of Colorado Board of Regents from 2000-2006; was elected to the Colorado State Senate for two terms from 2007-2015 representing Senate District 5 of Western, Southern and Central Colorado including the Roaring Fork Valley; served as a Commissioner on the Colorado Water Conservation Board appointed by Governor Jared Polis; and has served on numerous local and state non-profit boards over the past five decades.

As CEO of Habitat RFV, Gail ~~was~~~~has been~~ dedicated to furthering Habitat RFV’s mission of building high quality, affordable housing for the local workforce families who form the fabric of our communities and perform the essential jobs that keep our communities viable.

By building partnerships with local governments, schools, businesses, and institutions, and building in net-zero energy efficiency standards into every home that Habitat RFV builds, Gail and her team have worked tirelessly to address the challenges of its regional housing crisis and create not only affordable housing but truly affordable living. She has grown community awareness, engagement and support for the social justice issues associated with the housing crisis and the responsibility to provide secure, affordable homes from which people can raise their families, work, retire and be engaged in their communities. Gail received her B.S. in marketing and finance from the University of Colorado in Boulder, in addition to post-graduate studies at Harvard University Kennedy School and University of Idaho.

In January of 2025, Gail publicly announced her intention to step down from her full time role as Habitat RFV's CEO effective the date that is 90 days after the start date of her replacement. ~~The Board conducted a nationwide search to select and install Gail's successor in the CEO role. The Board selected and hired a successor CEO at the end of March 2025, who is expected to start at the beginning of May 2025. The identity of the Borrower's new CEO is expected to be announced publicly in the coming weeks. Beginning on May 4, 2025, Gail will transition to the role the Board and executive team intend for Gail to remain as aof advisor consultant~~ to Habitat RFV with responsibility for ensuring a successful transition with continuity of key initiatives of Habitat RFV, first and foremost among them being ensuring that the financing, construction and initial operations of the Plant are completed on time, on budget, and in full compliance with Board and investor expectations.

2. Page A-16: A new paragraph under "APPENDIX A—GOVERNANCE AND MANAGEMENT—Executive Management" is added after the biography of Gail Schwartz as follows:

Darla Callaway, Chief Executive Officer. Ms. Callaway has more than 15 years of experience in community planning, housing development, and organizational leadership. She is a licensed landscape architect and accomplished strategist, and has spent her career guiding complex land use projects, leading multidisciplinary teams, and helping communities envision and build a more inclusive future.

Before joining Habitat RFV, Ms. Callaway served as Principal at Design Workshop Inc., where she played a key role in securing entitlements for multimillion-dollar developments, facilitating public engagement processes, and developing long-range community plans. Her work has consistently focused on supporting local residents, enhancing access to housing, and fostering sustainable, people-centered communities.

Ms. Callaway's transition into the nonprofit housing sector reflects her deep commitment to addressing the critical need for affordable housing in the Roaring Fork Valley and beyond. She was drawn to Habitat RFV's mission of partnering with families to build strength and stability through homeownership, and brings both heart and expertise to her leadership. Her vision is rooted in creating opportunity, not only through housing but by strengthening the connections between people, place, and purpose.

Outstanding Obligations

Page A-16: Table IX—Outstanding Obligations under “APPENDIX A—FINANCIAL MATTERS—Outstanding Obligations” is hereby amended to include an Owner Controlled Insurance Program in connection with the L3 Apartments, amend the outstanding principal amount and interest rate for the loan from Habitat for Humanity of Colorado, Inc. to reflect amendments entered into on April 30, 2025, and the outstanding amount for each outstanding obligation as of April 30, 2025 as shown below: **[Habitat to update outstanding amounts as of April 30, 2025 and maturity date of financed insurance policy]**

TABLE IX
Outstanding Obligations

Lender	Purpose	Original Principal Amount	Interest Rate	Maturity Date	Outstanding Amount ¹
Habitat for Humanity of Colorado, Inc.	The Confluence construction loan	\$1,700,000	3.00%	March 2026	\$1,700,000
FirstBank	Forklift acquisition	65,125	6.99%	September 2030	54,315
Alpine Bank	Box truck acquisition	78,000	4.5%	August 2026	26,657
Alpine Bank	Wapiti Commons construction loan	3,500,000	Variable rate	December 13, 2025	2,733,745
Colo. State Treasurer	Wapiti HUD Bridge				
Climber Loan	Loan	500,000	3.45%	October 2026	500,000 ²
United States Department of Agriculture	ReStore	6,776,664	2.75%	May 10, 2053	5,916,159
FIRST Insurance Funding	L3 Apartments	815,633.45	6.745%		692,113
Total					\$10,430,876

¹ As of April 30, 2025. Debt related to the L3 Apartments (defined below) is not reflected above since it is an obligation of the L3 SPE (defined below), which owns the L3 Apartments. The L3 Apartments project is more fully described below.

² Anticipated by the Borrower to be paid off using proceeds of the Series 2025 Bonds before the end of the 2025 Fiscal Year.

Source: The Borrower; the Borrower’s 2024 financial statements.

[ANY OTHER UPDATES TO APPENDIX A OR ANY TABLES/FINANCIAL INFO, ETC.?)

THE INFORMATION CONTAINED IN THIS SUPPLEMENT IS SUBJECT TO MORE COMPLETE INFORMATION CONTAINED IN THE PRELIMINARY LIMITED OFFERING MEMORANDUM. THIS SUPPLEMENT IS TO BE READ ONLY IN CONJUNCTION WITH THE PRELIMINARY LIMITED OFFERING MEMORANDUM. THIS SUPPLEMENT SHOULD NOT BE SEPARATED FROM THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND NEITHER THIS SUPPLEMENT, NOR THE PRELIMINARY LIMITED OFFERING MEMORANDUM, MAY BE RELIED UPON IN ANY WAY INDEPENDENT OF EACH OTHER.

D.A. Davidson & Co.

The date of this Supplement is [_____] , 2025.



MEMORANDUM

Hogan Lovells US LLP
1601 Wewatta Street
Suite 900
Denver, CO 80202
T +1 303 899 7300
F +1 303 899 7333
www.hoganlovells.com

To City Council, City of Rifle, Colorado

Cc James S. Neu, City Attorney

FROM Hogan Lovells US LLP

DATE January 10, 2025

SUBJECT Proposed Revenue Bonds on behalf of Habitat Roaring Fork Valley, Inc. for Modular Housing Production Facility

We have prepared this Memorandum to provide background information regarding the transaction referenced above, which is proposed for approval on January 15, 2025 by the City Council pursuant to Ordinance No. 2.

Documents Submitted

Ordinance No. 2 has been submitted to the City Council for its consideration. Substantially final forms of the following documents referenced in the Ordinance have also been submitted to the Council and will be authorized in connection with adoption of the Ordinance –

- (i) an Indenture of Trust between the City and the bond trustee, U.S. Bank Trust Company (“Trustee”);
- (ii) a Loan Agreement between the City and HRFV;
- (iii) a Bond Purchase Agreement (“BPA”) among the City, HRFV and D.A. Davidson & Co. as underwriter of the bonds (“Underwriter”);
- (iv) the Amended and Restated Ground Lease between the City and HRFV; and
- (v) a Preliminary Limited Offering Memorandum which will be used by the underwriter to offer the bonds to potential investors (“PLOM”). Attached to the Indenture and the PLOM is the form of Investor Letter required to be delivered by any investor in the bonds.

Changes to these forms may be approved by the City Manager to the extent the parties consider them necessary to carry out the purposes of the Ordinance.

Transaction Overview

The Ordinance provides for the issuance by the City of revenue bonds under the Indenture, the proceeds of which will be loaned to Habitat Roaring Fork Valley, Inc. (“HRFV”) to fund the construction of a modular housing production facility (“Project”), fund working capital and capitalized interest during the construction and startup period and pay transaction costs. The City is being asked to serve in the role of conduit issuer so that, under IRS rules, a substantial portion of the bonds can bear interest at a lower tax-exempt interest rate. The Project will be constructed on land which is owned by the City

Hogan Lovells US LLP is a limited liability partnership registered in the state of Delaware. “Hogan Lovells” is an international legal practice that includes Hogan Lovells US LLP and Hogan Lovells International LLP, with offices in: Alicante Amsterdam Baltimore Beijing Berlin Birmingham Boston Brussels Colorado Springs Denver Dubai Dublin Dusseldorf Frankfurt Hamburg Hanoi Ho Chi Minh City Hong Kong Houston Johannesburg London Los Angeles Luxembourg Madrid Mexico City Miami Milan Minneapolis Monterrey Munich New York Northern Virginia Paris Philadelphia Riyadh Rome San Francisco São Paulo Shanghai Silicon Valley Singapore Sydney Tokyo Warsaw Washington, D.C. Associated Offices: Budapest Jakarta Shanghai FTZ. Business Service Centers: Johannesburg Louisville. For more information see www.hoganlovells.com \14133-5246-4727 v1

and has been leased to HRFV pursuant to the Ground Lease. Amendments to the Ground Lease are being requested to facilitate the bond financing structure.

Most importantly for the City – The City will have no financial or other responsibility for the bonds or the Project except in the limited respects noted in this Memorandum. HRFV is agreeing to pay the bonds and all related issuance costs, and is indemnifying the City for any losses it may have related to the bond issuance or the Project. Bondholders will acknowledge in a “big boy” letter that the City is not obligated in any respect for payment of the bonds, which will only be paid from revenues generated by the Project or from the reserves being established with bond proceeds. The Trustee will administer the revenue flow and bond payments, and oversee covenant compliance by HRFV on behalf of the bondholders. Accordingly, by acting as the conduit issuer, the City is not taking on obligations in connection with the issuance or following the closing which will expose it to liability, impact its credit rating or otherwise create a burden on it, such as financial reporting or oversight requirements.

Summary of Specific Document Provisions

Indenture –

Under the Indenture, the proposed bonds will be issued in three series – Series 2025A (tax-exempt to fund construction costs of the Project, a debt service reserve fund and issuance costs, including capitalized interest); Series 2025B (taxable to fund issuance costs above the IRS limit for tax-exempt funding); and Subordinate 2025C (taxable to fund working capital reserves for operations before the Project is completed and generates revenues). The proceeds of the bonds will be loaned to HRFV under the Loan Agreement, but the Trustee will maintain control of the net proceeds under the Indenture in a project fund and the reserve funds securing the repayment of the bonds.

During construction of the Project, the Trustee will disburse amounts from the project fund pursuant to requisitions by HRFV. The Trustee will also hold a revenue fund to which all revenues from the Project will be deposited by HRFV. Amounts from the revenue fund will be disbursed by the Trustee to pay debt service on the bonds, provide budgeted operating expenses to HRFV and replenish reserves as needed. In the event of any default under the Indenture, the Trustee is to take certain actions as directed by the bondholders. The City would not have any obligation to take action in such an event.

The Indenture expressly provides that the bonds do not constitute a debt of the City and are only special limited obligations payable from the security granted under the Indenture. In addition, the Indenture states that the members of the City Council are not liable personally on the bonds.

Loan Agreement – Under the Loan Agreement, the City will loan the proceeds of the bonds to HRFV which will deliver promissory notes to evidence its obligation to repay the loan and will secure this obligation by the grant of a mortgage in its leasehold interest and the Project. This Agreement establishes the obligation of HRFV to construct the Project and then maintain it once it is constructed. Furthermore, HRFV agrees to indemnify the City and its officers and employees against all costs or losses based on claims arising from HRFV’s conduct or the Project (including claims in the face of gross negligence by the City but not the City’s willful misconduct).

PLOM and Investor Letters –

The PLOM is being presented to the City in connection with the Ordinance in order for the City to approve the use of the PLOM for the marketing of the bonds. However, the PLOM expressly states that all information in the PLOM other than the description of the City and any ongoing litigation has been obtained from HRFV and is not a representation of or guaranteed by the City. At the closing of the bonds, certificates and opinions will also be delivered confirming HRFV's responsibility for the information provided to investors in the PLOM.

The bonds will be offered, on behalf of the City as conduit issuer and HRFV as Borrower, by the Underwriter to persons and companies which are "qualified institutional buyers" or "accredited investors" under the federal securities laws. The bonds can only be purchased in denominations of \$100,000 or greater. Each investor will be required to deliver an investor letter in which it expressly acknowledges that the bonds are payable solely from the revenues of the Project and the City has no obligation to use any other assets to pay the bonds. These "suitability" requirements and such investor letters, as well as statements in the PLOM, provide protection for the City from claims by the bond purchasers.

Bond Purchase Agreement –

Once the Underwriter has identified purchasers of the bonds, it will enter into the BPA confirming the pricing at which it will buy the bonds from the City and HRFV on the agreed-upon settlement date. In the BPA, HRFV expressly indemnifies the City and its officers and employees against any losses of claims relating to the information provided to investors in the PLOM if it is found to be materially misleading, other than certain specific sections of the PLOM for which the underwriter will indemnify the City. The City does take responsibility for the sections of the PLOM that describe the City as the conduit issuer and which state that there is no litigation against the City that would prevent it from acting as issuer of the bonds.



Agenda Item #8.c.

Agenda Item Name:

Consider Approval of Xcel Energy Easement Request on Lift Station and Wastewater Treatment Plant Parcels

Presenter:

Brian Prunty, Public Works Director

Item Description:

Xcel Energy initiative to negotiate corridor and easement rights for their transmission line upgrade which crosses city property.

Recommended Action:

Move to approve Xcel Energy's request for construction and access easements to upgrade the 115kv line on the City of Rifle's Lift Station and Wastewater Plant parcels.

Fiscal Impact:

Compensation for additional Right-of-Way permanent access easement. Xcel is offering \$36,115 for additional impacts and construction access.

Operational Impact:

Plans for this portion of the easement request include temporary and permanent easement access and construction easement access to the transmission line corridor. There are no substantial impacts on the service and maintenance of access to the city's infrastructure. Impacts during construction will be temporary.

Prior Board Motions:

On April 2, 2025, Council approved the Xcel Energy permanent easement request for the eastern parcel of this project located SE of Grand River Hospital. This request is for locations that are part of the same transmission line project.

Background Information:

In the Fall of 2021, Staff was approached by an Xcel Energy engineering consultant regarding a proposal for upgrading their transmission line in two areas involving City of Rifle property. After re-working the proposals over a three-year period, Staff was able to come to an agreement with Xcel for the final corridor and document language.

Executive Summary:

This item is the second part of this project to re-build and upgrade the Xcel Energy Transmission Line (6670). This portion of the project is similar to the eastern portion near the Grand River Hospital. It involves granting permanent access easements to the UMetco property where the wastewater treatment plant is located, and then temporary construction and de-watering easements for the current transmission line corridor. Additionally there is request for temporary construction easements and access on the south Rifle lift station

property. The project includes two separate pull pockets for constructing major angle point poles. For consideration of these easements, Xcel Energy will compensate the City of Rifle to the amount of \$36,115.00.

Notification Requirements:

N/A

Prepared By:

Brian Prunty, Public Works Director

Attachments:

1. Memo - PWaller re Xcel Rebuild Project (6670) - Part 2_rev1
2. Permanent Access Easement - Section 18 (City of Rifle) - (PSCO 4.23.2025)(9967192.1)(9988009.1)
3. Temporary Construction Easement - Section 18 (City of Rifle) - PSCo 4.23.2025(9967151.1)(9988006.1)
4. Temporary Construction Easement - Section 18_19(City of Rifle) - PSCo 4.10.2025(9967222.1)(9988010.1)
5. Xcel Rebuild Corridor - PWaller re Xcel Rebuild Project (6670)



To: Patrick Waller, City Manager
From: Brian Prunty, Public Works Director
CC: James Neu, City Attorney
Date: 30 April 2025
Re: Xcel Energy Application for Easement – Parcel No. 217718400314 & Parcel No. 217719100133

Xcel Energy (6670 Rebuild Project) has proposed an expansion of their current permanent, utility Right-of-Way (ROW) located south of Rifle Regional Wastewater Reclamation Facility (RRWWRF) in Section 18, T6S, R93W of the 6th Principal Meridian.

This portion of the project is in two areas separated by the I-70. The northern area involves temporary construction and de-watering easements to the south of RRWWRF and adjacent to the I-70 corridor and a permanent access easement aligned with east-west roadway along the north side of EIC (future name to be Innovation Drive).

The southern area located south of I-70 on the site of the former South Wastewater Treatment lagoons, which no longer exist. This impact amounts to a construction access easement to the transmission line ROW and a temporary pull site for a major turning point pole to be in the same ROW.

Documents associated with these easement proposals shall be included in the City Council packet for the May 7, 2025, meeting. Based on our most recent discussion with the Xcel Energy project team, I have no reservation with proceeding with the granting of these easements per their proposal.

[Attachment.](#)





Highway 6

Highway 6

Permanent Easement

RIFLE, CITY OF

Hallett Ditch

Temporary Easement

Ditch

358

359

360-DE

70

BLM

Colorado River

361-DE

Temporary Easement

SQUIRES

After recording, return to:
Public Service Company of Colorado
Attn: Siting and Land Rights
3500 Blake Street
Denver, CO 80202

ACCESS EASEMENT

CITY OF RIFLE, COLORADO, a home-rule municipality corporation (“**Grantor**”) for good and valuable consideration the receipt and adequacy of which is acknowledged, hereby sells and conveys to PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation, with an address of 3500 Blake Street, Denver, CO 80202 (“**Company**”), a perpetual, non-exclusive easement (“**Easement**”) through, over, and across the Easement Area, described below, for pedestrian and vehicular access for Company, its contractors, agents, and invitees, which may be useful or required in the construction, alteration, maintenance or repair by Company of utility improvements, located or to be located, on property that is subject to an easement for the benefit of Company dated December 5, 1966 and recorded on May 4, 1967 as Reception No. 237824 (“**Company Easement**”). The “**Easement Area**” is defined as the following described premises:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED
HEREIN BY THIS REFERENCE,

Together with the right to enter upon said Easement Area with personnel, equipment and vehicles, and, at the option of Company, to survey, construct, maintain, operate, repair, and replace improvements on the Easement Area, including a dirt or gravel road (“**Activities**”).

The Grantor and Company acknowledge and agree that, in accordance with the U.S. Department of Energy (“**DOE**”) Site Observational Work Plan for the UMTRA Project New Rifle Site, the Easement Area is the subject of remedial action pursuant to the Uranium Mill Tailings Radiation Control Act (“**UMTRCA**”) and associated federal regulations at 40 C.F.R. § 192 Subpart B (“**UMTRCA Regulations**”). The parties further acknowledge and agree that the Easement Area is also subject to the environmental covenants contained in the Quit Claim Deed dated April 21, 2004 and recorded on June 9, 2004 at Reception No. 653729 in the Garfield County Clerk and Recorder’s Office (“**Environmental Covenants**”) between Grantor and the Colorado Department of Public Health and the Environment (“**CDPHE**”) that name the DOE as a third-party beneficiary. “**Environmental Laws**” means all laws, rules, regulations, orders, decrees, judgements, or other legally binding requirements concerning public health and safety, worker health and safety, pollution, or protection of the environment related to the Easement Area including but not limited to UMTRCA, the UMTRCA Regulations, and the Environmental Covenants.

The Grantor and Company acknowledge and agree that the Company Easement was recorded prior to the Environmental Covenants, and Company is not a party to the Environment Covenants.

As the owner of the Easement Area and party subject to the Environmental Covenants, Grantor shall comply with all reporting, notice, monitoring, and other requirements associated with the environmental condition of the Easement Area under the Environmental Laws imposed on Grantor by the Environmental Laws.

Company shall comply and shall cause its employees, consultants, agents, contractors, subcontractors, and their respective employees (“**Company Responsible Parties**”) to fully and promptly comply with, all reasonable and necessary work rules provided by Grantor regarding materials management, health and safety protection, and notification, including those potentially applicable under the Environmental Laws.

No temporary or permanent buildings, structures (including without limitation trailers or mobile homes), signs, or wells shall be placed or permitted to remain on, under, or over the Easement Area by Grantor. No other objects shall be erected, placed, or permitted to remain on, under, or over the Easement Area, which will or may interfere with the exercise of any of the rights herein, or that prevent or obstruct the passage of pedestrians or vehicles. Grantor shall not, without the prior written approval of Company, alter the existing ground elevations or change the compaction of the soil on the Easement Area. No failure by Company to remove or otherwise raise an objection to any objects or improvements located or installed on the Easement Area by Grantor, shall be deemed to constitute consent on the part of Company to such improvements or objects, nor a waiver of Company’s rights regarding removal of any such improvements or objects. Notwithstanding the foregoing, Grantor may, at its sole cost and expense, erect and maintain a fence across the Easement Area, provided: (i) at all times the Easement Area are passable by Company, its contractors, agents, and invitees, through a gate no less than fifteen (15) feet wide; and (ii) Company is provided a key, access code, or other means of releasing any lock or security device on such gate.

Subject to the restrictions and limitations set forth herein, Grantor shall have the right to use the Easement Area for any purpose that does not interfere with Company’s use of the Easement Area as provided for herein or violate the Environmental Laws, including the right to permit others to use or to install underground utilities in, under or along the Easement Area with the prior written consent of Company, provided that the same shall not interfere with Company’s use of the Easement Area as provided herein or violate the Environmental Laws. No delay or omission in the exercise of any right or remedy accruing to Company upon any breach shall impair such right or remedy or be construed as a waiver of any such breach or of a subsequent breach of the same or any other term, covenant or condition herein contained. No amendment, modification or supplement to this Easement shall be binding on Company unless made in writing and executed by an authorized representative of Company. No waiver by Company of any provision hereof, nor any approval of Company required herein, shall be deemed to have been made unless made in writing and signed by an authorized representative of Company.

The provisions of this Easement shall run with, be binding on and burden the Easement Area and shall bind and benefit the heirs, executors, administrators, personal representatives, successors, and assigns of Grantor and Company. The term “Grantor” includes the singular, plural, feminine, masculine and neuter.

Company makes, and Grantor accepts, this Easement without any representation or warranty as to Company’s title to the Easement Area. This Easement is binding on Grantor, is not conditioned upon obtaining the consent of any third party, and is not subject to any mortgages or liens, except those for which Grantor has provided Company with a consent and subordination agreement, executed by such mortgagee or lienholder and attached hereto.

This Easement incorporates all agreements between the parties as to the subject matter of this Easement, and no prior representations or statements, verbal or written, shall modify, supplement or change the terms of this Easement. This Easement consists of the document entitled “Easement”, and an Exhibit containing a legal description and a sketch depicting the legal description, if referenced above or attached hereto. No other exhibit, addendum, schedule or other attachment (collectively, “**Addendum**”) is authorized by Company, and no Addendum shall be effective and binding upon Company unless executed by an authorized representative of Company.

[See next page for signature(s) and acknowledgment(s)]

Signed this _____ day of _____, 2025.

GRANTOR:

CITY OF RIFLE, COLORADO, a home-rule municipality corporation

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
)ss
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025 by _____ as _____ of the City of Rifle, Colorado, a home-rule municipal corporation.

(Seal)

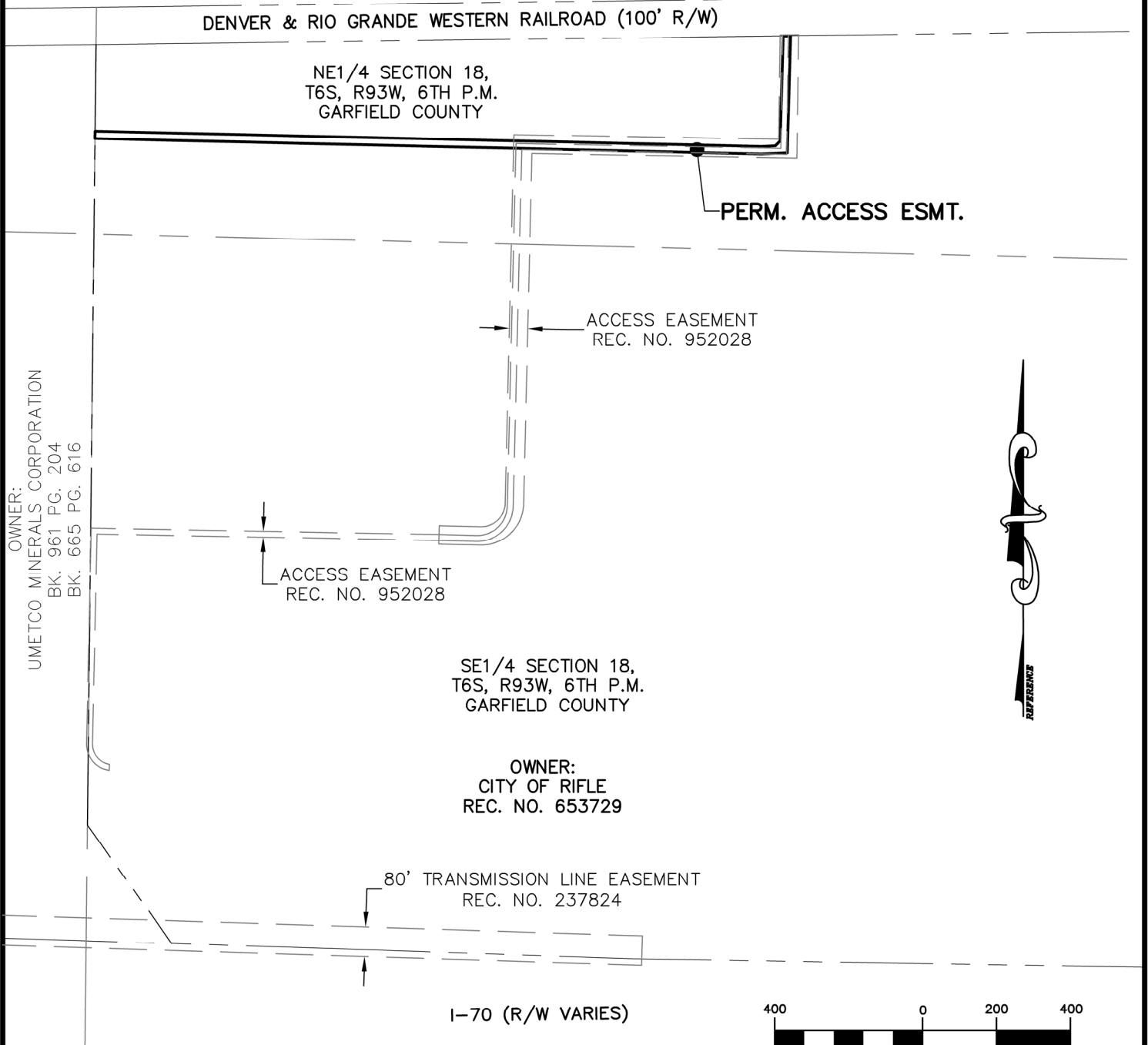
Notary Public

My Commission Expires: _____

EXHIBIT A

EXHIBIT "A"

PROPOSED AND EXISTING ESMT.'S



- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.

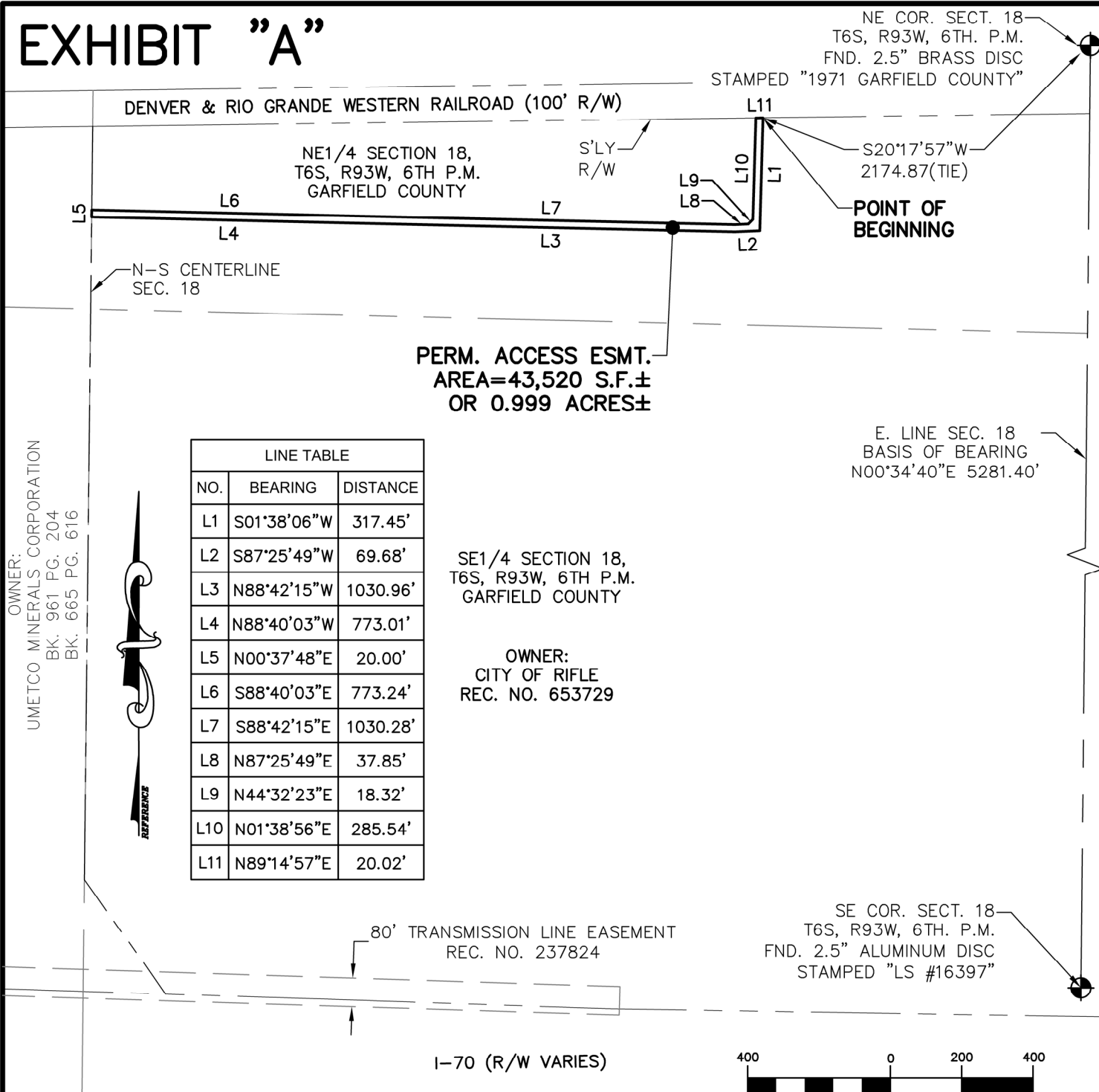
PRECISION SURVEY & MAPPING
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 03/07/24
SCALE: 1" = 400'

FILE: R13851
SHEET: 1 OF 3
P#: 217718400314
T#: 211

**PERMANENT ACCESS
EASEMENT**

EXHIBIT "A"



- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.

PRECISION SURVEY & MAPPING
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 03/07/24
SCALE: 1" = 400'
FILE: R13851
SHEET: 2 OF 3
P#: 217718400314
T#: 211

**PERMANENT ACCESS
EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 653729, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE EAST LINE OF SAID SECTION 18, ASSUMED TO BEAR N00°34'40"E A DISTANCE OF 5281.40 FEET FROM A 2.5" ALUMINUM CAP STAMPED "LS #16397" FOUND AT THE SOUTHEAST CORNER OF SAID SECTION 18 TO A 2.5" BRASS DISC STAMPED "1971 GARFIELD COUNTY" FOUND AT THE NORTHEAST CORNER OF SAID SECTION 18;

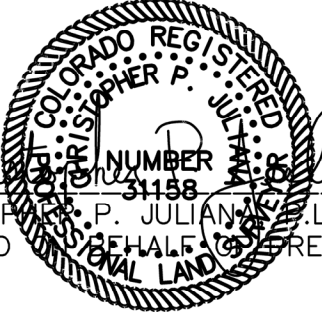
PERMANENT ACCESS EASEMENT

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF THE DENVER AND RIO GRANDE WESTERN RAILROAD, SAID POINT BEARS S20°17'57"W A DISTANCE OF 2174.87 FEET FROM SAID NORTHEAST CORNER;

THENCE S01°38'06"W A DISTANCE OF 317.45 FEET; THENCE S87°25'49"W A DISTANCE OF 69.68 FEET; THENCE N88°42'15"W A DISTANCE OF 1,030.96 FEET; THENCE N88°40'03"W A DISTANCE OF 773.01 FEET TO THE NORTH-SOUTH CENTERLINE OF SAID SECTION 18; THENCE N00°37'48"E ALONG SAID NORTH-SOUTH CENTERLINE A DISTANCE OF 20.00 FEET; THENCE S88°40'03"E A DISTANCE OF 773.24 FEET; THENCE S88°42'15"E A DISTANCE OF 1,030.28 FEET; THENCE N87°25'49"E A DISTANCE OF 37.85 FEET; THENCE N44°32'23"E A DISTANCE OF 18.32 FEET; THENCE N01°38'56"E TO SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 285.54 FEET; THENCE N89°14'57"E ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 20.02 FEET TO THE POINT OF BEGINNING; WHENCE SAID SOUTHEAST CORNER BEARS S12°12'27"E A DISTANCE OF 3316.32 FEET.

SAID PARCEL CONTAINS 43,520 SQUARE FEET OR 0.999 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.



CHRISTOPHER P. JULIAN, P.L.S. 31158 03/07/24
FOR AND ON BEHALF OF PRECISION SURVEY & MAPPING, INC.

 **PRECISION SURVEY & MAPPING**
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 03/07/24
SCALE: 1" = 400'

FILE: R13851
SHEET: 3 OF 3
P#: 217718400314
T#: 211

**PERMANENT ACCESS
EASEMENT**

CONSENT AND SUBORDINATION [DEED OF TRUST]

This Consent and Subordination is executed by _____, a _____ (“**Lender**”), for the benefit of Public Service Company of Colorado, a Colorado corporation (“**Grantee**”).

- A. Lender is the current beneficiary of, and owner of the evidence of debt secured by, that certain deed of trust or mortgage recorded in the real estate records in the office of the Clerk and Recorder of _____ County, Colorado on _____ at [Book and Page or Reception Number as Applicable] (the “**Mortgage**”).
- B. The real property encumbered by the Mortgage includes the Easement Area as described in the foregoing Access Easement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Lender agrees as follows:

Lender consents to the foregoing Access Easement and agrees and confirms for itself and its successors and assigns that the lien of the Mortgage and other rights and interests of the Lender in the Easement Area are subject and subordinate to the Access Easement. In the event of a foreclosure of the Mortgage and a sale of the property that is subject to the Mortgage pursuant to such foreclosure, the rights of Grantee acquired by virtue of the Access Easement shall not be affected thereby.

LENDER: _____

By:_____

Name: _____

Its: _____

STATE OF _____)
)
COUNTY OF _____) SS

The foregoing instrument was acknowledged before me this ____ day of _____
2025 by _____ as _____ of
_____, a _____ corporation.

WITNESS my hand and official seal.

My Commission expires: _____

Notary Public

**CONSENT AND SUBORDINATION
[LEASE]**

This Consent and Subordination is executed by _____
 (“**Tenant**”), for the benefit of PUBLIC SERVICE COMPANY OF COLORADO, a Colorado
corporation (the “**Company**”).

A. Tenant is a tenant of property owned by the Grantor of the foregoing Access
Easement (the “**Easement**”), pursuant to a Lease titled: _____ and
executed on _____ (the “**Lease**”), which lease or memorandum of lease ☐ **was not**
recorded or ☐ **was recorded** on DATE: _____ at RECORDING/BOOK and PAGE
NUMBER: _____ in the real property records of the Clerk and
Recorder of _____ County, Colorado.

B. Some or all of the Easement Area as described in the foregoing Easement burdens
or affects portions of the property covered by the Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of
which is acknowledged, the Tenant agrees as follows:

Tenant consents to the foregoing Easement and agrees and confirms for itself and its successors
and assigns that the Lease and other rights and interests of the Tenant in the Easement Area are
subject and subordinate to the Easement with the same force and effect as if the Easement were
made and placed of record prior to the execution of the Lease.

TENANT: _____

By: _____

Name: _____

Its: _____

STATE OF _____)
) ss

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____
20__ by _____ as _____ of
_____, a _____ corporation.

WITNESS my hand and official seal.

My Commission expires: _____

Notary Public

TEMPORARY CONSTRUCTION EASEMENT (the “Easement”)

The undersigned (“Grantor”), for good and valuable consideration, the receipt and adequacy of such consideration being acknowledged, sells and conveys to Public Service Company of Colorado, a Colorado corporation (“Grantee” or “PSCo”), its successors and assigns, a temporary easement for (i) access, including access by people and vehicles; including off road vehicles and helicopter operations, (ii) construction work areas/work sites, (iii) construction dewatering activities, including land application of groundwater, and (iv) storage of materials, machinery and equipment, on, over and across the property described in **Exhibit A**, attached and incorporated by this reference (the “Temporary Easement Area”).

Together with full right and authority to PSCo, its successors, assigns, licensees and its and their contractors, agents, employees and invitees, to enter upon the Temporary Easement Area with machinery, trucks, construction vehicles, helicopters, materials, tools and other equipment which may be useful or required in the construction, alteration, maintenance or repair by PSCo of utility improvements, located or to be located, on property that is subject to an easement for the benefit of PSCo dated December 5, 1966 and recorded on May 4, 1967 as Reception No. 237824 (“PSCo Easement”), and with the right, but not the obligation, to survey, construct, repair, reconstruct, patrol, inspect, improve, and maintain access over said Temporary Easement Area, including a gravel road, culverts or other appurtenances used or useful in connection therewith (“Activities”).

The Grantor and PSCo acknowledge and agree that, in accordance with the U.S. Department of Energy (“DOE”) Site Observational Work Plan for the UMTRA Project New Rifle Site, the Temporary Easement Area is the subject of remedial action pursuant to the Uranium Mill Tailings Radiation Control Act (“UMTRCA”) and associated federal regulations at 40 C.F.R. § 192 Subpart B (“UMTRCA Regulations”). The parties further acknowledge and agree that the Temporary Easement Area is also subject to the environmental covenants contained in the Quit Claim Deed dated April 21, 2004 and recorded on June 9, 2004 at Reception No. 653729 in the Garfield County Clerk and Recorder’s Office (“Environmental Covenants”) between Grantor and the Colorado Department of Public Health and the Environment (“CDPHE”) that name the DOE as a third-party beneficiary. “Environmental Laws” means all laws, rules, regulations, orders, decrees, judgements, or other legally binding requirements concerning public health and safety, worker health and safety, pollution, or protection of the environment related to the Temporary Easement Area including but not limited to UMTRCA, the UMTRCA Regulations, and the Environmental Covenants.

The Grantor and PSCo acknowledge and agree that the PSCo Easement was recorded prior to the Environmental Covenants, and PSCo is not a party to the Environmental Covenants.

As the owner of the Temporary Easement Area and party subject to the Environmental Covenants, Grantor shall comply with all reporting, notice, monitoring, and other requirements associated with the environmental condition of the Temporary Easement Area under the Environmental Laws imposed on Grantor by the Environmental Laws.

PSCo shall comply and shall cause its employees, consultants, agents, contractors, subcontractors, and their respective employees (“**PSCo Responsible Parties**”) to fully and promptly comply with, all reasonable and necessary work rules provided by Grantor regarding materials management, health and safety protection, and notification, including those potentially applicable under the Environmental Laws.

PSCo has provided for Grantor’s review a copy of the Materials Management Plan prepared by PSCo for the Activities and approved by CDPHE and DOE.

It is understood that this Easement shall commence June 1, 2025 and shall expire on June 1, 2026 (the “**Initial Term**”). PSCo shall have the option to extend the term of this Easement for one (1) additional year, upon written notice to Grantor no less than thirty (30) days before the expiration of the Initial Term (the “**Extended Term**”). Prior to the expiration of the term of this Easement, and to the extent allowed under the Environmental Laws and reasonably practicable, PSCo shall restore the surface of the Temporary Easement Area which is disturbed by PSCo’s exercise of its rights under this Easement to as near a condition as existed prior to PSCo’s entry on the Temporary Easement Area.

No amendment, modification or supplement to this Easement shall be binding on either party unless made in writing and executed by an authorized representative of said party. No waiver by either party of any provision hereof, nor any approval of either party required herein, shall be deemed to have been made unless made in writing and signed by an authorized representative of said party.

The provisions of this Easement shall run with, be binding on, and burden the Temporary Easement Area, and shall be binding on and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of Grantor and PSCo. “Grantor” shall include the singular, plural, feminine, masculine, and neuter.

Company makes, and Grantor accepts, this Easement without any representation or warranty as to Company’s title to the Temporary Easement Area. This Easement is binding on Grantor, and is not conditioned upon obtaining the consent of any third party.

This Easement incorporates all agreements and stipulations between Grantor and PSCo as to the subject matter of this Easement and no prior representations or statements, verbal or written, shall modify, supplement or change the terms of this Easement. The title of this document is inserted for convenience only and does not define or limit the rights granted pursuant to this Easement.

This Easement consists of the document entitled “Temporary Construction Easement”, and an **Exhibit A** containing a sketch depicting the legal description, if referenced above or attached hereto, and if attached, a Consent and Subordination. No other exhibit, addendum, schedule or other attachment (collectively “**Addendum**”) is authorized by PSCo, and no Addendum shall be effective and binding upon PSCo unless executed by an authorized representative of PSCo.

All notices, demands, requests and other communications required or permitted under this Easement must be in writing and will be deemed received when personally delivered or three (3) business days after deposit in the United States mail, first class, postage prepaid, registered or certified, addressed as follows:

If to Grantee: Public Service Company of Colorado
 3500 Blake Street
 Denver, CO 80202
 Attn: Sr. Manager, Siting & Land Rights
 Email: ColoradoRightOfWay@XcelEnergy.com

With a required copy to the principal address of Public Service Company of Colorado as listed with the Colorado Secretary of State.

If to Grantor: City of Rifle, Colorado
 202 Railroad Avenue
 Rifle, CO 81650

Grantee or Grantor may change its address by giving notice to the other as provided for above.

(Signature and notary on following page)

Signed this _____ day of _____, 2025.

GRANTOR:

CITY OF RIFLE, COLORADO, a home-rule municipal corporation

By: _____

Name: _____

Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2025 by _____ as
_____ of the City of Rifle, Colorado, a home-rule
municipal corporation.

Witness my hand and official seal.

My Commission Expires: _____

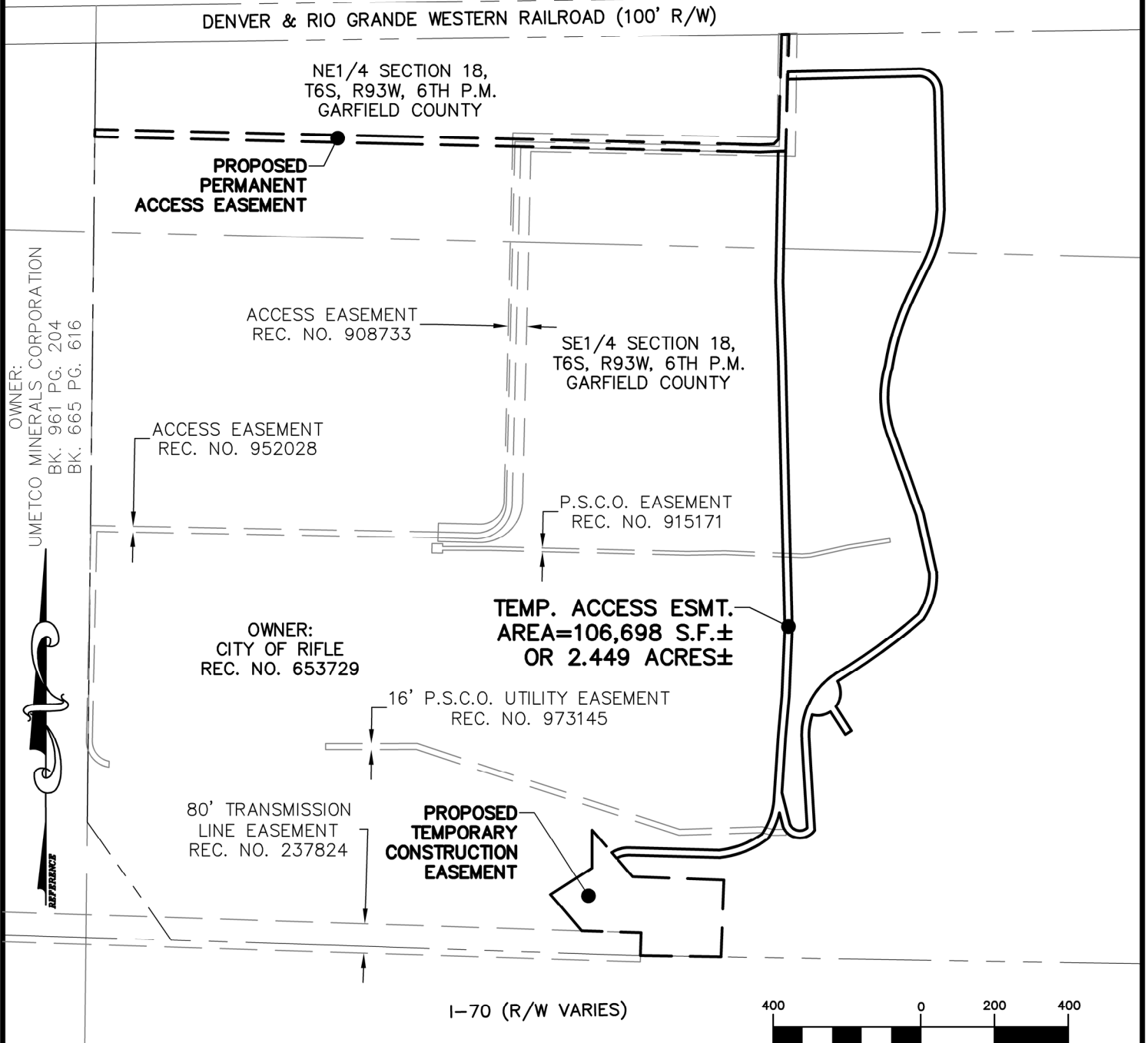
Notary Public

EXHIBIT A

Legal Description of Temporary Easement Area

EXHIBIT "A"

PROPOSED AND EXISTING ESMT.'S



- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.



9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 02/17/25

SCALE: 1" = 400'

FILE: R13851

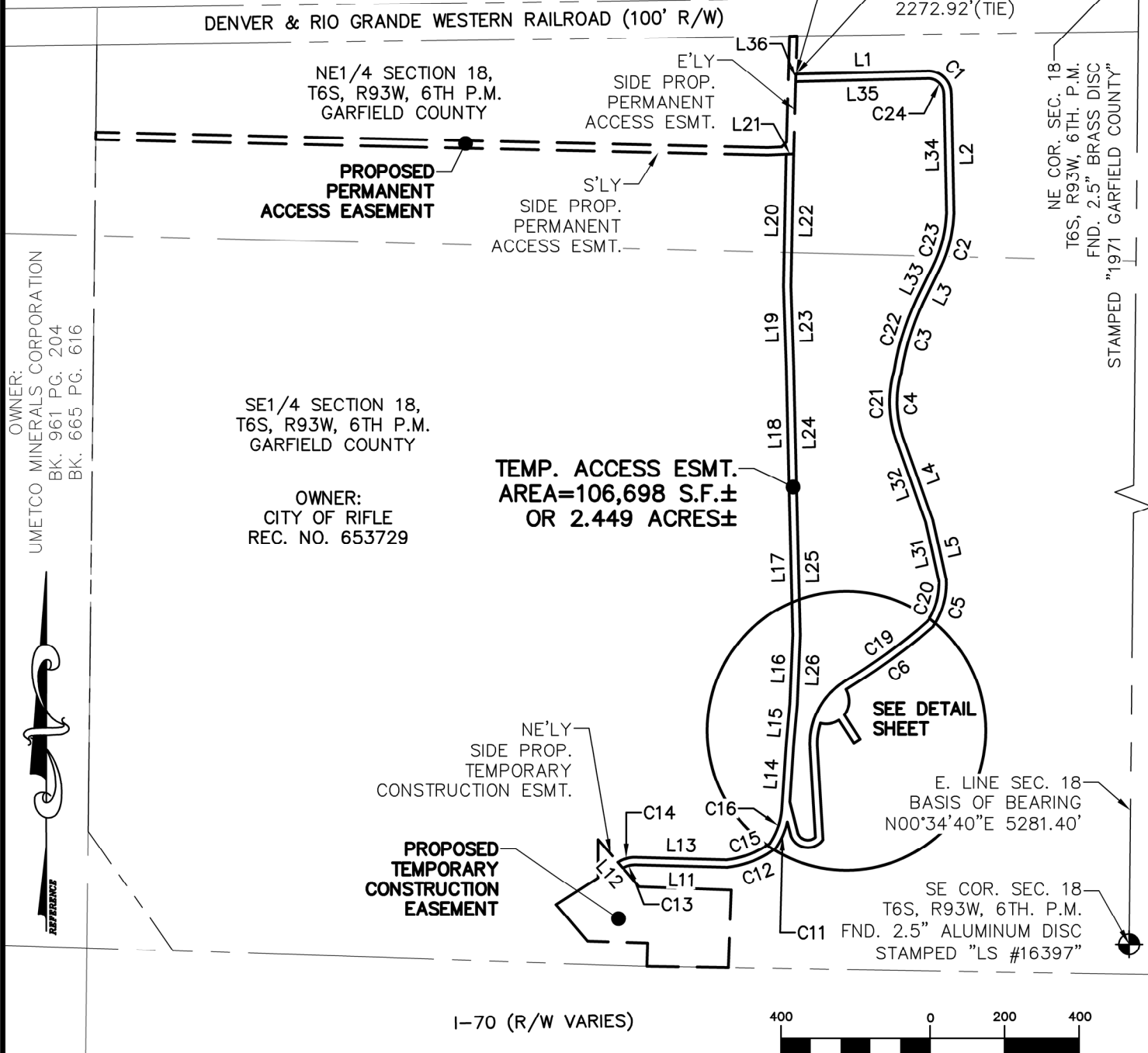
SHEET: 1 OF 7

P#: 217718400314

T#: 211

TEMPORARY ACCESS EASEMENT

EXHIBIT "A"



- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.



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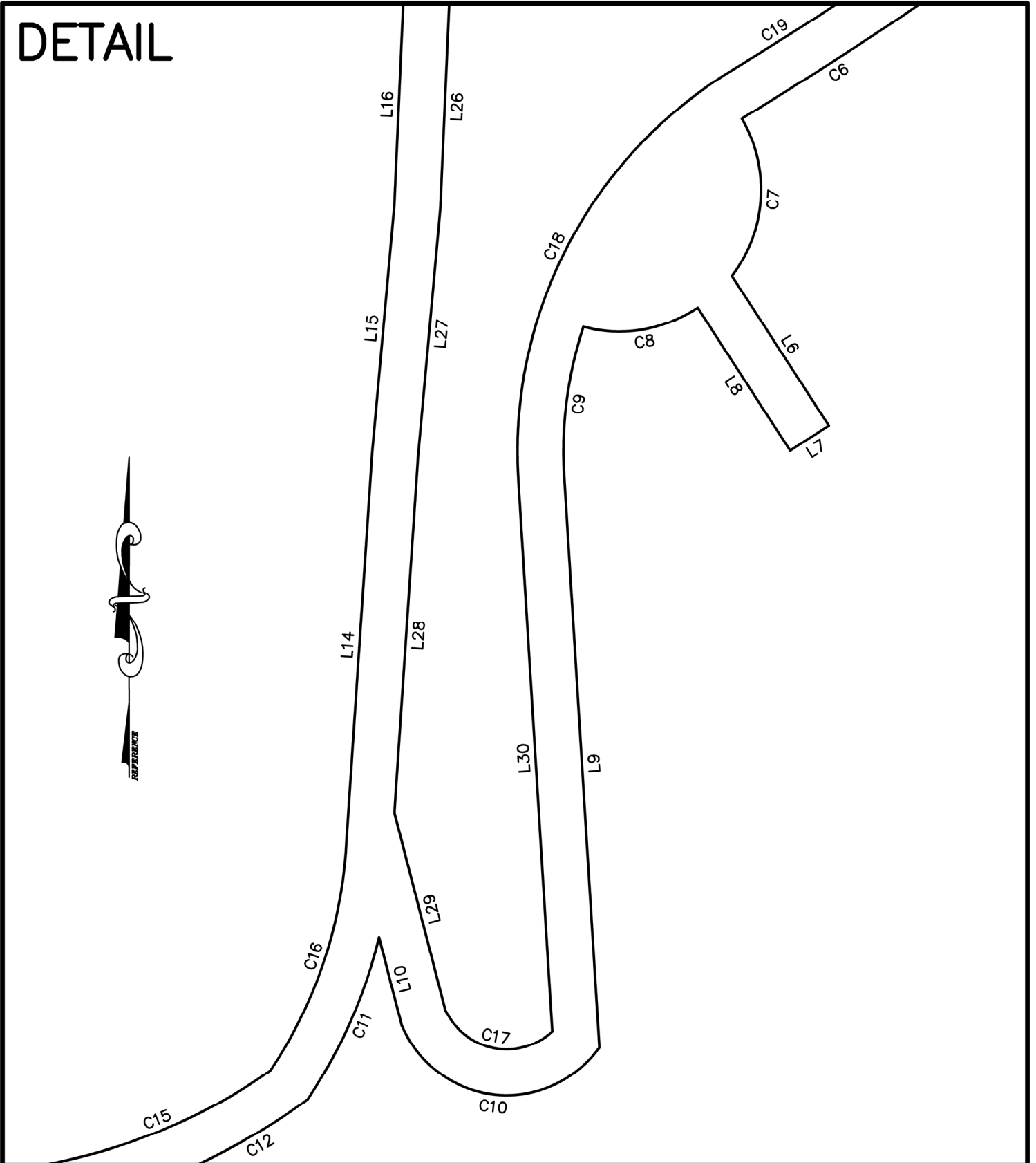
SHEET: 2 OF 7

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TEMPORARY ACCESS EASEMENT

DETAIL



PRECISION SURVEY & MAPPING
PROFESSIONAL LAND SURVEYING CONSULTANTS

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DRN. BY: R.U.
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DATE: 02/17/25
SCALE: NOT TO SCALE

FILE: R13851
SHEET: 3 OF 7
P#: 217718400314
T#: 211

**TEMPORARY ACCESS
EASEMENT**

LINE/CURVE TABLE

LINE TABLE		
NO.	BEARING	DISTANCE
L1	N88°39'32"E	357.99'
L2	S01°16'44"E	323.87'
L3	S26°37'43"W	80.83'
L4	S19°44'47"E	241.19'
L5	S12°46'46"E	164.80'
L6	S32°54'02"E	77.55'
L7	S57°05'58"W	20.00'
L8	N32°54'02"W	73.97'
L9	S03°31'27"E	246.84'
L10	N14°28'05"W	39.88'
L11	N88°27'50"W	248.82'
L12	N41°01'37"W	20.28'
L13	S88°27'50"E	246.87'
L14	N03°47'23"E	167.95'
L15	N05°08'09"E	107.76'
L16	N02°31'00"E	184.24'
L17	N01°29'12"W	364.65'
L18	N01°18'58"W	355.14'
L19	N01°59'14"W	216.44'
L20	N01°10'29"E	355.41'

NO.	BEARING	DISTANCE
L21	N87°25'49"E	20.04'
L22	S01°10'29"W	356.16'
L23	S01°59'14"E	216.00'
L24	S01°18'58"E	355.08'
L25	S01°29'08"E	365.56'
L26	S02°31'00"W	185.30'
L27	S05°08'09"W	107.98'
L28	S03°47'23"W	155.22'
L29	S14°28'05"E	88.90'
L30	N03°31'27"W	238.54'
L31	N12°46'46"W	161.82'
L32	N19°44'47"W	240.18'
L33	N26°37'43"E	81.33'
L34	N01°16'44"W	323.33'
L35	S88°39'32"W	358.41'
L36	N01°38'06"E	20.03'

CURVE TABLE					
NO.	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	94.36'	61.38'	88°04'22"	S44°02'57"E	85.34'
C2	169.12'	383.88'	25°14'29"	S15°44'52"W	167.75'
C3	199.18'	713.74'	15°59'22"	S17°28'56"W	198.54'
C4	173.04'	281.56'	35°12'48"	S00°55'31"E	170.33'
C5	132.92'	203.87'	37°21'22"	S15°43'07"W	130.58'
C6	288.59'	1767.75'	9°21'13"	S54°09'20"W	288.27'
C7	72.75'	61.59'	67°40'46"	S03°37'27"W	68.59'
C8	51.93'	61.59'	48°18'56"	S80°36'37"W	50.41'
C9	67.78'	173.85'	22°20'25"	S07°00'09"W	67.36'
C10	104.75'	49.56'	121°05'40"	N83°48'16"W	86.32'
C11	77.39'	216.36'	20°29'36"	S23°47'53"W	76.97'
C12	140.11'	265.84'	30°11'55"	S68°32'29"W	138.50'
C13	34.29'	63.35'	31°00'35"	S75°24'09"W	33.87'
C14	49.07'	83.35'	33°43'59"	N74°07'17"E	48.37'
C15	123.28'	245.84'	28°43'56"	N69°22'04"E	121.99'
C16	107.72'	196.36'	31°25'57"	N18°11'37"E	106.38'
C17	54.81'	29.56'	106°13'07"	S78°57'54"E	47.29'
C18	208.15'	193.85'	61°31'27"	N26°37'43"E	198.29'
C19	280.04'	1733.20'	9°15'27"	N54°10'41"E	279.74'
C20	115.62'	183.87'	36°01'45"	N15°34'36"E	113.73'

CURVE TABLE					
NO.	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C21	184.28'	301.56'	35°00'47"	N01°03'59"W	181.43'
C22	203.72'	733.74'	15°54'29"	N17°32'19"E	203.07'
C23	159.85'	363.88'	25°10'09"	N15°49'52"E	158.57'
C24	63.30'	41.38'	87°38'20"	N43°33'23"W	57.31'



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SCALE: 1" = 400'

FILE: R13851

SHEET: 4 OF 7

P#: 217718400314

T#: 211

**TEMPORARY ACCESS
EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE EAST HALF OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 653729, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE EAST LINE OF SAID SECTION 18, ASSUMED TO BEAR N00°34'40"E A DISTANCE OF 5281.40 FEET FROM A 2.5" ALUMINUM CAP STAMPED "LS #16397" FOUND AT THE SOUTHEAST CORNER OF SAID SECTION 18 TO A 2.5" BRASS DISC STAMPED "1971 GARFIELD COUNTY" FOUND AT THE NORTHEAST CORNER OF SAID SECTION 18;

TEMPORARY ACCESS EASEMENT

BEGINNING AT A POINT ON EASTERLY SIDE OF A PROPOSED PERMANENT ACCESS EASEMENT, SAID POINT BEARS S19°27'58"W A DISTANCE OF 2272.92 FEET FROM SAID NORTHEAST CORNER;

THENCE N88°39'32"E A DISTANCE OF 357.99 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 94.36 FEET, HAVING A RADIUS OF 61.38 FEET, THROUGH A CENTRAL ANGLE OF 88°04'22" AND A CHORD WHICH BEARS S44°02'57"E A DISTANCE OF 85.34 FEET; THENCE S01°16'44"E A DISTANCE OF 323.87 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 169.12 FEET, HAVING A RADIUS OF 383.88 FEET, THROUGH A CENTRAL ANGLE OF 25°14'29" AND A CHORD WHICH BEARS S15°44'52"W A DISTANCE OF 167.75 FEET; THENCE S26°37'43"W A DISTANCE OF 80.83 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 199.18 FEET, HAVING A RADIUS OF 713.74 FEET, THROUGH A CENTRAL ANGLE OF 15°59'22" AND A CHORD WHICH BEARS S17°28'56"W A DISTANCE OF 198.54 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 173.04 FEET, HAVING A RADIUS OF 281.56 FEET, THROUGH A CENTRAL ANGLE OF 35°12'48" AND A CHORD WHICH BEARS S00°55'31"E A DISTANCE OF 170.33 FEET; THENCE S19°44'47"E A DISTANCE OF 241.19 FEET; THENCE S12°46'46"E A DISTANCE OF 164.80 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 132.92 FEET, HAVING A RADIUS OF 203.87 FEET, THROUGH A CENTRAL ANGLE OF 37°21'22" AND A CHORD WHICH BEARS S15°43'07"W A DISTANCE OF 130.58 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 288.59 FEET, HAVING A RADIUS OF 1,767.75 FEET, THROUGH A CENTRAL ANGLE OF 09°21'13" AND A CHORD WHICH BEARS S54°09'20"W A DISTANCE OF 288.27 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 72.75 FEET, HAVING A RADIUS OF 61.59 FEET, THROUGH A CENTRAL ANGLE OF 67°40'46" AND A CHORD WHICH BEARS S03°37'27"W A DISTANCE OF 68.59 FEET; THENCE S32°54'02"E A DISTANCE OF 77.55 FEET; THENCE S57°05'58"W A DISTANCE OF 20.00 FEET; THENCE N32°54'02"W A DISTANCE OF 73.97 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 51.93 FEET, HAVING A RADIUS OF 61.59 FEET, THROUGH A CENTRAL ANGLE OF 48°18'56" AND A CHORD WHICH BEARS S80°36'37"W A DISTANCE OF 50.41 FEET;



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SHEET: 5 OF 7

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TEMPORARY ACCESS EASEMENT

LEGAL DESCRIPTION

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 67.78 FEET, HAVING A RADIUS OF 173.85 FEET, THROUGH A CENTRAL ANGLE OF 22°20'25" AND A CHORD WHICH BEARS S07°00'09"W A DISTANCE OF 67.36 FEET; THENCE S03°31'27"E A DISTANCE OF 246.84 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 104.75 FEET, HAVING A RADIUS OF 49.56 FEET, THROUGH A CENTRAL ANGLE OF 121°05'40" AND A CHORD WHICH BEARS N83°48'16"W A DISTANCE OF 86.32 FEET; THENCE N14°28'05"W A DISTANCE OF 39.88 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 77.39 FEET, HAVING A RADIUS OF 216.36 FEET, THROUGH A CENTRAL ANGLE OF 20°29'36" AND A CHORD WHICH BEARS S23°47'53"W A DISTANCE OF 76.97 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 140.11 FEET, HAVING A RADIUS OF 265.84 FEET, THROUGH A CENTRAL ANGLE OF 30°11'55" AND A CHORD WHICH BEARS S68°32'29"W A DISTANCE OF 138.50 FEET; THENCE N88°27'50"W A DISTANCE OF 248.82 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 34.29 FEET, HAVING A RADIUS OF 63.35 FEET, THROUGH A CENTRAL ANGLE OF 31°00'35" AND A CHORD WHICH BEARS S75°24'09"W A DISTANCE OF 33.87 FEET TO THE NORTHEASTERLY SIDE OF A PROPOSED TEMPORARY CONSTRUCTION EASEMENT; THENCE N41°01'37"W ALONG SAID NORTHEASTERLY SIDE A DISTANCE OF 20.28 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 49.07 FEET, HAVING A RADIUS OF 83.35 FEET, THROUGH A CENTRAL ANGLE OF 33°43'59" AND A CHORD WHICH BEARS N74°07'17"E A DISTANCE OF 48.37 FEET; THENCE S88°27'50"E A DISTANCE OF 246.87 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 123.28 FEET, HAVING A RADIUS OF 245.84 FEET, THROUGH A CENTRAL ANGLE OF 28°43'56" AND A CHORD WHICH BEARS N69°22'04"E A DISTANCE OF 121.99 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 107.72 FEET, HAVING A RADIUS OF 196.36 FEET, THROUGH A CENTRAL ANGLE OF 31°25'57" AND A CHORD WHICH BEARS N18°11'37"E A DISTANCE OF 106.38 FEET; THENCE N03°47'23"E A DISTANCE OF 167.95 FEET; THENCE N05°08'09"E A DISTANCE OF 107.76 FEET; THENCE N02°31'00"E A DISTANCE OF 184.24 FEET; THENCE N01°29'12"W A DISTANCE OF 364.65 FEET; THENCE N01°18'58"W A DISTANCE OF 355.14 FEET; THENCE N01°59'14"W A DISTANCE OF 216.44 FEET; THENCE N01°10'29"E A DISTANCE OF 355.41 FEET TO THE SOUTHERLY SIDE OF SAID PROPOSED ACCESS EASEMENT; THENCE N87°25'49"E ALONG SAID SOUTHERLY SIDE A DISTANCE OF 20.04 FEET; THENCE S01°10'29"W A DISTANCE OF 356.16 FEET; THENCE S01°59'14"E A DISTANCE OF 216.00 FEET; THENCE S01°18'58"E A DISTANCE OF 355.08 FEET; THENCE S01°29'08"E A DISTANCE OF 365.56 FEET; THENCE S02°31'00"W A DISTANCE OF 185.30 FEET; THENCE S05°08'09"W A DISTANCE OF 107.98 FEET; THENCE S03°47'23"W A DISTANCE OF 155.22 FEET; THENCE S14°28'05"E A DISTANCE OF 88.90 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 54.81 FEET, HAVING A RADIUS OF 29.56 FEET, THROUGH A CENTRAL ANGLE OF 106°13'07" AND A CHORD WHICH BEARS S78°57'54"E A DISTANCE OF 47.29 FEET; THENCE N03°31'27"W A DISTANCE OF 238.54 FEET;

LEGAL DESCRIPTION

THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 208.15 FEET, HAVING A RADIUS OF 193.85 FEET, THROUGH A CENTRAL ANGLE OF 61°31'27" AND A CHORD WHICH BEARS N26°37'43"E A DISTANCE OF 198.29 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 280.04 FEET, HAVING A RADIUS OF 1,733.20 FEET, THROUGH A CENTRAL ANGLE OF 09°15'27" AND A CHORD WHICH BEARS N54°10'41"E A DISTANCE OF 279.74 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 115.62 FEET, HAVING A RADIUS OF 183.87 FEET, THROUGH A CENTRAL ANGLE OF 36°01'45" AND A CHORD WHICH BEARS N15°34'36"E A DISTANCE OF 113.73 FEET; THENCE N12°46'46"W A DISTANCE OF 161.82 FEET; THENCE N19°44'47"W A DISTANCE OF 240.18 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 184.28 FEET, HAVING A RADIUS OF 301.56 FEET, THROUGH A CENTRAL ANGLE OF 35°00'47" AND A CHORD WHICH BEARS N01°03'59"W A DISTANCE OF 181.43 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 203.72 FEET, HAVING A RADIUS OF 733.74 FEET, THROUGH A CENTRAL ANGLE OF 15°54'29" AND A CHORD WHICH BEARS N17°32'19"E A DISTANCE OF 203.07 FEET; THENCE N26°37'43"E A DISTANCE OF 81.33 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 159.85 FEET, HAVING A RADIUS OF 363.88 FEET, THROUGH A CENTRAL ANGLE OF 25°10'09" AND A CHORD WHICH BEARS N15°49'52"E A DISTANCE OF 158.57 FEET; THENCE N01°16'44"W A DISTANCE OF 323.33 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 63.30 FEET, HAVING A RADIUS OF 41.38 FEET, THROUGH A CENTRAL ANGLE OF 87°38'20" AND A CHORD WHICH BEARS N43°33'23"W A DISTANCE OF 57.31 FEET; THENCE S88°39'32"W A DISTANCE OF 358.41 FEET TO THE EASTERLY SIDE OF SAID PROPOSED ACCESS EASEMENT; THENCE N01°38'06"E ALONG SAID EASTERLY SIDE A DISTANCE OF 20.03 FEET TO THE POINT OF BEGINNING; WHENCE SAID SOUTHEAST CORNER BEARS S12°38'51"E A DISTANCE OF 3216.17 FEET.

SAID PARCEL CONTAINS 106,698 SQUARE FEET OR 2.449 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.


CHRISTOPHER P. JULIAN, L.S. 31158 02/17/25
FOR AND BEHALF OF PRECISION SURVEY & MAPPING, INC.

 **PRECISION SURVEY & MAPPING**
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 02/17/25
SCALE: 1" = 400'

FILE: R13851
SHEET: 7 OF 7
P#: 217718400314
T#: 211

**TEMPORARY ACCESS
EASEMENT**

EXHIBIT "A"

NW COR. SECT. 18
T6S, R93W, 6TH. P.M.
FND. 1/2" IRON ROD
IN PILE OF ROCKS

OWNER:
CITY OF RIFLE
PARCEL NO: 217718400314
211
REC. NO. 653729

SE1/4 SECTION 18,
T6S, R93W, 6TH P.M.
GARFIELD COUNTY

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S89°57'32"E	137.38'
L2	N42°04'12"E	15.77'
L3	S88°11'23"E	984.26'
L4	S41°01'37"E	109.10'
L5	N88°11'23"W	1157.39'
L6	N35°29'32"W	80.11'



S31°04'58"E
5211.89'(TIE)

EASEMENT
REC. NO. 952028

S'LY SIDE
REC #952028

POINT OF
BEGINNING

TEMPORARY
DEWATERING ESMT.
AREA=89,956 S.F.±
OR 2.065 ACRES±

N'LY SIDE
REC #237824

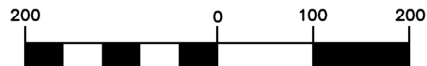
SW'LY SIDE
REC #653729

W. LINE SEC. 18
BASIS OF BEARING
N01°03'22"E 5293.11'

80' TRANSMISSION LINE EASEMENT
REC. NO. 237824

I-70 (R/W VARIES)

SW COR. SECT. 18
T6S, R93W, 6TH. P.M.
2" ALUMINUM CAP
STAMPED "UNITAH ENG. & LS
CO. 1994-17492"



1 inch = 200 ft.

- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.



9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 01/20/25

SCALE: 1" = 200'

FILE: R13851

SHEET: 1 OF 2

P#: 217718400314

T#: 211

**TEMPORARY
DEWATERING EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 653729, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE WEST LINE OF SAID SECTION 18, ASSUMED TO BEAR N01°03'22"E A DISTANCE OF 5293.11 FEET FROM A 2" ALUMINUM CAP STAMPED "UNITAH ENG. & LS CO. 1994-17492" FOUND AT THE SOUTHWEST CORNER OF SAID SECTION 18 TO A 1/2" IRON ROD FOUND AT THE NORTHWEST CORNER OF SAID SECTION 18;

TEMPORARY DEWATERING EASEMENT

BEGINNING AT A POINT ON THE SOUTHWESTERLY SIDE OF SAID LANDS AND ON THE SOUTHER SIDE OF AN EASEMENT DESCRIBED AT RECEPTION NO. 952028 AND FILED IN SAID CLERK AND RECORDER'S OFFICE, SAID POINT BEARS S31°04'58"E A DISTANCE OF 5211.89 FEET FROM SAID NORTHWEST CORNER;

THENCE ALONG SAID SOUTHERLY SIDE OF SAID EASEMENT THE FOLLOWING TWO (2) COURSES: 1.) THENCE S89°57'32"E A DISTANCE OF 137.38 FEET; 2.) THENCE N42°04'12"E A DISTANCE OF 15.77 FEET; THENCE S88°11'23"E A DISTANCE OF 984.26 FEET; THENCE S41°01'37"E A DISTANCE OF 109.10 FEET TO THE NORTHERLY SIDE OF AN 80' WIDE TRANSMISSION LINE EASEMENT DESCRIBED AT RECEPTION NO. 237824; THENCE N88°11'23"W ALONG SAID NORTHERLY SIDE A DISTANCE OF 1,157.39 FEET TO SAID SOUTHWESTERLY SIDE OF SAID LANDS; THENCE N35°29'32"W ALONG SAID SOUTHWESTERLY SIDE A DISTANCE OF 80.11 FEET TO THE POINT OF BEGINNING; WHENCE SAID SOUTHWEST CORNER BEARS S73°26'57"W A DISTANCE OF 2908.87 FEET.

SAID PARCEL CONTAINS 89,956 SQUARE FEET OR 2.065 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.


CHRISTOPHER P. JULIANA, L.S. 31158, DATE 01/20/25
FOR AND ON BEHALF OF PRECISION SURVEY & MAPPING, INC.

 **PRECISION SURVEY & MAPPING**
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 01/20/25
SCALE: 1" = 200'

FILE: R13851
SHEET: 2 OF 2
P#: 217718400314
T#: 211

**TEMPORARY
DEWATERING EASEMENT**

EXHIBIT "A"

LINE TABLE		
NO.	BEARING	DISTANCE
L1	N89°03'44"W	218.57'
L2	N01°48'38"E	62.75'
L3	N88°11'23"W	161.29'
L4	N41°01'37"W	129.27'
L5	N57°29'33"E	134.15'
L6	N00°00'14"E	102.57'
L7	S41°01'37"E	167.13'
L8	S87°55'51"E	247.47'
L9	S02°04'09"W	208.69'

SE1/4 SECTION 18,
T6S, R93W, 6TH P.M.
GARFIELD COUNTY

OWNER:
CITY OF RIFLE
REC. NO. 653729

NE COR. SECT. 18
T6S, R93W, 6TH. P.M.
FND. 2.5" BRASS DISC
STAMPED "1971 GARFIELD COUNTY"

E. LINE SEC. 18
BASIS OF BEARING
S00°34'40"W 5281.40'

TEMPORARY
CONSTRUCTION ESMT.
AREA=84,248 S.F.±
OR 1.934 ACRES±

NE'LY SIDE
REC. #237824

80' TRANSMISSION LINE EASEMENT
REC. NO. 237824

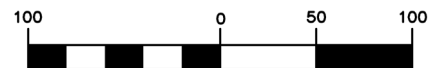
I-70 (R/W VARIES)

N'LY
R/W

POINT OF
BEGINNING

N50°07'50"W
1153.75'(TIE)

SE COR. SECT. 18
T6S, R93W, 6TH. P.M.
FND. 2.5" ALUMINUM DISC
STAMPED "LS #16397"



1 inch = 100 ft.

- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.



9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 01/29/25

SCALE: 1" = 100'

FILE: R13851

SHEET: 1 OF 2

P#: 217718400314

T#: 211

**TEMPORARY
CONSTRUCTION EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 653729, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE EAST LINE OF SAID SECTION 18, ASSUMED TO BEAR S00°34'40"W A DISTANCE OF 5281.40 FEET FROM A 2.5" BRASS DISC STAMPED "1971 GARFIELD COUNTY" FOUND AT THE NORTHEAST CORNER OF SAID SECTION 18 TO A 2.5" ALUMINUM CAP STAMPED "LS #16397" FOUND AT THE SOUTHEAST CORNER OF SAID SECTION 18;

TEMPORARY CONSTRUCTION EASEMENT

BEGINNING AT A POINT ON THE NORTHERLY RIGHT-OF-WAY OF INTERSTATE 70, SAID POINT BEARS N50°07'50"W A DISTANCE OF 1153.75 FEET FROM SAID SOUTHEAST CORNER;

THENCE N89°03'44"W ALONG SAID NORTHERLY RIGHT-OF-WAY A DISTANCE OF 218.57 FEET TO THE NORTHEASTERLY SIDE OF A 80' WIDE TRANSMISSION LINE EASEMENT DESCRIBED AT RECEPTION NO. 237824 AND FILED IN SAID CLERK AND RECORDER'S OFFICE; THENCE ALONG SAID NORTHEASTERLY SIDE THE FOLLOWING TWO (2) COURSES: 1.) THENCE N01°48'38"E A DISTANCE OF 62.75 FEET; 2.) THENCE N88°11'23"W A DISTANCE OF 161.29 FEET; THENCE N41°01'37"W A DISTANCE OF 129.27 FEET; THENCE N57°29'33"E A DISTANCE OF 134.15 FEET; THENCE N00°00'14"E A DISTANCE OF 102.57 FEET; THENCE S41°01'37"E A DISTANCE OF 167.13 FEET; THENCE S87°55'51"E A DISTANCE OF 247.47 FEET; THENCE S02°04'09"W A DISTANCE OF 208.69 FEET TO THE POINT OF BEGINNING; WHENCE SAID SOUTHEAST CORNER BEARS S12°12'27"E A DISTANCE OF 3316.32 FEET.

SAID PARCEL CONTAINS 84,248 SQUARE FEET OR 1.934 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.


CHRISTOPHER P. JULIAN, L.S. 31158, DATE 01/29/25
FOR AND BEHALF OF PRECISION SURVEY & MAPPING, INC.

 **PRECISION SURVEY & MAPPING**
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
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DATE: 01/29/25
SCALE: 1" = 100'

FILE: R13851
SHEET: 2 OF 2
P#: 217718400314
T#: 211

**TEMPORARY
CONSTRUCTION EASEMENT**

CONSENT AND SUBORDINATION

[DEED OF TRUST]

This Consent and Subordination is executed by _____, a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)] ("**Lender**"), for the benefit of PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation (the "**Company**").

- A. Lender is the current beneficiary of, and owner of the evidence of debt secured by, that certain deed of trust or mortgage recorded in the real estate records in the office of the Clerk and Recorder of _____ County, Colorado on _____ at [Book and Page or Reception Number as Applicable] (the "**Mortgage**").
- B. The real property encumbered by the Mortgage includes the Temporary Easement Area as described in the foregoing Temporary Construction Easement (the "**Easement**").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Lender agrees as follows:

Lender consents to the foregoing Easement and agrees and confirms for itself and its successors and assigns that the lien of the Mortgage and other rights and interests of the Lender in the Temporary Easement Area are subject and subordinate to the Easement. In the event of a foreclosure of the Mortgage and a sale of the property that is subject to the Mortgage pursuant to such foreclosure, the rights of the Company acquired by virtue of the Easement shall not be affected thereby.

LENDER:

By: _____

Name: _____

Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by [Name of signatory from above] as [Title] of [Name of Lender], a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)].

(Seal)

Notary Public

My Commission Expires: _____

CONSENT AND SUBORDINATION

[LEASE]

This Consent and Subordination is executed by _____ (“**Tenant**”), for the benefit of PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation (the “**Company**”).

A. Tenant is a tenant of property owned by the Grantor of the foregoing Temporary Construction Easement (the “**Easement**”), pursuant to a Lease titled: _____ and executed on _____ (the “**Lease**”), which lease or memorandum of lease ☐ **was not recorded** / ☐ **was recorded** on DATE: _____ at RECORDING/BOOK and PAGE NUMBER: _____ in the real property records of the Clerk and Recorder of _____ County, Colorado.

B. Some or all of the Temporary Easement Area as described in the foregoing Easement burdens or affects portions of the property covered by the Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Tenant agrees as follows:

Tenant consents to the foregoing Easement and agrees and confirms for itself and its successors and assigns that the Lease and other rights and interests of the Tenant in the Temporary Easement Area are subject and subordinate to the Easement with the same force and effect as if the Easement were made and placed of record prior to the execution of the Lease.

TENANT:

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by [Name of signatory from above] as [Title] of [Name of Lender], a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)].

(Seal)

Notary Public

My Commission Expires: _____

TEMPORARY CONSTRUCTION EASEMENT (the “Easement”)

The undersigned (“Grantor”), for good and valuable consideration, the receipt and adequacy of such consideration being acknowledged, sells and conveys to Public Service Company of Colorado, a Colorado corporation (“Grantee” or “PSCo”), its successors and assigns, a temporary easement for (i) access, including access by people and vehicles; including off road vehicles and helicopter operations, (ii) construction work areas/work sites, and (iii) storage of materials, machinery and equipment, on, over and across the property described in **Exhibit A**, attached and incorporated by this reference (the “Temporary Easement Area”).

Together with full right and authority to PSCo, its successors, assigns, licensees and its and their contractors, agents, employees and invitees, to enter upon the Temporary Easement Area with machinery, trucks, construction vehicles, helicopters, materials, tools and other equipment which may be useful or required in the construction, alteration, maintenance or repair by PSCo of utility improvements, located or to be located, on real property owned by PSCo, or on property that is subject to an easement for the benefit of PSCo, and with the right, but not the obligation, to survey, construct, repair, reconstruct, patrol, inspect, improve, and maintain access over said Temporary Easement Area, including a gravel road, culverts or other appurtenances used or useful in connection therewith.

It is understood that this Easement shall commence May 1, 2025 and shall expire on May 1, 2026 (the “Initial Term”). PSCo shall have the option to extend the term of this Easement for one (1) additional year, upon written notice to Grantor no less than thirty (30) days before the expiration of the Initial Term (the “Extended Term”). Prior to the expiration of the term of this Easement, PSCo shall restore the surface of the Temporary Easement Area which is disturbed by PSCo’s exercise of its rights under this Easement; to as near a condition as existed prior to PSCo’s entry on the Temporary Easement Area as is reasonably practicable.

No amendment, modification or supplement to this Easement shall be binding on either party unless made in writing and executed by an authorized representative of said party. No waiver by either party of any provision hereof, nor any approval of either party required herein, shall be deemed to have been made unless made in writing and signed by an authorized representative of said party.

The provisions of this Easement shall run with, be binding on, and burden the Temporary Easement Area, and shall be binding on and shall inure to the benefit of the heirs, executors, administrators, personal representatives, successors, and assigns of Grantor and PSCo. “Grantor” shall include the singular, plural, feminine, masculine, and neuter.

Grantor makes, and Company accepts, this Easement without any representation or warranty as to Grantor’s title to the Temporary Easement Area. This Easement is binding on Grantor, and is not conditioned upon obtaining the consent of any third party.

This Easement incorporates all agreements and stipulations between Grantor and PSCo as to the subject matter of this Easement and no prior representations or statements, verbal or written, shall modify, supplement or change the terms of this Easement. The title of this document is

inserted for convenience only and does not define or limit the rights granted pursuant to this Easement.

This Easement consists of the document entitled “Temporary Construction Easement”, and an **Exhibit A** containing a sketch depicting the legal description, if referenced above or attached hereto, and if attached, a Consent and Subordination. No other exhibit, addendum, schedule or other attachment (collectively “**Addendum**”) is authorized by PSCo, and no Addendum shall be effective and binding upon PSCo unless executed by an authorized representative of PSCo.

All notices, demands, requests and other communications required or permitted under this Easement must be in writing and will be deemed received when personally delivered or three (3) business days after deposit in the United States mail, first class, postage prepaid, registered or certified, addressed as follows:

If to Grantee: Public Service Company of Colorado
 3500 Blake Street
 Denver, CO 80202
 Attn: Sr. Manager, Siting & Land Rights
 Email: ColoradoRightOfWay@XcelEnergy.com

With a required copy to the principal address of Public Service Company of Colorado as listed with the Colorado Secretary of State.

If to Grantor: City of Rifle, Colorado
 202 Railroad Avenue
 Rifle, CO 81650

Grantee or Grantor may change its address by giving notice to the other as provided for above.

(Signature and notary on following page)

Signed this _____ day of _____, 2025.

GRANTOR:

CITY OF RIFLE, COLORADO, a home-rule municipal corporation

By: _____

Name: _____

Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2025 by _____ as
_____ of the City of Rifle, Colorado, a home-rule
municipal corporation .

Witness my hand and official seal.

My Commission Expires: _____

Notary Public

EXHIBIT A

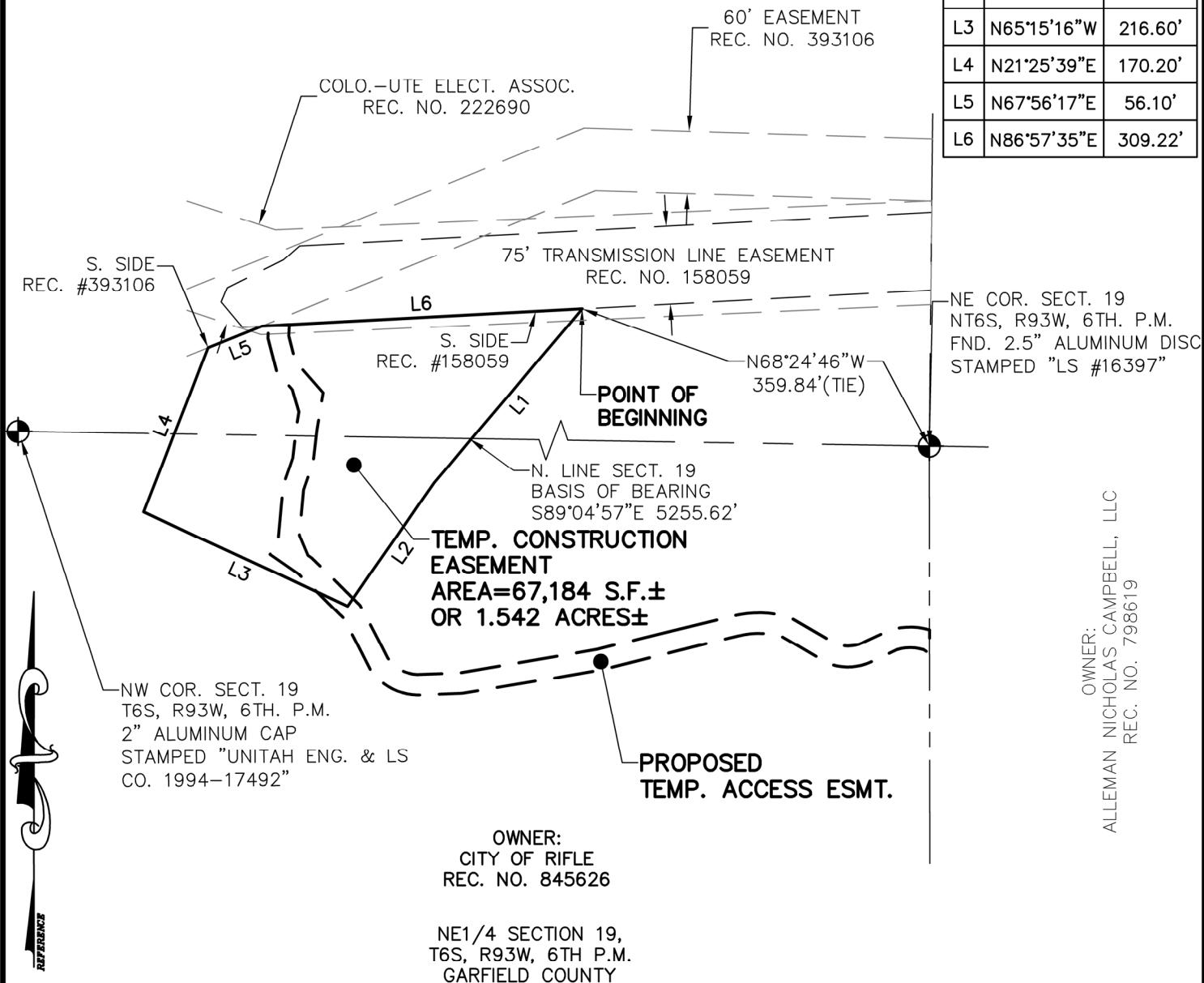
Legal Description of Temporary Easement Area

See attached.

EXHIBIT "A"

SE 1/4 SECTION 18,
T6S, R93W, 6TH P.M.
GARFIELD COUNTY

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S40°26'00"W	219.93'
L2	S35°03'02"W	145.58'
L3	N65°15'16"W	216.60'
L4	N21°25'39"E	170.20'
L5	N67°56'17"E	56.10'
L6	N86°57'35"E	309.22'

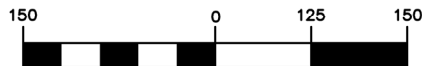


OWNER:
ALLEMAN NICHOLAS CAMPBELL, LLC
REC. NO. 798619

OWNER:
CITY OF RIFLE
REC. NO. 845626

NE1/4 SECTION 19,
T6S, R93W, 6TH P.M.
GARFIELD COUNTY

NOTE: 6,223 S.F.± OR 0.143 ACRES± LIES WITHIN PROPOSED ACCESS EASEMENT.



1 inch = 150 ft.

- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
- 4.) THIS DOCUMENT SHALL BE CONSIDERED NULL AND VOID IF IT DOES NOT BEAR THE ORIGINAL SIGNATURE AND SEAL OF THE PROFESSIONAL LAND SURVEYOR OR IF ALTERED IN ANY WAY.



9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 03/25/25

SCALE: 1" = 150'

FILE: R13851

SHEET: 1 OF 2

P#: 217719100133

T#: 211

**TEMPORARY CONSTRUCTION
EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 19 AND THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 845626, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE NORTH LINE OF SAID SECTION 19, ASSUMED TO BEAR S89°04'57"E A DISTANCE OF 5255.62 FEET FROM A 2" ALUMINUM CAP STAMPED "UNITAH ENG. & LS CO. 1994-17492" FOUND AT THE NORTHWEST CORNER OF SAID SECTION 19 TO A 2.5" ALUMINUM DISC STAMPED "LS #16397" FOUND AT THE NORTHEAST CORNER OF SAID SECTION 19;

TEMPORARY CONSTRUCTION EASEMENT

BEGINNING AT A POINT ON THE SOUTH SIDE OF A 75' WIDE TRANSMISSION LINE EASEMENT DESCRIBED AT RECEPTION NO. 158059, FILED IN SAID CLERK AND RECORDER'S OFFICE, SAID POINT BEARS N68°24'46"W A DISTANCE OF 359.84 FEET FROM SAID NORTHEAST CORNER;

THENCE S40°26'00"W A DISTANCE OF 219.93 FEET; THENCE S35°03'02"W A DISTANCE OF 145.58 FEET; THENCE N65°15'16"W A DISTANCE OF 216.60 FEET; THENCE N21°25'39"E A DISTANCE OF 170.20 FEET TO THE SOUTH SIDE OF A 60' EASEMENT DESCRIBED AT RECEPTION NO. 393106, FILED IN SAID CLERK AND RECORDER'S OFFICE; THENCE N67°56'17"E ALONG SAID SOUTH SIDE A DISTANCE OF 56.10 FEET TO THE SOUTH SIDE OF SAID 75' WIDE TRANSMISSION LINE EASEMENT; THENCE N86°57'35"E ALONG SAID SOUTH SIDE A DISTANCE OF 309.22 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 67,184 SQUARE FEET OR 1.542 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.


Christopher P. Julian
CHRISTOPHER P. JULIAN, P.L.S. 31158
FOR AND ON BEHALF OF PRECISION SURVEY & MAPPING, INC.

03/25/25
DATE

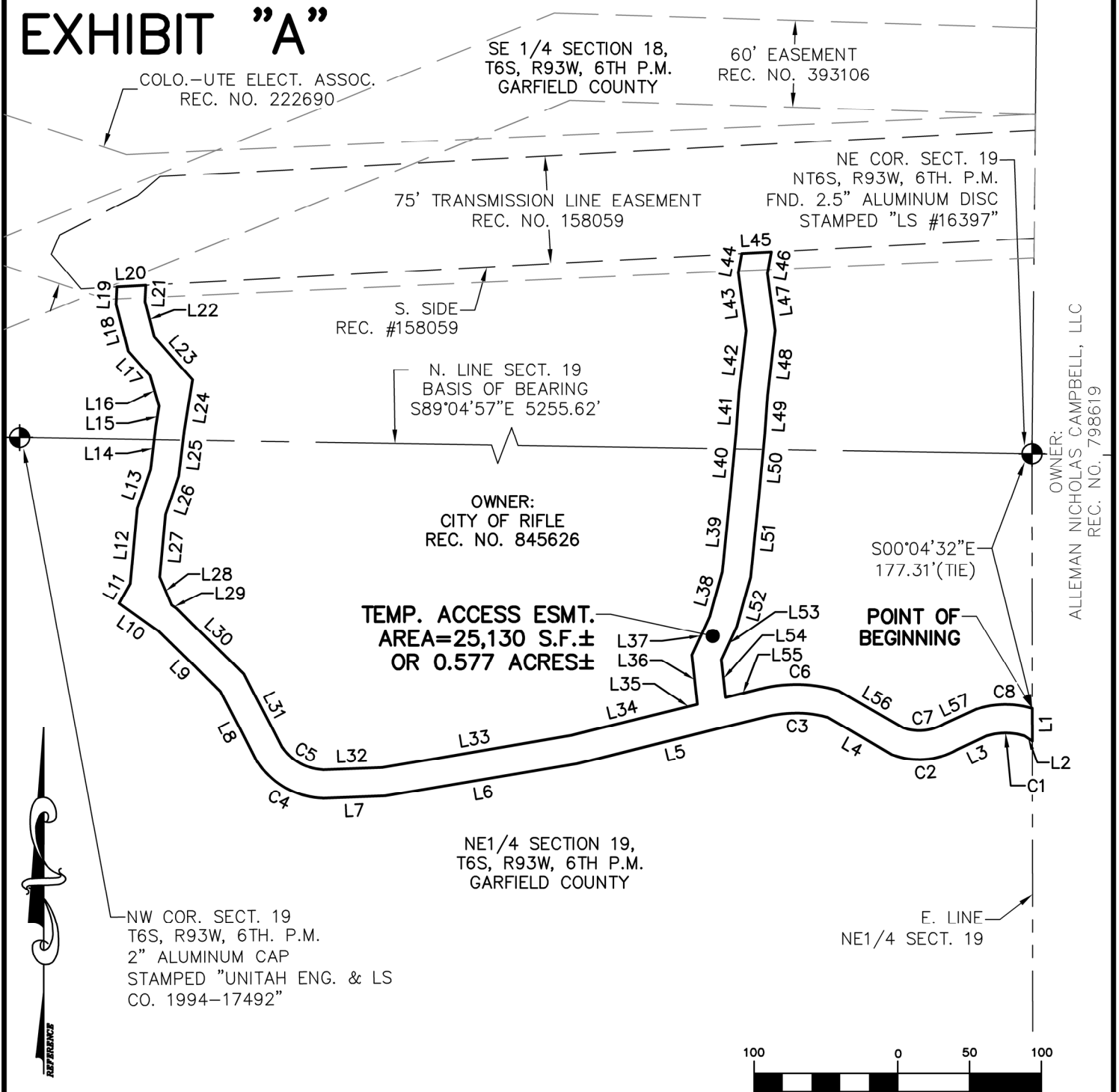
 **PRECISION SURVEY & MAPPING**
PROFESSIONAL LAND SURVEYING CONSULTANTS
9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.
CHKD. BY: J.L.
DATE: 03/25/25
SCALE: 1" = 150'

FILE: R13851
SHEET: 2 OF 2
P#: 217719100133
T#: 211

**TEMPORARY CONSTRUCTION
EASEMENT**

EXHIBIT "A"



- 1.) PARCEL OWNERSHIP IS BASED ON THE RECORDS OF THE COUNTY ASSESSOR.
- 2.) ACCORDING TO COLORADO LAW, YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS AFTER THE DATE OF THE CERTIFICATION SHOWN HEREON.
- 3.) THE ONLY PURPOSE OF THIS EXHIBIT IS TO SHOW THE LOCATION OF THE EASEMENT(S).
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9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 04/22/25

SCALE: 1" = 100'

FILE: R13851

SHEET: 1 OF 4

P#: 217719100133

T#: 211

TEMPORARY ACCESS EASEMENT

LINE/CURVE TABLE

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S00°04'32"E	22.86'
L2	N57°17'33"W	6.85'
L3	S65°16'17"W	23.16'
L4	N60°02'09"W	51.52'
L5	S76°08'26"W	136.55'
L6	S80°23'41"W	135.49'
L7	S87°49'36"W	43.41'
L8	N27°34'15"W	55.65'
L9	N45°46'29"W	60.52'
L10	N55°15'19"W	33.17'
L11	N29°16'22"E	15.83'
L12	N05°20'24"E	52.92'
L13	N19°07'02"E	28.21'
L14	N06°50'04"E	30.34'
L15	N09°21'23"E	14.40'
L16	N16°22'50"W	22.52'
L17	N42°07'04"W	22.45'
L18	N14°34'19"W	33.92'
L19	N02°53'23"E	12.18'
L20	N86°57'35"E	20.11'

NO.	BEARING	DISTANCE
L21	S02°53'23"W	11.19'
L22	S14°34'19"E	25.94'
L23	S42°07'04"E	39.69'
L24	S09°21'23"W	36.10'
L25	S06°50'04"W	32.05'
L26	S19°07'02"W	27.94'
L27	S05°20'24"W	43.99'
L28	S23°12'00"E	21.19'
L29	S55°15'19"E	4.15'
L30	S45°46'29"E	65.38'
L31	S27°34'15"E	57.69'
L32	N87°49'36"E	41.35'
L33	N80°23'41"E	133.45'
L34	N76°08'26"E	78.05'
L35	N76°08'26"E	12.50'
L36	N06°17'32"W	34.60'
L37	N24°50'35"E	29.64'
L38	N15°43'01"E	32.12'
L39	N05°47'34"E	54.20'
L40	N05°28'28"E	42.89'

NO.	BEARING	DISTANCE
L41	N04°04'58"E	28.76'
L42	N06°41'39"E	43.07'
L43	N07°48'11"W	40.61'
L44	N10°24'19"E	13.71'
L45	N86°57'35"E	20.56'
L46	S10°24'19"W	15.29'
L47	S07°48'11"E	39.95'
L48	S06°41'39"W	45.16'
L49	S04°04'58"W	28.55'
L50	S05°28'28"W	43.19'
L51	S05°47'34"W	55.99'
L52	S15°43'01"W	35.46'
L53	S24°50'35"W	25.67'
L54	S06°17'32"E	26.37'
L55	N76°08'26"E	25.05'
L56	S60°02'09"E	52.24'
L57	N65°16'17"E	25.25'

CURVE TABLE					
NO.	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	26.10'	44.22'	33°48'53"	N89°56'49"W	25.72'
C2	47.27'	54.02'	50°08'05"	S86°00'47"W	45.77'
C3	42.15'	82.81'	29°10'01"	N89°24'48"W	41.70'
C4	54.05'	56.66'	54°39'29"	N60°56'28"W	52.03'
C5	33.42'	36.66'	52°14'14"	S61°12'06"E	32.28'
C6	55.04'	102.81'	30°40'36"	S88°38'40"E	54.39'
C7	29.06'	34.02'	48°56'35"	N84°17'29"E	28.18'
C8	39.30'	64.22'	35°03'49"	N89°20'09"E	38.69'



9025 E. KENYON AVENUE, SUITE 150
DENVER, COLORADO 80237
TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 04/22/25

SCALE: 1" = 100'

FILE: R13851

SHEET: 2 OF 4

P#: 217719100133

T#: 211

**TEMPORARY ACCESS
EASEMENT**

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 19 AND THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF GARFIELD, STATE OF COLORADO, ALSO BEING A PORTION OF LANDS DESCRIBED AT RECEPTION NO. 845626, FILED IN THE GARFIELD COUNTY CLERK AND RECORDER'S OFFICE, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING OF THIS DESCRIPTION IS ALONG THE NORTH LINE OF SAID SECTION 19, ASSUMED TO BEAR S89°04'57"E A DISTANCE OF 5255.62 FEET FROM A 2" ALUMINUM CAP STAMPED "UNITAH ENG. & LS CO. 1994-17492" FOUND AT THE NORTHWEST CORNER OF SAID SECTION 19 TO A 2.5" ALUMINUM DISC STAMPED "LS #16397" FOUND AT THE NORTHEAST CORNER OF SAID SECTION 19;

TEMPORARY ACCESS EASEMENT

BEGINNING AT A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19, SAID POINT BEARS S00°04'32"E A DISTANCE OF 177.31 FEET FROM SAID NORTHEAST CORNER;

THENCE S00°04'32"E ALONG SAID EAST LINE A DISTANCE OF 22.86 FEET; THENCE N57°17'33"W A DISTANCE OF 6.85 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 26.10 FEET, HAVING A RADIUS OF 44.22 FEET, THROUGH A CENTRAL ANGLE OF 33°48'53" AND A CHORD WHICH BEARS N89°56'49"W A DISTANCE OF 25.72 FEET; THENCE S65°16'17"W A DISTANCE OF 23.16 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 47.27 FEET, HAVING A RADIUS OF 54.02 FEET, THROUGH A CENTRAL ANGLE OF 50°08'05" AND A CHORD WHICH BEARS S86°00'47"W A DISTANCE OF 45.77 FEET; THENCE N60°02'09"W A DISTANCE OF 51.52 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 42.15 FEET, HAVING A RADIUS OF 82.81 FEET, THROUGH A CENTRAL ANGLE OF 29°10'01" AND A CHORD WHICH BEARS N89°24'48"W A DISTANCE OF 41.70 FEET; THENCE S76°08'26"W A DISTANCE OF 136.55 FEET; THENCE S80°23'41"W A DISTANCE OF 135.49 FEET; THENCE S87°49'36"W A DISTANCE OF 43.41 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 54.05 FEET, HAVING A RADIUS OF 56.66 FEET, THROUGH A CENTRAL ANGLE OF 54°39'29" AND A CHORD WHICH BEARS N60°56'28"W A DISTANCE OF 52.03 FEET; THENCE N27°34'15"W A DISTANCE OF 55.65 FEET; THENCE N45°46'29"W A DISTANCE OF 60.52 FEET; THENCE N55°15'19"W A DISTANCE OF 33.17 FEET; THENCE N29°16'22"E A DISTANCE OF 15.83 FEET; THENCE N05°20'24"E A DISTANCE OF 52.92 FEET; THENCE N19°07'02"E A DISTANCE OF 28.21 FEET; THENCE N06°50'04"E A DISTANCE OF 30.34 FEET; THENCE N09°21'23"E A DISTANCE OF 14.40 FEET; THENCE N16°22'50"W A DISTANCE OF 22.52 FEET; THENCE N42°07'04"W A DISTANCE OF 22.45 FEET; THENCE N14°34'19"W A DISTANCE OF 33.92 FEET; THENCE N02°53'23"E A DISTANCE OF 12.18 FEET TO THE SOUTH SIDE OF A 75' WIDE TRANSMISSION LINE EASEMENT DESCRIBED AT RECEPTION NO. 158059 AND FILED IN SAID CLERK AND RECORDER'S OFFICE; THENCE N86°57'35"E ALONG SAID SOUTH SIDE A DISTANCE OF 20.11 FEET; THENCE S02°53'23"W A DISTANCE OF 11.19 FEET; THENCE S14°34'19"E A DISTANCE OF 25.94 FEET;

LEGAL DESCRIPTION

THENCE S42°07'04"E A DISTANCE OF 39.69 FEET; THENCE S09°21'23"W A DISTANCE OF 36.10 FEET; THENCE S06°50'04"W A DISTANCE OF 32.05 FEET; THENCE S19°07'02"W A DISTANCE OF 27.94 FEET; THENCE S05°20'24"W A DISTANCE OF 43.99 FEET; THENCE S23°12'00"E A DISTANCE OF 21.19 FEET; THENCE S55°15'19"E A DISTANCE OF 4.15 FEET; THENCE S45°46'29"E A DISTANCE OF 65.38 FEET; THENCE S27°34'15"E A DISTANCE OF 57.69 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 33.42 FEET, HAVING A RADIUS OF 36.66 FEET, THROUGH A CENTRAL ANGLE OF 52°14'14" AND A CHORD WHICH BEARS S61°12'06"E A DISTANCE OF 32.28 FEET; THENCE N87°49'36"E A DISTANCE OF 41.35 FEET; THENCE N80°23'41"E A DISTANCE OF 133.45 FEET; THENCE N76°08'26"E A DISTANCE OF 78.05 FEET; THENCE N76°08'26"E A DISTANCE OF 12.50 FEET; THENCE N06°17'32"W A DISTANCE OF 34.60 FEET; THENCE N24°50'35"E A DISTANCE OF 29.64 FEET; THENCE N15°43'01"E A DISTANCE OF 32.12 FEET; THENCE N05°47'34"E A DISTANCE OF 54.20 FEET; THENCE N05°28'28"E A DISTANCE OF 42.89 FEET; THENCE N04°04'58"E A DISTANCE OF 28.76 FEET; THENCE N06°41'39"E A DISTANCE OF 43.07 FEET; THENCE N07°48'11"W A DISTANCE OF 40.61 FEET; THENCE N10°24'19"E A DISTANCE OF 13.71 FEET TO SAID SOUTH SIDE; THENCE N86°57'35"E ALONG SAID SOUTH SIDE A DISTANCE OF 20.56 FEET; THENCE S10°24'19"W A DISTANCE OF 15.29 FEET; THENCE S07°48'11"E A DISTANCE OF 39.95 FEET; THENCE S06°41'39"W A DISTANCE OF 45.16 FEET; THENCE S04°04'58"W A DISTANCE OF 28.55 FEET; THENCE S05°28'28"W A DISTANCE OF 43.19 FEET; THENCE S05°47'34"W A DISTANCE OF 55.99 FEET; THENCE S15°43'01"W A DISTANCE OF 35.46 FEET; THENCE S24°50'35"W A DISTANCE OF 25.67 FEET; THENCE S06°17'32"E A DISTANCE OF 26.37 FEET; THENCE N76°08'26"E A DISTANCE OF 25.05 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 55.04 FEET, HAVING A RADIUS OF 102.81 FEET, THROUGH A CENTRAL ANGLE OF 30°40'36" AND A CHORD WHICH BEARS S88°38'40"E A DISTANCE OF 54.39 FEET; THENCE S60°02'09"E A DISTANCE OF 52.24 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 29.06 FEET, HAVING A RADIUS OF 34.02 FEET, THROUGH A CENTRAL ANGLE OF 48°56'35" AND A CHORD WHICH BEARS N84°17'29"E A DISTANCE OF 28.18 FEET; THENCE N65°16'17"E A DISTANCE OF 25.25 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 39.30 FEET, HAVING A RADIUS OF 64.22 FEET, THROUGH A CENTRAL ANGLE OF 35°03'49" AND A CHORD WHICH BEARS N89°20'09"E A DISTANCE OF 38.69 FEET TO THE POINT OF BEGINNING, WHENCE SAID NORTHWEST CORNER BEARS N87°09'06"W A DISTANCE OF 5261.68 FEET.

SAID PARCEL CONTAINS 25,130 SQUARE FEET OR 0.577 ACRES, MORE OR LESS.

I, THE UNDERSIGNED, A REGISTERED LAND SURVEYOR IN THE STATE OF COLORADO, DO HEREBY STATE THAT THIS EXHIBIT WAS PREPARED BY ME OR UNDER MY SUPERVISION AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

Christopher P. Julian
 NUMBER 31158

04/22/25

CHRISTOPHER P. JULIAN, P.L.S. 31158 DATE
 FOR AND ON BEHALF OF PRECISION SURVEY & MAPPING, INC.



9025 E. KENYON AVENUE, SUITE 150
 DENVER, COLORADO 80237
 TEL: 303-753-9799

DRN. BY: R.U.

CHKD. BY: J.L.

DATE: 04/22/25

SCALE: 1" = 100'

FILE: R13851

SHEET: 4 OF 4

P#: 217719100133

T#: 211

**TEMPORARY ACCESS
 EASEMENT**

CONSENT AND SUBORDINATION

[DEED OF TRUST]

This Consent and Subordination is executed by _____, a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)] ("**Lender**"), for the benefit of PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation (the "**Company**").

- A. Lender is the current beneficiary of, and owner of the evidence of debt secured by, that certain deed of trust or mortgage recorded in the real estate records in the office of the Clerk and Recorder of _____ County, Colorado on _____ at [Book and Page or Reception Number as Applicable] (the "**Mortgage**").
- B. The real property encumbered by the Mortgage includes the Temporary Easement Area as described in the foregoing Temporary Construction Easement (the "**Easement**").

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Lender agrees as follows:

Lender consents to the foregoing Easement and agrees and confirms for itself and its successors and assigns that the lien of the Mortgage and other rights and interests of the Lender in the Temporary Easement Area are subject and subordinate to the Easement. In the event of a foreclosure of the Mortgage and a sale of the property that is subject to the Mortgage pursuant to such foreclosure, the rights of the Company acquired by virtue of the Easement shall not be affected thereby.

LENDER:

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by [Name of signatory from above] as [Title] of [Name of Lender], a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)].

(Seal)

Notary Public

My Commission Expires: _____

CONSENT AND SUBORDINATION

[LEASE]

This Consent and Subordination is executed by _____ (“**Tenant**”), for the benefit of PUBLIC SERVICE COMPANY OF COLORADO, a Colorado corporation (the “**Company**”).

A. Tenant is a tenant of property owned by the Grantor of the foregoing Temporary Construction Easement (the “**Easement**”), pursuant to a Lease titled: _____ and executed on _____ (the “**Lease**”), which lease or memorandum of lease ☐ **was not recorded** / ☐ **was recorded** on DATE: _____ at RECORDING/BOOK and PAGE NUMBER: _____ in the real property records of the Clerk and Recorder of _____ County, Colorado.

B. Some or all of the Temporary Easement Area as described in the foregoing Easement burdens or affects portions of the property covered by the Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Tenant agrees as follows:

Tenant consents to the foregoing Easement and agrees and confirms for itself and its successors and assigns that the Lease and other rights and interests of the Tenant in the Temporary Easement Area are subject and subordinate to the Easement with the same force and effect as if the Easement were made and placed of record prior to the execution of the Lease.

TENANT:

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by [Name of signatory from above] as [Title] of [Name of Lender], a [State of incorporation or formation] [type of entity (e.g., corporation, limited liability company)].

(Seal)

Notary Public

My Commission Expires: _____



Agenda Item #8.d.

Agenda Item Name:

Consider Approving the Street Light Installation Contract by Xcel Energy for the Park Avenue Extension

Presenter:

Craig Spaulding, Civil Engineer

Item Description:

Consider Approving the Lighting Installation Contract by Xcel Energy for the Park Avenue Extension

Recommended Action:

Move to approve the Lighting Installation Contract for Xcel Energy for the Park Avenue Extension

Fiscal Impact:

Lighting was included in the project budget.

Operational Impact:

N/A

Prior Board Motions:

N/A

Background Information:

This project has received \$4M from DOLA covering 80% of the total project costs to install all of the utilities, roadway and bridge associated with the Park Avenue Extension. This contract will install the lighting as well as the conduit and pull box for a future signal at Park Ave if warranted.

Executive Summary:

This expense is in budget and reasonable based on previous bids and contracts with Xcel. The installation will provide lighting on Park Aveue for safety as well as conduit to the North for the bridge and the south for the intersection of Park Ave and Centennial Parkway.

Notification Requirements:

N/A

Prepared By:

Craig Spaulding, Civil Engineer

Attachments:

1. SN15201209_DN1210975_PSCO Customer Packet
2. PURCHASE REQUEST-Xcel Lighting

Account No. _____
Job No. 15201209
Job Address PARK-CENTENNIAL
RIFLE, CO 81650



Public Service Company of Colorado
1995 Howard Ave
Rifle, CO 81650

Dear CITY OF RIFLE

Thank you for choosing Xcel Energy to be your energy provider. We appreciate your business, and our goal is to deliver you reliable service at an affordable price.

This letter contains important information about your requested service. Please read all details below as well as any accompanying information and respond accordingly to ensure your project is completed accurately and timely.

This letter relates to your request for

* New Lighting

Your portion of the cost of this project is \$40,977.58. A hard copy invoice will be sent to you via U.S. Mail Postal Service in the coming days. Please see the attached payment options document for more instructions. Upon receipt of payment and other required documentation as noted below, your project will be scheduled and you will be notified of the scheduled date. If paying by check, please note the account number identified at the top of this letter on your check to ensure accurate and timely payment processing.

Below is a list of additional documentation that you will need to review, sign, and return to the Xcel Energy Designer by email or U.S. Postal Service to their address listed at the bottom of the letter. Please retain a copy of all documentation for your records.

➤ **Documents to be returned to Xcel Energy:**

- * On-Site Distribution Extension Agreement (Electric)
- * Contingency List

➤ **Additional enclosures:**

- * Customer Payment Options

If you have any questions about the enclosures or about your specific job, please contact the design representative below and reference your account number and/or job number above.

We look forward to being your energy provider.

Sincerely,
Samantha Wakefield
Planner Thereafter
1995 Howard Ave
Rifle, CO 81650
Xcel Energy
Samantha.l.wakefield@xcelenergy.com
9702014860

Updated 01/01/2025

Version 4

Page 785 of 864



Customer Payment Options

Xcel Energy offers seven payment options to pay for your construction project. Please select the payment options that work best for you.

Payment options listed in order of quickest processing

MyAccount/eBill™

Register at xcelenergy.com to make a payment from your checking account. You can also enroll in eBill and an email will let you know your bill is ready to view at the MyAccount site in place of receiving a mailed paper bill statement. MyAccount also provides a convenient list of your bill statement and payment history and retains your banking information for future use. Each additional account number will have to be added to your list of managed accounts within MyAccount.

Pay by Phone

Make payment from your checking or savings account at no charge by using our automated phone system. Please call us at 800.895.4999.

Credit/Debit Card Payment

All Xcel Energy residential and business customers are now eligible for payment via credit or debit card. Most major credit and debit cards accepted. Apple Pay or Google Pay is available to customers with a mobile device.

To pay by phone, call our payment processing partner, Kubra EZ Pay, at **833.660.1365**

To pay online, visit www.xcelenergy.com/billing_and_payment and click on the **Pay with credit/debit card** link to make an online credit/debit card payment through Kubra EZ Pay.

Please note the current fees along with payment information:

- **Residential Customer Accounts**
 - *Payments accepted for up to \$1,000 in a single transaction*
 - *There is a \$1.80 fee per transaction*
 - *No fee for Wisconsin and Michigan residential customer accounts*
- **Non-Residential Customer Accounts**
 - *Payments accepted for up to \$100,000 in a single transaction*
 - *There is a 2.2% fee per transaction.*

All credit/debit card types allow a maximum 25 credit/debit card payments in a 28-rolling-day period, per Xcel Energy account, per credit/debit card.

*If you receive this message: "The information provided does not match our records please try again," while trying to make a payment, please try again the following day after 8am CST.

Overnight Payment Delivery Options

Send your payment and remittance stub including **account number (written on the memo line of your check)** via FedEx, UPS or USPS overnight delivery to:

Xcel Energy
C/O Deluxe - Lockbox # 5553
3000 Kellway Dr Ste 120
Carrollton, TX 75006

Overnight delivery contact phone number: 612.216.7976

In-Person Pay Stations

Pay in-person at a location near you by visiting xcelenergy.com for pay station locations. **Please include the account number on the memo line of your check.**

Please note: A \$1.50 transaction fee applies. (\$1.45 for Western Union only in Colorado)

Pay by U.S Postal Service

When sending payment by U.S. mail, **please include the account number on the memo line of your check.** Do not combine this payment with any other Xcel Energy bill payments. Mail check payments to:

Xcel Energy
P.O. Box 660553
Dallas, TX 75266-0553

Electronic Funds Transfer (EFT) (Only available to business)

The Electronic Funds Transfer (EFT) payment process allows business customers to pay via Corporate Trade Exchange (CTX) formatted Automated Clearing House (ACH) (also referred to as EDI-820), the ability to electronically remit payment. The payments to Xcel Energy's bank accounts are initiated by the customer through a series of steps linked to the billing system. The CTX addenda records included with the funds transfer allow the posting of the payments to occur electronically to the account numbers provided by the customer. To obtain Xcel Energy's EFT bank account numbers and to provide transfer confirmation, please email CustReceive@xcelenergy.com.

Helpful hints to ensure accurate and timely processing of your payment:

- For all payment options, please have your account number available and note on any payment documentation.
- The hard copy invoice will be sent to you via U.S mail in the coming days. If you would like an electronic copy of our invoice prior to receiving the hard copy, please contact your Designer who is identified in the attached letter.
- In order to apply payment to the correct account and avoid unnecessary delays, please make separate payments for each individual project or invoice.
- Please note that depending on payment selection, it may take up to a few days to process your payment.

ON-SITE DISTRIBUTION EXTENSION AGREEMENT (ELECTRIC)

This On-Site Distribution Extension Agreement (the “Agreement”), is dated as of April 17, 2025 (“Contract Origination Date”), by and between Public Service Company of Colorado, a Colorado corporation, d/b/a Xcel Energy (the “Company”) and CITY OF RIFLE (the “Applicant”). Applicant and Company are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.” This Agreement is subject to the Company’s Electric Service Distribution Extension Policy (the “Policy”) within Company’s electric tariff (the “Tariff”) and to the entirety of Company’s Tariff, as amended from time to time, and such Policy and Tariff are each incorporated herein by reference. The Policy and Tariff are available for inspection at the Colorado Public Utilities Commission and on Company’s website. Any capitalized term in this Agreement that is not expressly defined herein shall have the meaning set forth in the Policy or Tariff.

This Agreement sets forth the terms and conditions for the design, construction, installation, and payment for the On-Site Distribution Extension (as defined herein), including without limitation the calculation of the Construction Payment to be paid by Applicant. Subject to the exceptions set forth herein and in the Policy and Tariff, the cost responsibility of the Applicant will be based upon, as applicable: (1) standardized per lot costs of constructing and installing the facilities necessary to adequately supply service to single family and townhome lots requested by Applicant (average of sixty (60) feet or less frontage); and (2) Company's estimate of the cost of constructing and installing other facilities necessary to adequately supply the On-Site Distribution Extension (including but not limited to single family and townhome lots more than an average of sixty (60) feet frontage, non-standard load and construction requirements, and commercial facilities), less a Construction Allowance. The Construction Payment shall be non-refundable as of the date that construction commences.

List of Exhibits	Included
Contingency List	Yes
Cost Estimate Worksheet	☐ Yes ☒ No
Frost and Ground Thawing Agreement	☐ Yes ☒ No

- Service. Applicant has requested and Company has agreed that Company will design, construct, and install the necessary On-Site Distribution Extension to provide electric service to serve PARK-CENTENNIAL in the City or Town of RIFLE in the County of GARFIELD in the State of Colorado (“Service”).

Such Service will have the following characteristics:

Category	Applicability
Type of Service	☒ Permanent ☐ Indeterminate ☐ Temporary
Network Service	☐ Network ☒ Non-Network
Voltage (choose one or both)	☐ Primary Voltage ☒ Secondary Voltage
Overhead/Underground (choose one or both)	☐ Overhead ☒ Underground
Phase (choose one)	☒ Single-Phase ☐ Three-Phase ☐ Combination Single- and Three-Phase
Additional Characteristics (choose any as applicable)	☐ Electric Vehicle Charging Station(s) ☐ High Density Load ☒ Street Lighting ☐ Solar ☐ _____ ☐ _____ ☐ _____

The Parties acknowledge that, if Service includes the provision of Street Lighting, such Service is also subject to, without limitation, the requirements of the Street Lighting Extension Policy.

2. Service Class of Applicant. Applicant ☒ is / ☐ is not a Governmental Entity. In accordance with the Policy and the Tariff, the Applicant shall accept Service under the following Service Class(es):

SERVICE CLASS	APPLICABILITY
RESIDENTIAL	
Schedules R, RE-TOU	☐
Schedules RD, RD-TDR	☐
COMMERCIAL/INDUSTRIAL	
Schedules C, NMTR	☐
Schedules SGL, SG, SST, STOU, SPVTOU, SG-CPP	☐
Schedules PG, PST, PTOU, PG-CPP	☐
STREET LIGHTING	
Schedule TSL MSL, MI	☐
Schedule RAL, CAL, PLL, SL, SSL, SLU	☒
Schedule COL, ESL	☐

3. Associated Agreements. Except as expressly set forth in this Agreement, this Agreement does not encompass any engineering design, facilities, costs, or payments that may be specified in the associated Off-Site Distribution Line Extension Agreement, the Residential Service Lateral Agreement, or the Commercial Service Lateral Agreement that may be entered into by the Parties and that are associated with the provisions of Service hereunder (collectively, the “Associated Agreements”). The Parties acknowledge that such additional engineering design, facilities, costs, or payments specified in the Associated Agreements may be necessary to fully effectuate the provision of Service contemplated herein, and the engineering design, facilities, costs, and payments with respect to those Associated Agreements will be calculated and contracted for separately from this Agreement.
4. Engineering Design of On-Site Distribution Extension. To the extent applicable, Applicant has submitted to Company an approved final plat of the subdivision contemplated hereunder, which subdivision has been approved by the local government entity with authority to approve the final plat. Based on the information provided by Applicant, Company has completed an engineering design and cost estimate to construct and install the facilities necessary to adequately supply the requested On-Site Distribution Extension. The facilities described below do not encompass any engineering design or facilities identified in the Associated Agreements. Company’s engineering design for the On-Site Distribution Extension includes the following:

Category	Project-Specific Information
APPLICANT-PROVIDED INFORMATION*	
Number of Single-Family or Townhome Lots with an average of sixty (60) feet or less of frontage (Standardized Lots)	0
Number of lots/facilities with non-standard load and construction requirements (e.g., commercial facilities, single-family or townhome lots with an average of more than sixty (60) feet of frontage, three-phase service, extensions exceeding three hundred twenty (320) amps, compaction, and/or boring, etc.) (Non-Standard Lots)	0
Number of Street Lights (if any)	6

Category	Project-Specific Information
Point of Interconnection between Off-Site Distribution Line Extension facilities and On-Site Distribution Extension facilities (if applicable)	NA
ADDITIONAL CIRCUMSTANCES**	
Distribution Reinforcements (if any)	NA
Excess Facilities (if any)	NA
ATO/MTO Dual Feeder Service (if any)	NA
Other Considerations/Special Items (if any)	NA
* Details for each individual single-family or townhome lot contemplated under this Agreement, including individual lot frontage widths, and for any non-standard project elements, may be provided in the Cost Estimate Worksheet.	
** Additional considerations for the following special circumstances, including cost calculation requirements, are set forth in the Policy and Tariff: Distribution Reinforcements; Excess Facilities; and provision of ATO/MTO Dual Feeder Service. Such additional circumstances may require execution of additional ancillary agreements.	

Applicant acknowledges that, in the event that other utilities or facilities will be installed jointly with the On-Site Distribution Extension, Applicant shall arrange for the installation of and payment for any such facilities with the local telephone company, the local cable television company, or any other utility company, as applicable.

5. Construction Obligations. Applicant shall comply with all Construction Obligations, as those obligations are set forth in the Contingency List. The Agreement and all Associated Agreements are contingent upon acquisition of all required permits and approvals, as those permits and approvals are set forth in the Contingency List.
6. Estimated Construction Cost.
 - a. In General. The estimated cost of all facilities necessary to construct and install the On-Site Distribution Extension is calculated in accordance with the Policy and the Tariff (the “Estimated Construction Cost”). The Estimated Construction Cost may include, without limitation, the estimated cost of all materials, labor, rights-of-way, trench and backfill in non-rock conditions or in known rock conditions, permitting, and tree trimming, together with all incidental and overhead expenses connected therewith. “Trench and backfill in rock conditions” shall include any construction activities that require the use of special construction techniques or special equipment.
 - b. Special Provisions for Reinforcement. Where Distribution Reinforcement is required for serving an existing customer’s electric service from Company, Company shall make such Distribution Reinforcement as follows:
 - i. for a Residential or Small Commercial Customer that receives service under a rate schedule which is not based on Kilowatt Demand, relating to the Customer's total load requirements, other than a High Density Load, Company may make such Reinforcements at its expense.
 - ii. For all applicants that receive service under a rate schedule which is based on Kilowatt Demand other than a High Density Load, such Distribution Reinforcement shall be an Off-Site Distribution Line Extension where the Construction Costs shall include the Company’s cost to reinforce the system necessary to serve Applicant’s total load and the Construction Allowance shall be based on the difference between the Applicant’s current maximum Demand over the previous twelve (12) months and Company’s estimate of Applicant’s projected total load.

- iii. Where Distribution Reinforcement is required to serve a High Density Load Customer that in whole or in part with another High Density Load Customer causes system capacity to be exceeded or Company's facilities to be overloaded, the Customer shall be required to pay Company the necessary costs for the upgrade or Reinforcement needed to correct the condition.
- iv. Where Distribution Reinforcement is required for serving new applicants for electric service from Company, Company may make such Reinforcement as part of a new On-Site Distribution Extension or Off-Site Distribution Line Extension where the Estimated Construction Cost shall include Company's cost to reinforce the system as well as new Distribution Extension Facilities necessary to serve Applicant's total load and the Construction Allowance and Off-Site Distribution Line Extension Credit if applicable shall be applicable to the total Estimated Construction Cost.
- v. For conversion from single-phase to three-phase service and all other classes of service with Kilowatt Demand based distribution portion Construction Allowances, any required Reinforcement shall generally recognize the Construction Cost, Construction Allowance, and Off-Site Distribution Line Extension Credit if applicable for the applicant's additional load and applicant's Construction Payment provisions of the Policy in accordance with individual agreements between the applicant and Company based upon the amount, character, and permanency of the load. For purposes of this section, all Reinforcement for land development shall be considered non-residential and the land developer shall be responsible for Reinforcement costs.
- c. Special cost calculation considerations affecting the total Estimated Construction Cost, including for any Reinforcement, Excess Facilities, ATO/MTO Dual Feeders, and Uneconomic Extensions may be included in the Cost Estimate Worksheet, and additional terms and conditions are provided in the Policy and the Tariff.

Line	Category	Addendum Needed?	Estimated Cost
1	Standardized Per Lot Construction Costs (0 x \$2,511.00)		\$0.00
2	Cost Estimate Worksheet for Non-Standard Lot Construction	Yes ☐ No ☐	\$45,597.58
3	ESTIMATED CONSTRUCTION COST (Sum of Lines 1 & 2)		\$45,597.58

7. Calculation of Construction Allowance and Street Lighting Construction Allowance.

- a. Construction Allowance. The terms for the award of the Construction Allowance, if applicable, are as provided for by this Agreement, the Associated Agreements, the Policy, and the Tariff. The Construction Allowance is calculated on a per customer or per kilowatt demand basis, and such amounts for each of the various classes of service are listed in the Policy on the sheets entitled Construction Allowance by Service Class. The Construction Allowance shall be applicable to applicants receiving service under a Standby service schedule and shall be applicable up to the Distribution Capacity, as set forth in the applicable Electric Standby Service Agreement. **The Construction Allowance is not available if Indeterminate Service or Temporary Service is designated** (see Section 1 above).

To the extent applicable, the calculation of the Construction Allowance is as follows:

A	B	C	D	E	F
Line	Service Class and Rate Schedule	Number of Meters	Total Amount of Kilowatt Demand	Construction Allowance	Amount
Residential – On-Site Distribution					
1	Schedules R, RE-TOU			\$1,070	\$0.00
2	Schedules RD, RD-TDR			\$260/kW	\$0.00
Commercial and Industrial – On-Site Distribution					
3	Schedules C, NMTR			\$1,380	\$0.00
4	Schedules SGL, SEV			\$350/kW	\$0.00
5	Schedules SG, SST, STOU, SPVTOU, SG-CPP			\$350/kW	\$0.00
6	Schedules PG, PST, PTOU, PG-CPP			\$220/kW	\$0.00
7	CONSTRUCTION ALLOWANCE (Sum of Lines 1 – 5)				\$0.00

To the extent there is excess Construction Allowance arising out of and pursuant to this Agreement, such excess Construction Allowance may be applied to an associated Off-Site Distribution Line Extension Agreement, as set forth therein, provided that such Off-Site Distribution Line Extension Agreement is entered into by and between the same Parties as this Agreement and for the purpose of effectuating the same Service as contemplated hereunder. In no event shall the total amount credited to Applicant exceed the total Construction Payment made by Applicant.

- b. Street Lighting Construction Allowance. To the extent applicable, the calculation of the Street Lighting Construction Allowance for this Agreement is listed below. The Street Lighting Construction Allowance is not available if Indeterminate Service or Temporary Service is designated (see Section 1 above).

A	B	C	D	E
Line	Service Class and Rate Schedule	Number of Point(s) of Delivery or Lighting Unit(s), as applicable	Construction Allowance	Amount
1	Schedules TSL, MSL, MI		\$1,080	\$0.00
2	Schedules RAL, CAL, PLL, SL, SSL, SLU	6	☒ Lighting Equipment: <u>\$770</u> ☐ Distribution System: <u>\$80</u>	\$4,620.00 \$0.00
3	Schedules COL, ESL		Distribution System: <u>\$80</u>	\$0.00
4	STREET LIGHTING CONSTRUCTION ALLOWANCE (Sum of Lines 1 – 3)			\$4,620.00

8. Construction Payment.

- a. Permanent Service. If the On-Site Distribution Extension is designated to provide Permanent Service (see Section 1 above), then Applicant shall pay to Company as a Construction Payment an amount equal

to the Estimated Construction Cost (as set forth in 6 above), less the Construction Allowance and, as applicable, the Street Lighting Construction Allowance (as set forth in Section 7 above), such payment amount subject to Company's approval, not to be unreasonably withheld.

- b. Indeterminate Service. If the On-Site Distribution Extension is designated to provide Indeterminate Service (see Section 1 above), then Applicant shall pay to Company as a Construction Payment an amount equal to the Estimated Construction Cost (as set forth in Section 6 above), such payment amount subject to Company's approval, not to be unreasonably withheld.
- c. Temporary Service. If the On-Site Distribution Extension is designated to provide Temporary Service (see Section 1 above), then Applicant shall pay to Company as a Construction Payment an amount equal to the estimated cost of installing and removing all necessary overhead or underground electric On-Site Distribution Extension facilities, such payment amount subject to Company's approval, not to be unreasonably withheld.
- d. Calculation of Construction Payment. The Construction Payment under this Agreement is calculated as follows:

Line	Category	Amount
1	Estimated Construction Cost (see Section 6 above)	\$45,597.58
2	Construction Allowance (see Section 7 above)	\$0.00
3	Line 1 minus Line 2 (If value is a negative number, such amount may qualify as an excess Construction Allowance applicable to an associated Off-Site Distribution Line Extension Agreement.)	\$ 45,597.58
4	As applicable, the Street Lighting Construction Allowance (see Section 7 above)	\$4,620.00
5	Line 3 minus Line 4: TOTAL CONSTRUCTION PAYMENT (If value is a negative number, enter \$0)	\$ 40,977.58

- e. **For non-Governmental Entities** (see Section 2 above). Payment of the Construction Payment shall be made within sixty (60) days of the Contract Origination Date. The Construction Payment shall be non-refundable to Applicant as of the date that construction commences on the On-Site Distribution Extension.
- f. **For Governmental Entities** (see Section 2 above). To the extent allowable by law, payment may be made in accordance with Section 8.e or governmental Applicant may elect to have Company advance the Construction Payment for the duration of the construction period as follows: Company shall charge the governmental Applicant interest applied to the Construction Payment amount for the applicable construction period at the Company's Allowance For Funds Used During Construction (AFUDC) rate. Company shall bill Applicant for the Construction Costs and the interest within thirty (30) days after the Extension Completion Date. Applicant shall pay Company within ninety (90) days after the Extension Completion Date.
9. Surcharges. Surcharges in excess of the Construction Payment may be assessed for items not otherwise accounted for or incorporated into the original On-Site Distribution Extension or Construction Payment, including without limitation any Applicant-associated delays; obstructions; permit fees; or any special item required to meet construction conditions, including but not limited to Frost Conditions and rock conditions. Company shall separately invoice Applicant for any surcharges as a non-refundable contribution in aid of construction or in accordance with the terms of any separate ancillary agreement, and such invoice shall be paid by Applicant no later than thirty (30) days following the invoice date.

10. Construction in Frost Conditions. Applicant [☐ **authorizes** / ☒ **does not authorize**] Company to perform construction activities in Frost Conditions.

For the purpose of this Agreement, "Frost Conditions" exist if ground frost conditions deeper than six (6) inches are encountered at the time of installation of the Distribution Extension Facilities. Applicant is encouraged to have a representative present during Company's trenching operation to confirm frost depth.

If Applicant authorizes Company to perform construction activities in Frost Conditions, then Applicant agrees to pay, as applicable, the Frost Condition Fees, Ground Thawing Fees, or additional fees, as set forth in the Frost and Ground Thawing Agreement, which shall be incorporated herein by reference.

If Applicant does not authorize Company to perform construction activities in Frost Conditions, then Applicant acknowledges that Applicant's project may be delayed until Frost Conditions have ceased and there is no further chance of encountering frost.

11. Circumstances Requiring a New Agreement. If Company reasonably determines that design changes made either prior to construction or in the field exceed the scope of this Agreement, this Agreement shall be terminated and a new agreement may be entered into in accordance with the new project scope. If and only if a new agreement is executed by the Parties for a replacement project, any amounts already paid by Applicant as a Construction Payment, may, at Company's sole reasonable discretion, be either refunded to Applicant or carried over and netted against any newly calculated Construction Payment, less reasonable charges to account for the project scope change.

12. Right-of-Way Agreement. Applicant agrees to execute Company's standard right-of-way agreement granting, free of charge to Company, any rights-of-way upon, over, or under Applicant's property that may be required for Company to provide Service hereunder; and to obtain from other persons or entities as may be required such other rights-of-way, free of charge and on terms satisfactory to Company. Applicant acknowledges that Company's ability to perform under this Agreement is contingent upon obtaining any and all rights-of-way from Applicant and from other persons or entities, as necessary. The obligation to obtain the necessary rights-of-way is solely and ultimately the obligation of Applicant, and Company shall not be required to expend more than commercially reasonable efforts to assist Applicant in the acquisition of any third-party rights-of-way. All necessary rights-of-way must be provided to Company at least ten (10) days prior to the commencement of construction.

13. Conditions to Company Work Order, Scheduling, and Construction Commencement. The Parties acknowledge that Company shall not be obligated to issue a work order, release for scheduling, or commence construction of the On-Site Distribution Extension unless and until the following requirements have been satisfied:

- a. execution by Applicant of this Agreement and all Associated Agreements, and of any other Exhibits and ancillary agreements, as applicable;
- b. receipt by Company of the applicable Construction Payment(s) under this Agreement, under all Associated Agreements, and under any ancillary agreements;
- c. receipt of one-line diagrams, load information, plats and any other information required by Company to calculate Company's estimate of Applicant's load and to determine the appropriate facilities necessary under this Agreement, the Associated Agreements, and any ancillary agreements;
- d. receipt of confirmation from Applicant that Applicant has satisfied all Construction Obligations as set forth in Section 5 above, and in the Contingency List, such obligations subject to Company's approval, with such approval not to be unreasonably withheld.

Upon the acceptance of the terms and conditions of this Agreement, Applicant must return all applicable documents to Public Service Company of Colorado, at the address provided on the signature page of this Agreement.

14. Estimated Installation Timeframes.

- a. Time to Accept Agreement. The Estimated Construction Cost and Construction Payment set forth herein shall be effective for sixty (60) days from the Contract Origination Date. Should Applicant fail to execute and return this Agreement to Company and pay the Construction Payment within those sixty (60) days, Company's offer shall be deemed revoked and Applicant may request that Company re-calculate the Estimated Construction Cost and Construction Payment. Notwithstanding the foregoing, the Parties may agree to extend the time period for Applicant to execute the Agreement on a date subsequent to the sixty (60)-day period, such extension period not to exceed ninety (90) days from the Contract Origination Date.
- b. Time to Complete Conditions. If Applicant fails to satisfy all conditions identified in Sections 5, 12, and 13 within sixty (60) days of Applicant's execution of the Agreement, Company reserves the right to re-calculate the Estimated Construction Cost and Construction Payment, and this Agreement may be terminated and may be replaced with a new agreement. Notwithstanding the foregoing, the sixty (60)-day period to complete the conditions identified in this subsection shall be tolled during any winter or other construction moratorium period implemented by a jurisdictional governmental entity.
- c. Estimated Time to Complete Construction. Applicant shall be notified of which week construction is scheduled to begin. Company shall make all reasonable efforts to complete construction within one hundred twenty (120) days under normal circumstances and conditions. The one hundred twenty (120)-day construction period shall not commence until Company certifies that Applicant has complied with all conditions identified in Sections 5, 12, and 13 ("Company Certification"). Notwithstanding the foregoing, the one hundred twenty (120)-day period to complete construction shall be tolled during any winter or other construction moratorium period implemented by a jurisdictional governmental entity, emergency system condition, extreme weather event, period of construction delay attributable to Frost Conditions, rock conditions, or other unanticipated construction condition, or unanticipated scheduling conflicts.

Any portion of this On-Site Distribution Extension that is not completed in a normal manner, that is, by following accepted construction practices, within one hundred twenty (120) days after the Company Certification, shall be struck from this Agreement, and the Construction Payment shall be updated accordingly.

If the failure to complete construction within the one hundred twenty (120) day construction period is caused solely by Company, the uncompleted portion of the On-Site Distribution Extension shall not be struck from this Agreement; Applicant's Construction Payment shall become interest bearing; and Company shall pay interest to Applicant at the rate Company currently pays on residential security deposits. Notwithstanding the foregoing, Company shall not be required to pay interest to Applicant if Company's performance under this Agreement is delayed on account of circumstances that are outside of Company's reasonable control, including without limitation, construction moratoria; emergency system conditions; extreme weather events; periods of construction delay attributable to Frost Conditions, rock conditions, or other unanticipated construction condition; or unanticipated scheduling conflicts.

- d. Status Updates on Construction Progress. Company shall provide periodic status updates to Applicant throughout the construction process and shall promptly notify Applicant if Company is reasonably certain that Company will require an extension of the estimated installation timeframe. Applicant may direct any questions regarding the status of the On-Site Distribution Extension to Company by contacting the Company representative by telephone or e-mail.
15. Ownership. The facilities constructed under the terms of this Agreement on the electric supply side of the Point of Delivery shall be, at all times, the property of Company. The Point of Delivery is the point where Company's electric facilities are first connected to the electric facilities of the customer. The location of the Point of Delivery will be determined by Company in accordance with standard practice or as individual circumstances may dictate as set forth in the Xcel Energy Standard for Installation and Use.

16. Lien Waiver Prohibited. Applicant acknowledges that the Tariff prohibits Company from accepting payment with any sort of lien waiver. Accordingly, Applicant agrees that any attempt to create a lien waiver in such manner (including by any printed or stamped lien waiver on a check) shall be ineffective and void.
17. Insurance. Applicant shall purchase and maintain such insurance as shall protect Applicant and Company from claims that may in any way arise out of or be in any manner connected with the performance of the Agreement, whether such claims arise out of the act or failure to act of Applicant, Company, their respective contractors or subcontractors, or of the direct or indirect delegate, appointee, or employee of either.
18. Indemnification. **This Section 18 applies only if Applicant is not a Governmental Entity.** Each Party (the “Indemnifying Party”) shall indemnify, defend, save, and hold harmless the other Party, its affiliates, and their respective directors, officers, employees, contractors, representatives and agents (each an “Indemnified Party”) from any and all claims, demands, liabilities, damages, losses, actions, suits or judgments, fines, penalties, costs and expenses (including, without limitation, court costs, expert witness fees, and attorneys’ fees) (collectively, “Losses”) resulting from an injury to person or persons (including death) or damage to property arising out of or related to this Agreement to the extent caused by: a default under, or a failure to perform in accordance with the terms of, this Agreement by the Indemnifying Party; a violation or alleged violation of applicable laws by the Indemnifying Party; or the negligence, intentional acts or omissions, or other misconduct of the directors, officers, employees, contractors, representatives, agents or other person or entity acting on behalf of the Indemnifying Party. Applicant shall indemnify, defend, and hold Company harmless from and against all Losses arising out of or related to environmental conditions at the project site or the on-site or off-site management, transportation, storage, disposal, or exacerbation of contaminated soils, water, groundwater, or vapors encountered by Company at the project site. In respect of an indemnity obligation of a Party hereunder resulting from an injury to person or persons (including death) or damage to property, no Party shall be liable hereunder for an amount greater than that represented by the degree or percentage of the negligence or fault attributable to such Party that produced the injury or damage giving rise to indemnity obligation.

The Parties agree that the foregoing indemnity obligations shall be in addition to any insurance obligations herein and shall not be limited in any way by the amount of any insurance required hereunder. Further, these indemnity obligations shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy. Nothing in this Section shall enlarge or relieve either Party of any liability or obligations to the other for any breach of this Agreement.
19. Limitation of Liability. Neither Party shall be liable to the other Party for any special, incidental, indirect, punitive, or consequential loss or damage whether or not such loss or damage is caused by the fault or negligence of the Party, its employees, agents, or subcontractors. This exclusion of liability for special, incidental, punitive, or consequential loss or damage applies to loss of profits or revenue, costs of capital, loss of use of equipment or facilities, cost of purchased or replacement power or claims of customers due to loss of service. This exclusion does not apply to indemnification claims arising out Section 18 above, or if the Agreement is terminated for default pursuant to the Agreement.
20. No Partnership or Agency. This Agreement shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability upon either Party. Except as specifically provided for in this Agreement to the contrary, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party. In no way is this Agreement, or Company’s actions pursuant to this Agreement, to be construed to deem Company an agent of Applicant in any manner whatsoever.
21. Assignment. Applicant may not assign this Agreement without the prior written consent of Company.
22. Governing Law. The interpretation and performance of this Agreement and each of its provisions will be governed and construed in accordance with the laws of the State of Colorado, exclusive of conflict of laws principles. The Parties submit to the exclusive jurisdiction of the state courts of the State of Colorado, and venue is hereby stipulated as Denver or such other city as mutually agreed to by the Parties.

23. Exhibits. The Exhibits to this Agreement are hereby incorporated in this Agreement by reference and constitute a part of this Agreement.
24. Merger. This Agreement and the exhibits attached hereto, constitute the entire agreement between the Parties relating to the subject matter herein. There are no other provisions, terms, or conditions to this Agreement, whether written or oral, and all prior or contemporaneous agreements with respect to the subject matter herein are superseded by this Agreement.
25. Binding Effect. This Agreement is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and assigns.
26. Third Party Beneficiaries. No provision of this Agreement shall in any way inure to the benefit of any third person so as to make any such person a third party beneficiary of this Agreement.
27. Severability. In the event any words, phrases, clauses, sentences, or other provisions hereof are invalid or violate any applicable law, such offending provision(s) shall be ineffective to the extent of such violation without invalidating the remainder of this Agreement, and the remaining provisions of this Agreement shall be construed consistent with the intent of the Parties hereto as closely as possible, and this Agreement, as reformed, shall be valid, enforceable, and in full force and effect.
28. Headings. The headings of Sections of this Agreement are for guidance and convenience of reference only and will not limit or otherwise affect any of the terms or provisions of this Agreement.
29. Counterparts. This Agreement may be executed in counterparts and each executed counterpart will have the same force and effect as an original instrument.
30. Amendment. This Agreement may not be amended except by written agreement between the Parties.
31. Term and Termination. This Agreement is effective on the Parties as of later of the Contract Origination Date or the date upon which both Parties execute the Agreement, and will terminate upon notice by Company to Applicant that (a) Applicant has failed to fulfill a condition precedent to Company's work as set forth in this Agreement; or (b) the Parties have satisfied all obligations as set forth in this Agreement. Sections 3, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 29, 30, and 31 of this Agreement shall survive the termination of this Agreement.

[SIGNATURE PAGE FOLLOWS]

Applicant has reviewed and approved the terms and conditions of this On-Site Distribution Extension Agreement (Electric) and accepts the cost of the Construction Payment of \$ 40,977.58 as calculated in Section 8. Applicant understands additional charges may arise in accordance with the Policy, Tariff, and Agreement. Applicant will send to Company an original signed copy of this Agreement together with any applicable ancillary agreements, Associated Agreements, or documents, as applicable.

Contract Origination Date: April 17, 2025

IN WITNESS WHEREOF, duly authorized representatives of the Parties have executed this On-Site Distribution Extension Agreement (Electric).

Planner Name: Samantha Wakefield	Customer Phone: 970-665-6556
Planner Title: Planner Thereafter	Customer Email: CSPAULDING@RIFLECO.ORG
Mailing Address: 1995 Howard Ave Rifle, CO 81650	Mailing Address: 202 RAILROAD AVE
City, State Zip: Rifle, CO 81650	City, State Zip: RIFLE, CO 81650-2218

XCEL ENERGY SIGNATURE	CUSTOMER SIGNATURE
Public Service Company of Colorado	Legal Entity Name (if applicable):
By: Sarah Darricau  Digitally signed by Sarah Darricau Date: 2025.04.23 14:26:56 -06'00'	Authorized Signer (see signing options below*): <i>Click to Sign is not available</i> <i>Signing Option 2 (Signature below)</i> By:
Printed Name: Sarah Darricau	Printed Name:
Title: Manager, New Business Design	Title (if applicable):
Date: 04/25/2025	Date:

* **Signing Option 1: "Click to Sign" not available due to software incompatibility**

Signing Option 2: Add Electronic Signature and return by e-mail **OR** print, sign, scan and return by e-mail **OR** print and sign and return by mail.

[SIGNATURE PAGE TO ON-SITE DISTRIBUTION EXTENSION AGREEMENT (ELECTRIC)]

CONTINGENCY LIST

*CUSTOMER:	CITY OF RIFLE
ADDRESS:	PARK-CENTENNIAL
CITY:	RIFLE
DESIGN NO:	1210975
SN:	15201209

Public Service Company of Colorado d/b/a Xcel Energy (the “Company”) has completed the engineering design and cost estimate for your electric and/or gas distribution request. The Company will install the facilities as shown in the attached engineering sketch(es), when all contractual obligations and customer-supplied conditions are met. The specified conditions listed below were used to determine the most effective design to meet your request. If, for any reason this design does not meet your request as intended, please review with the Company’s Engineering personnel. Engineering will discuss any possible revision and will expedite any necessary revised costs in order to meet your schedule as planned. (Please be aware that additional estimates may be subject to re-engineering charges.) The Company looks forward to completing the installation of these facilities for you and providing for any future needs you may have.

1. Disclaimer. Company shall not be responsible for the repair or replacement costs resulting from damage to items that are not marked prior to Company’s commencement of construction.
2. Construction Obligations. To the extent applicable, Customer shall confirm to Company, and Company shall certify, that the following construction obligations have been met prior to Company commencing construction on the project.
 - ❖ Customer must install curb and gutter prior to installation of electric and/or gas distribution facilities.
 - ❖ When construction consists of five (5) sites or fewer, all sites must be ready. For projects with more than five (5) sites, approximately fifty (50) percent of the sites must be ready.
 - ❖ As determined by Company, required property pins, necessary curve points, easements, proposed structures, and facility equipment locations must be staked and visible in the field.
 - ❖ ☒ If checked, Customer has agreed to install sleeves at crossings.
 - ❖ Water line, sewer lines septic systems, leach fields, and any other underground obstruction must be staked, flagged, and installed prior to Company gas and/or electric construction.
 - ❖ Transformers, switch cabinet locations, pedestals, gas regulator stations, meter installations, and other surface mounted equipment must be exact final grade. All other street/easements/service lateral routes must be within plus or minus six (6) inches of final grade.
 - ❖ Pouring/paving of driveways and landscaping must be delayed until after installation of facilities (services excluded).
 - ❖ Where existing slopes prohibit trenching, Customer must provide temporary grade for trenching equipment.
 - ❖ Construction route must be clear of all obstructions.
 - Construction material must be cleared from route.
 - Temporary trailers, buildings, and other obstacles must be moved.
 - Company will trim/clear trees along the construction route. Subject to Company’s approval, if Customer elects to trim/clear the trees on Customer’s own property, \$ 0.00 will be deducted.
 - ❖ All roof drains must be directed away from Company equipment in a manner that prevents damage or settling of facilities, or both.
 - ❖ If transformers, switch cabinets, or gas meters require bumper protection, Customer must install protection at Customer’s sole cost. Customer must contact design engineer for bumper protection clearance requirements.
 - ❖ If Customer knows or suspects contaminants are present on the property where Company may be working, Customer must disclose its knowledge or suspicion to Company prior to Company commencing construction. If there are known contaminants on the subject property, Customer/developer/owner must remove the contaminants to any impacted soils or groundwater prior to Company commencing construction. If, prior to or during Company construction, contaminants are encountered that were previously unknown, all work will be stopped until Customer

remediates the site to ensure Company's crews are working in non-contaminated soils and that all facilities are located upon or buried in non-contaminated soils. The Company may, in its sole discretion, agree to other appropriate alternatives to these remediation requirements that are protective of worker and public safety and that protect the Company from incurring environmental liabilities.

- ❖ The Customer/developer/owner shall comply with all applicable federal, state, and local laws, regulations, and ordinances ("Environmental Laws") regarding environmental contamination, including without limitation any Environmental Laws pertaining to soil and/or debris excavated from the property that is contaminated with hazardous substances, hazardous or solid wastes, petroleum, or other similar regulated materials. Company shall not be liable or responsible for environmental conditions at or near the Project site, and Customer shall be responsible for environmental conditions and costs of properly managing any impacted media including, but not limited to, soils or groundwater. The Customer/developer/owner shall be responsible for any additional costs arising out of pre-existing contamination on the property, including but not limited to: (a) Company exacerbating pre-existing conditions; and/or (b) Company's adoption of greater or different procedures for utility installation than its standard business practice when dealing with clean, uncontaminated soils.
- ❖ Customer will be responsible for replacing existing sod, shrubs, trees, etc., and for repairing existing paving, at no cost to Company.
- ❖ Customer must ensure that all Company facilities meet all local setback and zoning requirements, and remain accessible at all times for routine maintenance purposes.
- ❖ All areas of the door sides of transformers and/or switch cabinets must remain clear of obstructions for ten (10) feet minimum distance at all times for maintenance purposes.
- ❖ With regard to meters and service laterals:
 - The permanent address must be attached to the building before the permanent meter will be set.
 - Multiple unit structures must have each meter housing and fuel line, as applicable, permanently identified before the meter will be set.
 - Multiple unit structures with banked metering require separate trenches for any Customer-owned facilities.
 - No Customer-owned facilities will be allowed in any easement granted by the property owner to Company.
 - Customer is responsible to provide required clearances for all electric and gas metering equipment in accordance with the Xcel Energy Standard for Electric Installation and Use and applicable laws, regulations, and standards as determined by the Company.
 - Company will install all residential underground electric services in accordance with Company's Electric Extension Standards.
 - All commercial electric underground services, complete to transformer, pedestal, or terminal pole shall be installed, owned, and maintained by Customer in accordance with Company's Electric Extension Standards.
 - Adequate conduit under concrete, decks, and other obstructions shall be the responsibility of Customer.
 - Overhead to underground conversion of meters and risers, including all wiring and building repairs, shall be at Customer's cost.
 - Company will install all gas services.
 - ☐ If checked, Customer must provide a concrete pad for gas meter support at no cost to Company.

Meter Pad Dimensions: _____ long X _____ wide X _____ thick.

3. Permit Obligations. The Agreement and all Associated Agreements are contingent upon acquisition of the following permits and/or approvals:

- ☒ Town Permit
- ☐ County Permit
- ☐ State Highway Crossing Permit
- ☐ Railroad Crossing Permit
- ☐ Bureau of Land Management (BLM) Approval
- ☐ Grading and Drainage Permit
- ☐ Water Board Crossing
- ☐ Special Permit
- ☐ Corps of Engineer's Permit
- ☐ Other [Please specify.] _____



4. Trench Compaction Requirements. Company is required to provide the following trench specifications:

- ☒ Wheel Compaction 440 feet of trench
- ☐ 85% Standard Proctor Compaction _____ feet of trench
- ☐ 95% Standard Proctor Compaction _____ feet of trench
- ☐ 95% Modified Proctor Compaction _____ feet of trench
- ☐ Bore _____ feet of trench

Planner Name: Samantha Wakefield	Customer Phone:970-665-6556
Planner Title: Planner Thereafter	Customer Email: CSPAULDING@RIFLECO.ORG
Mailing Address:1995 Howard Ave Rifle, CO 81650	Mailing Address: 202 RAILROAD AVE
City, State Zip: Rifle, CO 81650	City, State Zip: RIFLE, CO 81650-2218

Lock Agreement

CUSTOMER SIGNATURE

Legal Entity Name (if applicable):

Authorized Signer (see signing options below*):

Click to Sign is not available

Signing Option 2 (Signature below)

By:

Printed Name:

Title (if applicable):

Date:

* **Signing Option 1: "Click to Sign" not available due to software incompatibility**

Signing Option 2: Add Electronic Signature and return by e-mail **OR** print, sign, scan and return by e-mail **OR** print and

* **Confidential Information**

Customer is to return copy of signed document to your Xcel Energy Representative



**CITY OF RIFLE
PURCHASE REQUEST**

1.	Vendor Name	NEW: W-9 attached ☐
	Xcel Energy	

2.	Vendor Address
	1995 Howard Ave
	Rifle, CO 81650

3.	For the Purchase of (description)
	Construction Services Services Associated with
	Stree Lighting Installation Railroad Ave 5th to 9th

4. Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
\$40,977.58	\$40,000	

5. Dept. Name	General Ledger Acct #
Street Improvement Fund	201-4312-400-734

6.	Type of Purchase
	Capital Construction
	Capital Construction – Change Order
	Capital Equipment
	Plant Equipment
	Materials, supplies, non-profession/technical services (includes computer/software maint.)
	Professional Services
x	Utilities (includes equipment installation)
	Land, easements, ROW

7.	Purchasing Process Required
	Cooperative Purchasing
	Open Market
	Comparative Pricing
	Request for Proposal (attach bid tab)
	Formal Bid (attach bid tab and advertisement)
x	Single Source (attach an explanation)

8.	Authorization Required
	City Manager
x	City Council

9.	Signatures		
	Position	Signature	Date
	Department Director		
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		

General summary of purchasing ordinance (Section 4, Art. III)

TYPE OF CONTRACT	ESTIMATED AMOUNT	PROCESS	Purchase Order? Purchase Request?	CITY COUNCIL APPROVAL REQUIRED?
Capital Construction	< \$5,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO	Yes if over \$20,000 or for any amount from Capital Fund.
	\$5,000-\$20,000	Comparative Pricing (solicit quotes from 3) vendors/suppliers)	Purchase Request	
	\$20,001-\$100,000	Competitive Bid (see Code Sec 4-3-40)		
	> \$100,000	Bonded Competitive Bid		
Capital Construction Change orders	< = 10% of approved contract	When total change orders to date are < 10% - Dept Head or City Manager Approval	Purchase Request	Yes if total change orders to date are greater than 10%
	> 10% of approved contract			
Capital Equipment	< \$5,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO	Yes if over \$20,000 or for any amount from Capital Fund.
	\$5,000-\$20,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
	> \$20,000	Competitive Bid (see Code Sec 4-3-40)		
Plant Equipment Replacement (purchases necessary for replacement of existing equipment that is component part of any water, wastewater, or physical plant)	< \$7,500	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$75,000
	\$7,500-\$75,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
	>\$75,000	Competitive Bid (see Code Sec 4-3-40)		
Materials, Supplies, Non- Professional Services and Technical Services (including software/hardware maintenance technical services)	< \$10,000	Open Market (informal evaluation by purchasing agent)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$20,000
	>\$10,000	Comparative Pricing (solicit quotes from 3 vendors/suppliers)	Purchase Request	
Professional Services (note- process for appointed positions such as auditor, attorney, engineer, or municipal judge to be determined by Council)	< \$25,000	Open Market (informal evaluation by purchasing agent)	All - Purchase Request	Yes if anticipated to exceed \$25,000 per year to a single vendor
	> = \$25,000	Written requests for written proposals must be sent to at least 3 firms or individuals		
Utilities including installation of equipment (purchases to secure utility services such as natural gas, electricity, local telephone, water, or sewer)	any amount	Single Source (negotiations, where appropriate, after good faith determination that only one viable source exists in relevant supply area - keep records for one year)	> \$5,000 - PO >= \$5,000 - Purchase Request	No
Real Property Interest (including easements and rights of way)	any amount	Single Source (see above)	> \$5,000 - PO >= \$5,000 - Purchase Request	Yes if over \$5,000.



Agenda Item #8.e.

Agenda Item Name:

Consider Purchase of Robotic Field Painter for Parks Department

Presenter:

Iris Trevisano, Procurement and Grant Reporting Manager
Austin Rickstrew, Parks & Recreation Director

Item Description:

Purchase of Robotic Field Painter

Recommended Action:

Move to approve the purchase of the Pro X Robotic Field Painter from TinyMobileRobots for \$43,600.00

Fiscal Impact:

\$33,000 was budgeted for 2025, and with cost savings from vehicle purchases and other equipment, we can cover the price difference.

Operational Impact:

This purchase will modernize our field painting operations, reduce labor hours and reliance on seasonal staff, improve layout accuracy and consistency, and deliver long-term cost savings and operational efficiency.

Prior Board Motions:

Resolution # 5, Series of 2025 passed on February 19th, City council was asked to apply for a mini-grant to purchase a Robotic Field painter. The grant was not awarded. However, Parks & Recreation is proceeding with the purchase, as they have budgeted for the item.

Background Information:

This robotic system will significantly improve the efficiency of field maintenance, reduce reliance on manual labor, and ensure higher quality and consistency in sports field marking. Currently, 14-18 sports fields in Rifle are used weekly for baseball, softball, and soccer, hosting approximately 200 games annually. The Robotic Field Painter will autonomously mark field lines, ensuring precision and uniformity while reducing the time and labor required for maintenance. The unit will be integrated into the existing Parks and Recreation Department operations, streamlining field preparation and contributing to long-term cost savings. This technology will not only improve playing conditions but also reduce maintenance-related costs and resource consumption. This aligns with the City's goal of improving public recreational infrastructure while optimizing operational efficiency.

Executive Summary:

In 2024, there were over 2,008 field reservations across 10 sports fields. The Robotic Field Painter will be used daily to support baseball, softball, flag football, and soccer while also maintaining outdoor basketball courts,

tennis and pickleball courts, parking lots, and even painting logos on grass and pavement. This technology will enhance playing conditions, reduce maintenance costs, and minimize resource consumption. A Request for Bid was put out for two weeks, and we received 3 bids: Intelligent Marking USA Inc., Tiny Mobile Robots and SANCHEZ JM GOVERNMENT SOLUTIONS LLC. Two of the bids were for the Tiny Mobile Robots Pro X and one was for a Turf Tank Lite. After reviewing, the Tiny Robot's Pro from Tiny Mobile Robots is the best fit for the needs for the Parks Department. Their price includes the Robot, installation, and a 5-year subscription for a total of \$49,600 and they discounted the total for \$43,600. We recommend council to approve the purchase of the TinyRobot Pro X from Tiny Moblie Robots.

Notification Requirements:

N/A

Prepared By:

Iris Trevisano, Procurement and Grant Reporting Manager

Attachments:

1. RFB-04152025 Parks Robotic Field
2. 2025.04.30 TinyMobileRobots Memo
3. Tiny Mobile Robots Purchase request
4. Award Memo Procurement-Tiny Robots 5.1.25

Rifle Parks Dept. Robotic Field Painter

4152025



Request for Bid

April 11, 2025

City of Rifle-Parks Dept.

202 Railroad Avenue

Rifle, Colorado 86150

2025

Proposal Due Date: April 29, 2025 2 pm

Question Deadline: April 18, 2025, 2 pm

1. Scope of Work

The City of Rifle is accepting Bids to purchase one (1) autonomous Robot Painter for Athletic Fields. A GPS- guided system that is capable of painting sports fields, logos, and line painting. This bid is to include the purchase of the robot, configuration, training, technical support and subscription fees.

a. Technical Specifications:

- i. Weight less than 100lbs
- ii. Spray Equipment
 - 1. Line width 2- 5 inches
 - 2. Paint holding capacity 2.6 Gallons
 - a. Warning system
- iii. Performance
 - 1. Pump capacity minimum of 90 PSI
 - 2. Minimum of Four-hour battery
- iv. Technology
 - 1. Cloud Storage
 - 2. Dedicated Tablet for autonomous Robot Painter
 - a. On-Line Support

2. Proposal Requirements

- a. Delivery Date
 - i. All bids must be submitted with a delivery date.
- b. Delivery
 - i. All costs for delivery of the new unit will be assumed by the Bidder and included in the net price. All deliveries must be coordinated with the Parks and Recreation Director prior to delivery of the

equipment. Delivery must take place between 8:00 a.m. to 4:00 p.m., Monday to Thursday.

c. Prices

- i. Prices quoted shall exclude Federal Excise and State taxes.

d. Final Payment

- i. Final payment for equipment and vehicles delivered under these specifications will not be made until all terms and conditions have been satisfied.

3. Questions

Potential bidders may direct questions to Iris Trevisano at itrevisano@rifleco.org Question deadline to Friday, April 18, 2025 at 2 p.m.

4. Delivery of Bid

Bids must be submitted electronically by uploading documents to BidNet which will be sealed until the due date and time indicated in the solicitation. It is the sole responsibility of the respondent that the response is submitted and received before the due date and time as specified in this document. The City of Rifle is not responsible for delays in transmittal or delays caused by any other occurrence. Please allow sufficient time to complete the response and upload documents.

There will not be a pre-bid meeting for this solicitation.

5. Evaluation

Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in

this Code. Bids shall be evaluated based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs. The invitation for bids shall set forth the evaluation criteria to be used. In addition to the evaluation criteria set forth in the invitation to bid, the following criteria may be considered, in addition to price:

- (1) The ability, capacity and skill of the bidder to perform the contract or provide the service or construction required;
- (2) Whether the bidder can perform the contract or provide the service or construction promptly or within the time specified, without delay or interference;
- (3) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (4) The quality of performance of previous contracts or services;
- (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service or construction;
- (7) The quality, availability and adaptability of the supplies, services or construction to the particular use required; and
- (8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- (9) The local preferences set forth herein.

6. Local Preference Code

The following local preferences shall be considered in source selection for all City contracts:

Notwithstanding other provisions of this Article, in the awarding of contracts for goods or services, the City Council and Procurement Officer shall provide the following primary and secondary percentage preferences for local goods and services provided by local vendors when quality, delivery time and services are judged by the Procurement Officer to be essentially equal:

Contract>Amount	Primary Preference City of Rifle Goods/Vendors	Secondary Preference Garfield County Goods/Vendors
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2.5% discount
\$100,000 to \$200,000	4% discount	2% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount

(c) For all competitive bonded bid purchases in excess of one hundred thousand dollars (\$100,000.00), the City shall provide these local preference provisions within the "Instructions to Bidders" documents.

(d)Exception: Local preference shall not apply to contracts required by applicable state or federal laws or regulations to be awarded to the "lowest responsible bidder" or to any contracts that are statutorily or otherwise precluded from the use of local vendor preference. No local preference shall apply where grant funds are used which expressly prohibit the use of such local preference.

(e) The Procurement Officer may establish an administrative process to pre-qualify local vendors.

(Ord. 7 , § 2, 2022)

7. Award and Purchases

The City reserves the right to reject any or all bids, to waive any informalities or technical defects in bids, and unless otherwise specified by the City or by the bidder, to accept any items or group of items in the bid, as may be in the best interest of the City. No verbal explanations, clarifications, additions or instructions will be binding to either the City or the bidders, except those confirmed in writing. A signed purchase order/bid furnished to the successful bidder results in a binding bid without further action by either party

8. Accessibility Requirements

The City of Rifle values full inclusion and access for all of our facilities, programs, activities and services. We are pleased to provide meaningful accommodations to comply with the Americans with Disabilities Act (ADA) and reasonably provide translation, interpretation, modifications, accommodations, alternative formats, auxiliary aids, and services.

To request special assistance for Solicitations only, call Procurement and Grant Reporting Manager Iris Trevisano at 970-665-6412 or email ltrevisano@rifleco.org . Please allow 48 hours for your requests to be met.”



TURF TANK®

[CO] Rifle Parks and Recreation – Lite Triple Outright Purchase

[CO] Rifle Parks and Recreation

202 Railroad Ave
Rifle, CO 81650
United States

Austin Rickstrew

Parks & Recreation Director
arickstrew@rifleco.org
+1 (970) 665-6578

Reference: 20250424-115054703

Quote created: April 24, 2025

Quote expires: July 23, 2025

Quote created by: Colten Steele

"Regional Territory Manager – FL"

colten.steele@turftank.com

Products & Services

Item & Description	SKU	Quantity	Unit Price	Total
US - Turf Tank Lite Package - Outright Purchase		1	\$24,000.00	\$24,000.00
Includes:				
- GPS TT Lite Paint Robot + GPS Package				
- Shipping & Training				
- Robot Delivery (3-5 Days)				
- 2.5 gallon paint jug				
- Tablet (Samsung Galaxy Tab)				
- Continuous Software Improvements				
- Geometry Package				
- (1) Robot Battery for TT Lite (4hr run time)				
- Low Paint Warning System				
- C:loud Storage				
- Customer Support: Normal Business Hours				
- Hardware Warranty: Basic (See warranty document)				
- Standard Turf Tank Accessories				
- Custom Logo Capabilities				
US - Turf Tank Lite Triple Package - Annual Fee		1	\$3,000.00 / year	\$3,000.00 / year for 1 year
Includes:				
- (3) Sports Included				
- \$1,000 paint allotment of RTS, white				
- Continuous Software Improvements				
Annual subtotal				\$3,000.00
One-time subtotal				\$24,000.00
Total				\$27,000.00

Purchase terms & Comments

<u>Invoice</u>	<u>Invoice Details</u>
Implementation Fee Invoice & First Invoice	Implementation Fee & Subscription or Purchase Invoice will be issued at date of shipment with net 18 payment terms. The invoice will be emailed to the billing contact on file and will be from billing@turftank.com .
Renewal Invoices	Subscription Renewal Invoices will be emailed to the billing contact on file 30-days prior to the subscription date with net 30 payment terms.

*****Sales Tax** is not included in the above quote. If you are not tax-exempt you will be subject to sales tax on your invoices. If you are tax-exempt, we will need to collect and validate your tax-exempt certificate.

SUBSCRIPTION WARRANTY



Subscription Type	Basic	The Gridiron	Plus	Pro
Major Components				
Rover	✓	✓	✓	✓
Base Station	✓	✓	✓	✓
Control Unit	✓	✓	✓	✓
Harness	✓	✓	✓	✓
Robot Chassis	✓	✓	✓	✓
Complete Rear Wheel Mount	✓	✓	✓	✓
Battery Holder	✓	✓	✓	✓
GNSS Antenna	✓	✓	✓	✓
Actuator	✓	✓	✓	✓
Wheel Motor Set	✓	✓	✓	✓
Shell	✓	✓	✓	✓
Complete Rack & Pinion Holder	✓	✓	✓	✓
Control Panel	✓	✓	✓	✓
Disc Lift System	✓	✓	✓	✓
Robot Battery Charger	✓	✓	✓	✓
Complete Front Bumper	✓	✓	✓	✓
Complete Rear Bumper	✓	✓	✓	✓
Robot Battery	✓	✓	✓	✓
Tablet	✓	✓	✓	✓
Warranty Benefits & Coverage				
Annual Site Visits	\$750/per visit	\$750/per visit	\$750/per visit	2x/year
Annual Service Kit	✗	✗	✗	1x/year
Wear & Tear Parts	30 days	60 days	60 days	90 days
Discount on Major Components	✗	✗	20%	40%
Discount on Wear & Tear Parts	✗	✗	20%	40%
Upon Delivery of Robot* (Wear & Tear Components)	✓	✓	✓	✓

All major components of the robot are covered under the standard subscription warranty. You shall promptly notify us of any defect or issue related to the Equipment covered by Warranty and Turf Tank will, at our option, and as our sole and exclusive liability and your sole and exclusive remedy, either repair the defect or issue, or replace the Equipment. **The Warranty does not apply to any Equipment that has been:** (i) subject to (a) abuse, misuse, neglect, accident, (b) improper testing, installation, storage, or handling, (c) abnormal physical stress, environmental conditions or use contrary to any instructions issued by us; (ii) reconstructed, repaired or altered by any party other than Turf Tank; (iii) used with any third-party product(s), hardware or product that has been authorized in writing by Turf Tank; or (iv) damaged or destroyed due to an event beyond your or our reasonable control.

* Upon delivery and training of the robot, each robot regardless of subscription type or robot type will be equipped with a new pump, valves, and tubes.

- **Standard Ground Shipping:** Covered by Turf Tank on warranty parts.
- **Overnight/Express Shipping:** Covered by customers at cost.
- **Service Kit:** Includes 1x Solenoid, 1x Suction Rod Assembly, 1x Tubing Set, 1x Pump.
- Warranty components will be invoiced upon shipment, and then credited or cancelled immediately upon return of the defective component back to Turf Tank.
- Warranty does not cover **labor cost**.
- Use of **non-approved paint** will void warranty on paint system: Pump, Suction Rod assembly, Solenoid, Tubing.
- **Custom Modifications** of Turf Tank robot will void warranty.
- Above Warranty does not cover **breakdowns and general repairs** directly caused by the owner/operator neglect, accidental damage, abuse or misuse, including inadequate cleaning and improper storage.
- All parts not mentioned on the list above is considered **Wear & Tear**.

Signature

Signature

Date

Printed name

Questions? Contact me



Colten Steele
"Regional Territory Manager - FL"
colten.steele@turftank.com

Turf Tank
1110 Allgood Industrial Ct
Marietta, GA 30066
United States

Turf Tank Lite Model - Lite Triple (Rifle Parks and Recreation)

Design

- **Weight:** 99 lbs
 - **Height:** 21 inches
 - **Width:** 29.52 inches
 - **Length:** 38.97 inches
 - **4-Wheel Design:** Provides increased stability and accuracy.
 - **2.5-Gallon Paint Compartment:** Optimizes paint consumption for efficient usage.
 - **Full-Service Control Panel:** Includes emergency stop button, power button, start/pause button, and test spray button for ease of operation.
 - **Removable Sprayer Body:** Features adjustable height and width knobs for customized usage.
 - **Low-Pressure Pump:** Ensures consistent paint flow.
 - **Variable Nozzle Selection:** Allows customization of paint flow, line brightness, and application thickness.
 - **Line Width:** 2-5 inches
 - **Corrosion-Resistant Frame:** Constructed with weatherproof materials for durability.
 - **Robust Frame and Wheel Design:** Ensures stability even on uneven playing surfaces.
 - **Heavy-Duty Wheels:** Designed to withstand rough terrain for seamless operation.
-

Marking Technology

- **Software Capability:** Supports the painting of **three sports**.
 - **Precision Accuracy:** Software and base station ensure the unit paints and overmarks with an accuracy within **1cm**.
 - **GPS and RTK Technology:** Utilized for pinpoint painting precision.
 - **User-Friendly Tablet:** Allows easy adaptation for different field sizes, shapes, and dimensions.
 - **Single-Operator Capability:** Software is designed for one-person operation.
 - **Warning system:** Software includes low paint warning alert
-

Paint Specifications

- **Paint Type:** Designed for use with water-based paint.
- **Compatibility:** Offer RTS, Pioneer and USSC as paint options
- **Paint Alerts:** Software sends notifications when paint levels are running low.
- **Pre-Mixed RTS Paint:** Delivered ready for use, no further preparation required.

- **Logo Capabilities:** Can paint logos, freeform text, and geometric shapes.
 - **Included Paint:** Paint is included in the package, eliminating the need to purchase separately.
-

Battery Specifications

- **Battery Type:** Lithium-ion, 680 Wh.
 - **Operating Time:** Up to 4 hours on a full charge.
 - **Charging Time:** 3.5 hours for a full charge.
 - **Battery Quantity:** 2 batteries included.
-

Maintenance Requirements

- **Test Spray Button:** Ensures no clogs are present before use.
 - **Removable Nozzles:** Designed for easy debris removal and maintenance.
 - **Routine Cleaning:** Approximately 2-minute clean-up time after each use.
 - **Wear and Tear Coverage:** Parts are covered for **30 days**.
-

Functional Testing Performance

- **Soccer Field:** Average completion time for an **11v11 soccer field is 25 minutes**.
 - **Baseball/ Softball:** Average completion time - 10 minutes
 - **Full Football Field:** Average completion time - 3 hours (hashes, numbers, yard lines)
 - **Speed Settings:** Software offers three speed options – slow, medium, and fast.
 - **Efficiency Customization:** Software allows route edits to optimize painting efficiency.
-

Performance Testing

- **Surface Compatibility:** Tested on grass, turf, dirt, and concrete.
 - **Accuracy:** Maintains an accuracy within **1cm**.
 - **Weather Tolerance:** Capable of operating in various weather conditions (rain, wind, and extreme temperatures).
-

Safety Features

- **Emergency Stop Button:** Provides an added layer of safety during operation.
 - **Front and Back Bumpers:** Ensure collision avoidance and enhance stopping capabilities.
-

User Interface

- **Tablet Control:** A Samsung tablet is provided for operation, monitoring, and editing layouts.
 - **Help Center and Spare Parts Catalog:** Accessible directly from the tablet for convenient support.
 - **Touchscreen Navigation:** Provides intuitive control for ease of use.
 - **Real-Time Notifications:** Users receive updates on operational status.
 - **Layout Customization:** All field layouts can be modified and saved based on user specifications.
-

Software Specifications

- **WiFi Functionality:** The unit emits its own WiFi, eliminating the need for an external connection.
 - **Proprietary Software:** Developed specifically for Turf Tank operations.
 - **Field Layout Customization:** Users can create, save, and modify custom layouts.
 - **Route Manager:** Optimizes field painting efficiency by managing painting routes.
 - **Paint Usage and Time Estimates:** Software provides accurate estimates for paint consumption and time before starting a job.
-

Control and Operation

- **Private Base Station:** Establishes a reliable satellite connection.
 - **Eliminates Third-Party Dependency:** The base station does not rely on cellular networks, ensuring consistent performance.
 - **Satellite Positioning:** The base station transmits corrective positioning to the unit via UHF signals.
 - **Autonomous Operation:** The unit operates autonomously, with the option for manual start/stop via the tablet.
 - **Manual and Remote Control:** Available through the tablet for added flexibility.
-

Training and Setup

- **On-Site Training:** Comprehensive training to cover operation and maintenance.
 - **Calibration:** Ensures optimal performance tailored to the specific needs of each field.
 - **Staff Training:** Full training for all personnel involved.
 - **Access to Help Center:** Direct access via the tablet for ongoing support.
-

Technical Support

- **24/7 Support Line:** Access to Robot Support Specialists at any time.
 - **Online Knowledge Base:** Available through the Help Center for additional resources.
 - **One-on-One Appointments:** Users can book appointments with Robot Support Specialists for tailored assistance.
 - **Customer Success Plan:** Regular meetings with a Customer Success Manager to ensure ongoing satisfaction.
-

Warranty Coverage

- **Major Components:** Covered for the full duration of the agreement.
 - **Wear and Tear Parts:** Covered for the first **30 days**.
-

Package and Shipping

- **Shipping Method:** The Turf Tank unit and all necessary parts are delivered in a securely supported crate or pallet.
 - **Delivery Timeline:** Units are expected to be delivered within **2 to 5 days**.
 - **Customer Coordination:** Turf Tank works directly with the customer to ensure successful shipment and delivery.
-

References (CO)

- Grand Junction Parks and Recreation
- Glenwood Springs High School
- Basalt High School
- Steamboat Springs Parks and Rec
- Avon Parks and Rec
- Montrose Recreation District
- Montrose County School District Re-1j
- Roaring Fork United
- Fraser Valley P and R

TinyMobileRobots®

CITY OF RIFLE

#20250124-130533579

Issued

January 24, 2025

Expires

March 25, 2025

TinyMobileRobots

1634 Cobb International Blvd NW

Kennesaw, Georgia 30152
United States

Jim Mueller
jm@tinymobilerobots.com

Prepared for

City of Rifle

81650

Keith Gray
Supervisor
kgray@rifleco.org
970-987-1345

Products & Services	Item #	Quantity	Unit price	Price
TinyMobileRobots Pro X	100-1151-21	1	\$37,750.00	\$37,750.00
Installation, Configuration, & Training Fee	120-1036-01	1	\$1,900.00	\$1,900.00
5 Years Subscription; RTK, Technical On-Line Support, 2 SIM	120-1031-01	1	\$9,950.00	\$9,950.00
RTK, Technical On-Line Support, 2 SIM				
One-time subtotal				\$49,600.00
Discount				(\$6,000.00)
Total				\$43,600.00
Total contract value				\$43,600.00

Comments

Please sign to process order

Shipping & Billing Information

Please notify Jim Mueller if any Shipping or Billing information changes are needed

Shipping Information

Contact Name: Keith Gray

Contact Phone Number: 970-987-1345

Contact Email:

Shipping Address: 202 Railroad Ave Rifle, Co. 8150

Billing Information

Contact Name: Keith Gray

Contact Phone Number: 970-987-1345

Contact Email: kgray@rifleco.org

Shipping Address: 2020 Railroad Ave Rifle, CO. 81650

Warranty

To view TinyMobileRobots' Warranty Policy, please refer to [this link](#).

Sales Contract

To view TinyMobileRobots' Sales Contract, please refer to [this link](#).

Terms & Conditions

To view TinyMobileRobots' Terms & Conditions, please refer to [this link](#).

End User License Agreement

To view TinyMobileRobots' End User License Agreement, please refer to [this link](#).

W-9

To view TinyMobileRobots' W-9, please refer to [this link](#).

Signature

If you have a Purchase Order (PO), please submit it through the form linked below.

[Submit PO](#)

If you have a Tax Exemption Form, please submit it through the form linked below.

Before you sign this quote, an email must be sent to you to verify your identity.
Find your profile below to request a verification email.

Keith Gray

kgray@rifleco.org

[sig|req|signer1]

Download

Weight & Dimensions	77 lbs. H28", L36", W29"
Wheels & Traction	3- wheel design to maximize stability and accurate repeatability over a range of surfaces. Uses (2) large diameter high traction rubber back tires and (1) front mobilizing tire.
Battery	Spray time 5.5 hours on a single charge Removable and rechargeable lithium-ion 626wh battery
Paint Capacity	5gal capacity
Paint Type	No brand required. accepts water-based paint optimized for low-pressure pumps for use on natural or artificial surfaces.
Spray System	Low-pressure pump (50-60psi) for maximum efficiency and brightness
Weather Resistance	Water-sealed to protect against moisture entering the electronics box
Accuracy	Precision measuring, custom data point collection, and repeatable within <1cm
Speed	Variable speed settings up to 2.5 mph
Delivery & Lead Time	Costs included (U.S. & Canada), shipped and received within 7-10 business days. Local onsite training included.
Warranty	All robot electronics covered for 72 months All part replacements covered for the first 12 months
GPS Connectivity	Attached with GNSS antenna directly, to connect and transmit location data with a satellite-based RTK network. Does not require a separately installed base station.
Cellular Connectivity	Dual-SIM modem in robot for access to (2) cellular networks, Verizon Wireless and AT&T. Capable of driving, test spraying, and maintenance without any network connection.
Driving Functions	- Close-range: Manual driving and operation without the need for cellular or GPS. - Long-range: Auto "Drive to" sends robot to a specified map point from any proximity. - Custom driving paths: Create automated paths by collecting data points to send robot along a custom route to navigate permanent obstacles from any proximity.
Software Templates	100+ customizable templates included with Pro X: All sport groups, geometry, symbols, numbers, letters, grids, and more
Cloud Back-Up & Security	Save unlimited field templates with specific GPS locations, custom measurements and settings. Tablet locked to TinyMobileRobots' software. (Secured by Samsung Knox.)
Support	Live U.S. based support available to remotely access tablet and operate robot, to educate or troubleshoot during live phone or video sessions. Courtesy loaner robots available, when necessary. Onsite visits available, when necessary.
Custom Designs <i>optional</i>	Upload unlimited custom designs for an additional one-time cost.



SANCHEZ JM
GOVERNMENT SOLUTIONS

SANCHEZ JM GOVERNMENT SOLUTIONS LLC

590 Antlers Gulch Rd.
Keystone, CO 80435
www.sanchezjm.com
Email: procurement@sanchezjm.com
Phone: (720) 696-0328

PREPARED FOR:	City of Rifle-Parks Dept.	DELIVER TO:	City of Rifle-Parks Dept.
BID #:	4152025		202 Railroad Avenue
BID TITLE:	Rifle Parks Dept. Robotic Field Painter		Rifle, Colorado 86150

QUOTE

No: 04252025-1255
Date: 4/25/2025

ITEM #	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT
1	TinyMobileRobots Pro X #100-1151-21	1	\$ 44,503.48	\$ 44,503.48
2	1 Year Subscription; RTK, Technical On-Line Support, 2 SIM RTK, Technical On-Line Support, 2 SIM. #120-1032-01	1	\$ 2,357.80	\$ 2,357.80
3	Installation, Configuration, & Training Fee. #120-1036-01	1	\$ 2,239.91	\$ 2,239.91
Subtotal:				\$ 49,101.19
Shipping:				\$ 600.00
Tax:				\$ 0.00
TOTAL				\$ 49,701.19

Sanchez JM Government Solutions LLC
Colorado State Registered Vendor



SANCHEZ JM
GOVERNMENT SOLUTIONS



SANCHEZ JM GOVERNMENT SOLUTIONS LLC

590 Antlers Gulch Rd.

Keystone, CO 80435

www.sanchezjm.com

Email: procurement@sanchezjm.com

Phone: (720) 696-0328

Features of the TinyMobileRobot Pro X



Weights only 77 lb
Easy transportable in a car



Quick & Easy Setup
Start painting straight out of the box



Tablet Provided
Contains all the sports fields templates



2.6 Gallon Paint Jug
Enough to paint multiple fields - no refill



No Manual Marking
No tapes, no strings, no sweat



Robust Wheels
Can handle mud, snow or ice

Sanchez JM Government Solutions LLC

Colorado State Registered Vendor



Memo

To: Iris Trevisano, Grant and Procurement Manager

From: Austin Rickstrew, Parks and Recreation Director

Date: April 30, 2025

Re: Request for Purchase of TinyMobileRobots Pro X

Iris,

I am requesting to proceed with the purchase of the TinyMobileRobots Pro X robotic field painter in the amount of **\$43,600.00**, per the attached quote from TinyMobileRobots (Quote #20250124-130533579).

This purchase includes the Pro X unit, installation and training, and a 5-year subscription covering RTK GPS service, technical support, and SIM card access. After evaluating multiple bids, TinyMobileRobots offered the most complete and cost-effective solution when compared to Sanchez JM Government Solutions (\$49,701.19) and Turf Tank (\$27,000.00 plus a \$3,000/year recurring subscription).

While Turf Tank appears to be the lower-cost alternative, its annual subscription includes support for only three sports field types, which is insufficient for our operational needs. The TinyMobileRobots package offers multi-sport flexibility, unlimited layouts, and five years of support, making it the best long-term value.

We originally budgeted **\$33,000** for this purchase with the intention of securing additional funding through a Garfield County FMLD Mini-Grant. Although we did not receive the grant funding, we have realized savings in other areas—specifically from under-budget vehicle purchases and other equipment, which allows us to absorb the difference and move forward with this investment.

This purchase will:

- Modernize our field painting operations
- Reduce labor hours and reliance on seasonal staff
- Improve layout accuracy and consistency
- Deliver long-term cost savings and operational efficiency



CITY OF RIFLE
202 RAILROAD AVENUE • P.O. BOX 1908 • RIFLE, CO 81650
WWW.RIFLECO.ORG



I believe this investment will significantly enhance the efficiency and quality of our athletic field operations. Please let me know if you need anything further to process the purchase order.

Thank you,
Austin



CITY OF RIFLE
202 RAILROAD AVENUE • P.O. BOX 1908 • RIFLE, CO 81650
WWW.RIFLECO.ORG



CITY OF RIFLE
PURCHASE REQUEST

1.	Vendor Name	NEW: W-9 attached ☒
	Tiny Mobile Robots	

2.	Vendor Address
	975 Cobb Place Blvd Ste 110

3.	For the Purchase of (description)
	Tiny Mobile Robots Pro

4.	Amount Requested	Amount Budgeted	Finance Director Verified Funds Avail.
	\$43,600	\$30,000	

5.	Dept. Name	General Ledger Acct #
	Parks	210-4521-400-741

6.	Type of Purchase
☐	Capital Construction
☐	Capital Construction – Change Order
☒	Capital Equipment
☐	Plant Equipment
☐	Materials, supplies, non-profession/technical services (includes computer/software maint.)
☐	Professional Services
☐	Utilities (includes equipment installation and ongoing contracts)
☐	Land, easements, ROW

7.	Purchasing Process Required (Rifle Municipal Code sections for guidance)		
	☐	Cooperative Purchasing:	Sec 4-3-50
	☐	Emergency Procurement	Sec. 4-3-235
	☐	Small Purchases	Sec. 4-3-225
	☒	Request for Proposal:	Sec. 4-3-220(b) (attach bid tab)
	☐	Competitive Sealed Bid:	Sec.4-3-215 (attach bid tab & advertisement)
	☐	Miscellaneous Exemptions	Sec. 4-2-230 (attach memo)

8.	Authorization Required	
	☒	City Manager
	☒	City Council

9.	Signatures		
	Position	Signature	Date
	Department Director	Austin Rickstrew Signer ID: CL51PBWV12...	5-1-25
	City Manager		
	City Council Approval (meeting date)		
10.	Purchase Order # assigned by Finance		



TABLE 1 - IS A PURCHASE ORDER NECESSARY

<u>Amount of Purchase</u>	<u>Is Purchase Order Needed</u>	<u>Method of Source Selection</u>
\$0.01 - \$10,000	No – Dept Head Approval	No special sourcing
\$10,000.01 - \$25,000	Yes – City Manager Approval	Yes – see table 2 below
\$25,000.01 or Greater	Yes – Council Approval	Yes – see table 2 below

TABLE 2 - METHODS OF SOURCE SELECTION

<u>Methods of source selection</u>	<u>Contract limits</u>
Competitive sealed bidding	Greater than \$50,000.00
Competitive sealed proposals	Greater than \$10,000.00 and less than \$50,000.00.
**Greater than \$50,000 allowed for Construction Manager/General Contractor proposals, or similar type proposal.	
Small purchases	Less than \$10,000.00 - DEPARTMENT HEAD DISCRETION

TABLE 3 - LOCAL VENDOR PREFERENCE

Contract Amount	Primary Preference In City Limits	Secondary Preference In County Out of City
Less than \$1,000	10% discount	5% discount
\$1,001 to \$5,000	8% discount	4% discount
\$5,001 to \$25,000	6% discount	3% discount
\$25,001 to \$100,000	5% discount	2% discount
\$100,000 to \$200,000	4% discount	2.5% discount
\$200,001 to \$500,000	3% discount	1.5% discount
\$500,000 or greater	2% discount	1% discount

Memo



To: Rifle City Council
CC: Patrick Waller, City Manager, Austin Rickstrew, Parks and Recreation Director
From: Iris Trevisano, Procurement and Grant Reporting Manager
Date: May 7, 2025
Subject: Rifle Parks Dept. Robotic Field Painter

Background

The Parks and Recreation Department manages 14-18 sports fields in Rifle, which are used weekly for baseball, softball, and soccer. In addition to these fields, they maintain outdoor basketball courts, tennis and pickleball courts, parking lots, and even paint logos on grass and pavement. Given the heavy demands during the summer months, Parks has requested a Robotic Field Painter to assist with field maintenance. This technology will improve playing conditions, reduce maintenance costs, and minimize resource consumption. It also supports the City's goal of enhancing public recreational infrastructure while optimizing operational efficiency.

Request for Bid Process

An RFB was posted on Bidnet for two weeks requesting a robotic field painter that meets the technical specifications requested by Parks maintenance.

1. Weight less than 100lbs
2. Spray Equipment
 - a. Line width 2- 5 inches
 - b. Paint holding capacity 2.6 Gallons
3. Performance
 - a. Pump capacity minimum of 90 PSI
 - b. Minimum of Four-hour battery
4. Technology
 - a. Cloud Storage
 - b. Dedicated Tablet for an autonomous Robot Painter

Company	Robot Type	Robot	Start-up cost	Subscription fees	Over 5 years
Intelligent Marking USA Inc.	US - Turf Tank Lite Package -	\$24,000	\$27,000	\$3,000 Yearly	\$15,000
Tiny Mobile Robots	Tiny Mobile Robots Pro X	\$37,750	\$43,600	Due in 2030 \$9,950 Every 5 years	\$9,950
SANCHEZ JM GOVERNMENT SOLUTIONS LLC	Tiny Mobile Robots Pro X	\$44,503.48	\$49,707.19	\$2,357.80 Yearly	\$11,789

Product Comparisons

Company	Warranty	Operating Time	Paint Capacity	Software Templates	Cloud Back-Up & Security	Base Station Required
US - Turf Tank Lite	Wear and Tear Coverage: Parts are covered for 30 days	Up to 4 hours on a full charge.	2.5-Gallon	(3) Sports Included Geometry Package	Cloud Storage	Yes, Satellite Positioning: The base station transmits corrective positioning to the unit via UHF signals
Tiny Mobile Robots Pro X	All robot electronics covered for 72 months All part replacements covered for the first 12 months	5.5 hours on a single charge	5- Gallon	100+ customizable templates included with Pro X: All sport groups, geometry, symbols, numbers, letters, grids, and more	Save unlimited field templates with specific GPS locations, custom measurements and settings. Tablet locked to Tiny Mobile Robots' software. (Secured by Samsung Knox.)	No, Attached with GNSS antenna directly, to connect and transmit location data with a satellite-based RTK network. Does not require a separately installed base station.

Staff Recommendation

After thoroughly evaluating the bids, it is clear that while the products are similar, the Tiny Mobile Robots Pro X offers additional features and superior value for the city. With its robust capabilities, the Pro X will allow the Parks department to uphold its high standards and maintain quality fields, courts, and other facilities to accommodate over 2,000 reservations annually.

In collaboration with the Parks and Recreation Director, we strongly recommend that the City Council approve the purchase of the Tiny Mobile Robots Pro X for a total cost of \$43,600, which includes a generous \$6,000 cash discount. This bid also covers installation, configuration, staff training, and a 5-year subscription for ongoing technical support.

Key Features and Benefits of the Tiny Mobile Robots Pro X:

- **5.5 hours of spray time** for uninterrupted, efficient operation
- **5-gallon paint capacity**, allowing for large-scale coverage without frequent refills
- **100+ customizable templates** and **unlimited field templates**, providing flexibility and scalability for different applications
- A quick **5-day lead time**, ensuring minimal downtime and a fast deployment to meet immediate needs

These advantages not only exceed the specifications outlined in the Request for Bid (RFB), but they also position the Tiny Mobile Robots Pro X as the most effective solution for maintaining the city's outdoor recreational spaces. By investing in this advanced technology, we can ensure that our fields, courts, and other areas are maintained to the highest standard with consistent results.

We are confident that this purchase will provide long-term value, improve operational efficiency, and help meet the growing demands of our community. We recommend City Council to authorize the purchase of the Tiny Mobile Robots Pro X.

Iris Trevisano

Procurement and Grant Reporting Manager



Agenda Item #9.a.

Agenda Item Name:

Report to City Manager

Presenter:

Patrick Waller, City Manager

Item Description:

Staff report on notable tasks completed within the individual departments.

Recommended Action:

No action necessary

Fiscal Impact:

None

Operational Impact:

None

Prior Board Motions:

None

Background Information:

None

Executive Summary:

Work Report to City Manager
5/2/2025

Notification Requirements:

None

Prepared By:

Alexis Ramirez, City Clerk

Attachments:

1. 05.02.2025 Report to City Manager
2. 2025 March Traveler Forecast Report (1)
3. Director_Update_Memo_05_07_2025
4. Engineering Dept. Report 5.7.25
5. HB25-1147 VETO REQUEST

WORK REPORT TO CITY MANAGER

05.02.2025

PIO

- Continuing updates on website and social media on local issues and citizen concerns.
- Press release on Penwell FMLD grant.
- Attended Grand River Health Citizen Task Force meeting. This session was geared toward helping to develop a community questionnaire about the hospital's proposed bond initiative regarding capital needs. It was actually valuable for us to see their strategy as we approach the time for our community survey.
- Attended webinar on AI Unlocked which focused on ChatGBT.

COURT

- Handled 66 adult cases on April 16 court day.
- Held 11 telephone hearings with inmates in custody.
- An individual was detained by ICE after leaving county court. As word gets out, this will likely have a significant impact on people being willing to show up for court hearings. We did have what seemed like an unusually high FTA (failure to appear) rate on April 16.
- On a related note, the bill which would have allowed courts flexibility to issue cash bonds in certain cases failed right away. This is a bit frightening considering that practically everyone will now be released on personal recognizance bonds (which is basically a "promise to appear" with no money put up to secure your release). The failure to appear rate is sure to skyrocket which will cause a backlog. It's sad because defendants are quickly learning that there really aren't consequences to criminal behavior or consequences to blowing off mandatory court hearings.
- The HB25-1147 saga continues! A Denver Post article indicated that Governor Polis intends to veto it [Polis threatens to veto municipal court bill on sentence disparities](#).
 - This bill passed both houses and is now on the Governor's desk. We have submitted a letter to Governor Polis requesting a veto (see attached).

HUMAN RESOURCES

- Over the last month we have hired 2 FT employees, 68 seasonal employees. We continue to conduct interviews and actively recruit for vacant positions.

IT

- Reorganized the IT Steering Committee to include one member from each department
- Replaced Dell MDTs with Panasonic
- Finalized move from on-premise Exchange email servers to cloud
- Myriad security updates with VPN, Firewall, etc.
- Facilitated move to iPads for P&Z instead of packet printing
- Brenda attended Laserfiche conference
- James and Brenda attended SIPA regional training
- New network switches have arrived, and replacements have commenced. New Wireless Access Points should arrive soon.
- In process of rolling out Privileged Access Management (PAM) software to monitor software installs and prevent unauthorized software – ease end user and IT approvals
- Job descriptions updated to enable upward mobility path within department

PARKS AND RECREATION

- The pre-bid meeting for the Parks and Recreation Community Center/Field House Feasibility Study was held on April 29.
- The pre-bid meeting for the South Rifle Master Plan was completed on April 30.
- We received 100% of the design documents for Birch Park on April 16, and staff have begun work on the construction documents.
- Our annual Golf Tournament is scheduled for May 16 at Rifle Creek Golf Course. There is still room to sign up a team.
- We are progressing with Capital Improvement Plan (CIP) planning, and roof inspections for all Parks and Recreation facilities have been completed.

PUBLIC WORKS

- Hired Fleet Administrator - complete
- Performing Fleet related administrative tasks
- On-going AutoCAD work for Rifle Specifications Manual and American Legion Veteran's Memorial; Asset Mgmt. administration.
- Limble data acquisition
- Coordinating purchasing of various Operations & Maintenance equipment

Fleet

- Normal fleet maintenance operations.
- Restored Unit 755 to full function; prep for Summer Auction.
- Service and repair to Street Sweeper
- Diagnosis of the Unit 2003 – 2008 Volvo Front End Loader transmission issue; servicing the same.
- New vehicles for PD, Water, and Wastewater into service record in-processing

Operations & Maintenance

- Crack seal at the EIC ahead of Habitat for Humanity construction - complete
- Street sweeping
- Construction of approx. 1000 LF of sidewalk along Acacia Avenue and adjacent to Wamsley Elementary. [Pedestrian Safety Project]
- Demolition of City-owned house at 638 Park Ave.: parking lot construction of site.

Looking Ahead

- Parking garage deck caulking and sealing; this will have ramifications to deck utilization.
- Cleaning of Storm Drain at Centennial and Railroad Ave

UTE THEATER

- In April we finished local nights with Whiskey Stomp. These concerts were well attended. We had positive feedback from those attending for more local talents and dance lessons. These concerts were sponsored by NUTS.
- In May we start up our patio series every Thursday with local bands and free admission sponsored by the NUTS group. These concerts will start at 6:00 p.m., food trucks and concessions will be open to the public.
- April 12th Bee Gees and April 26th Damage Inc (Metallica Tribute Band) performed. Both concerts were well attended and fun crowds at each event.
- Mary 3rd Cash'd Out (Johnny Cash) will be performing at 8:00 pm.
- May 9th Symphony in the Valley will present "The Symphony Goes West" at 7:00 pm.

SENIOR CENTER

- April 12th, we held our Spring Craft Fair. The volunteers made around \$1,500. All proceeds go to the 501c3 Senior Center Sales and Cans Committee. The committee uses all funds raised to help pay for supplies, equipment, and building maintenance.
- April 26th, we hosted the Garfield County Annual Volunteer Banquet. We had close to 100 senior volunteers attending as well as the county commissioners who served the meals to our volunteers. This is an event we all look forward to each year.



- Saturday June 14th will be our 3rd Annual 5K Run / 2K Walk. This year we are part of the EcoPoint Race Series. This race is also a fundraiser for our 501c3 Sales and Cans Committee.
- Our new Advisory Board members were appointed at the April board meeting. We still have one vacancy but should have that position appointed at the May meeting.



Garfield County Traveler Program



2025 Traveler Actual and Forecasted Service and Cost Monitoring Report



2025 Traveler Actual and Forecasted Service and Cost Monitoring Report

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March 2025 Summary

This is intended to be a Traveler year-to-date Actual and Forecasted Service and Cost monitoring report for the 2025 year. In general, forecasts made with fewer months' data may tend to be less accurate than those made with a greater number of months' data.

This report includes year-to-date data for the month of **March** 2025, so the numbers could change significantly over the course of the year for a wide variety of reasons. However, based on one-fourth of the year's data, a number of observations can be made, as follows:

1. **2025 One-Way Passenger Trips Forecast:** When year-to-date actuals thru March's one-way passenger trips are forecasted out to year-end by multiplying them by 4 for each jurisdiction, they could total approximately **13% more** than the total one-way passenger trips forecast that was budgeted in the 2025 7-Party MOU.
2. **2025 Loaded Miles Forecast:** Similarly, at year end, actual Loaded Miles could total approximately **19% more** than the forecast that was used to budget in the 2025 7-Party MOU.
3. **2025 Loaded Minutes Forecast:** Similarly, at year end, actual Loaded Minutes could total approximately **10% more** than the forecast that was used to budget in the 2025 7-Party MOU.
4. **Total 2025 Traveler Cost Forecast:** As of **March** 2025, the year-end forecast for actual costs is approximately **\$112 under** budget. However, one-way passenger trips, loaded miles, and loaded hours are being redistributed among the participating jurisdictions, and the net costs for RFTA jurisdictions and Silt are **increasing** by **\$4,819** and **\$1,378**, respectively, while the net costs for Garfield County and Rifle are **decreasing** by **\$56** and **\$6,253**, respectively.
5. **Cost-Effectiveness:** If the current upward trend in one-way passenger trips, loaded miles, and loaded minutes, continues, the cost-effectiveness of the service should greatly improve as long as there isn't a corresponding increase in costs. The chart below, using three months' data to forecast out to year-end, indicates the following efficiencies could be achieved:

Performance Measure	YTD Forecast	MOU Budget	\$ Variance	% Variance
Total Cost Per One-Way Psgr. Trip	\$ 69.12	\$ 77.94	\$ (8.82)	-11%
Total Cost Per Loaded Mile	\$ 14.00	\$ 16.71	\$ (2.71)	-16%
Total Cost Per Loaded Minute	\$ 3.73	\$ 4.11	\$ (0.38)	-9%

6. **Garfield County Cambro:** In March 2025, there were 36 Cambro deliveries, and 96 Cambro deliveries year-to-date. Using the estimated Garfield County cost per one-way passenger trip of \$82.49, March Cambro cost is \$2,969.64, and year-to-date cost is estimated \$7,919.04.

2025 Forecast - 03-2025: Year-To-Date and Annualized Cost and Service Data

Line Item	Breakdown	Pay Periods		Annualized	2025 Forecast	Variance
		2025 Budget	YTD Actual			
Salaries Supervisor Ops Dpt		103,718	22,096.18	99,569	103,870	152
Salaries NonCDL Bus (FTYR) Ops Dpt		230,335	46,906.83	211,370	223,490	(6,845)
Salaries NonCDL Bus (PTYR) Ops Dpt		32,271	17,112.87	77,114	62,270	29,999
Salaries Transit Dispatch		82,964	13,261.32	59,758	62,400	(20,564)
Salaries Mechanics Mtn Dpt		51,100	17,647.77	70,591	60,708	9,608
Alternative Activity		2,550	-	-	2,550	-
Overtime Pay		10,300				(271)
Overtime Pay - Supervisors	4,000		10.28	46	2,000	
Overtime Pay - nonCDL FT	3,300		1,401.60	6,316	6,316	
Overtime Pay - nonCDL PT	-		65.89	297	297	
Overtime Pay - Transit Dispatch	3,000		314.28	1,416	1,416	
Bonus Pay		2,060				-
Bonus Safety	2,060		-	-	2,060	
Bonus Safety	-		-	-	-	
Shift Pay		3,893				(1,242)
Shift Pay - CDL FT	3,893		382.95	1,726	2,330	
Shift Pay - nonCDL PT	-		71.25	321	321	
Separation Pay - Supervisor		-	-	-	-	-
Fringe Benefits Ops Dept	3,190	77,054				(10,845)
Fringe Benefits - Supervisor	17,740		3,748.31	16,891	17,751	
Fringe Benefits - nonCDL FT	39,397		6,343.97	28,587	32,223	
Fringe Benefits - nonCDL PT	2,539		1,391.17	6,269	6,269	
Fringe Benefits - Dispatch	14,188		2,106.30	9,491	9,967	
Health Insurance Ops Dept						
Health Insurance - Supervisor	11,462	76,855	2,872.50	11,490	11,490	7,926
Health Insurance - nonCDL FT	54,386		12,680.36	50,721	62,260	
Health Insurance - nonCDL PT	-		-	-	-	
Health Insurance - Dispatch	11,007		2,757.63	11,031	11,031	
Subtotal Compensation	170,162	673,100	151,171.46	663,004	681,018	7,918
Admin Overhead		41,200	10,299.99	41,200	41,200	-
Vehicle Insurance		15,040	-	-	15,040	-
Office Rental		21,125	5,055.00	20,220	20,220	(905)
Telephone/Communications		11,330	2,581.13	10,325	10,428	(902)
Staff Training		1,030	-	-	1,030	-
Travel		780	-	-	780	-
Office Supplies		825	-	-	825	-
Postage		415	-	-	415	-
Subtotal Admin		91,745	17,936.12	71,744	89,938	(1,807)
Repairs-Third party services		38,265	7,853.59	31,414	31,414	(6,851)
Drug and Alcohol Testing		615	-	-	500	(115)
DOT Exams		615	131.00	524	524	(91)
Unleaded Fuel		9,720	2,766.48	11,066	11,066	1,346
Compressed Natural Gas		8,200	1,922.10	7,688	7,688	(512)
Software Support		13,620	-	-	13,620	-
Subtotal Operating		71,035	12,673.17	50,693	64,813	(6,222)
Total Budget / Forecast		835,880	181,780.75	785,441	835,768	(112)

Actual & Annualized Data by Jurisdiction	Loaded Miles		Loaded Minutes		Passengers	
	YTD Actual	Annualized	YTD Actual	Annualized	YTD Actual	Annualized
2025-Forecast						
Carbondale	547	2,188	1,187	4,748	40	160
Glenwood Springs	2,776	11,104	15,746	62,984	1,048	4,192
New Castle	3,274	13,096	8,754	35,016	200	800
Silt	148	592	429	1,716	20	80
Rifle	3,829	15,316	18,317	73,268	1,186	4,744
Rural Garfield	4,228	16,912	11,166	44,664	504	2,016
Total	14,802	59,208	55,599	222,396	2,998	11,992

Budgeted 2025 Traveler 7-Party MOU Service and Cost Data Compared with Traveler Year-to-Date Actual Service and Cost Data Forecasted to Year-End 2025

March 2025 Actual Data

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
		2025 Forecast One-Way Passenger Trips	MOU Est. One-Way Passenger Trips	Forecast - MOU Vari +/-	2025 Forecast Loaded Miles	MOU Est. Loaded Miles	Forecast - MOU Vari +/-	2025 Forecast Loaded Minutes	MOU Est. Loaded Minutes	Forecast - MOU Vari +/-	2025 Est. Forecast Fully Allocated Cost	Est. MOU Fully Allocated Cost	Forecast - MOU Vari +/-	2025 Est. Forecast Allocation of County Contribution, Grants & Program Income	Est. MOU Allocation of County Contribution, Grants & Program Income	Forecast - MOU Vari +/-	2025 Est. Forecast Net Respons for Each Municipality	MOU Est. Net Respons for Each Municipality	2025 Forecast to MOU Vari +/-	2025 Forecast Municipal Cost Only Per Trip	2025 Forecast Total Alloc. Cost Per Trip
1	Carbondale	160	80	80	2,188	744	1,444	4,748	2,091	2,657	\$ 17,104	\$ 8,209	\$ 8,895	\$ 8,342	\$ 4,185	\$ 4,157	\$ 8,762	\$ 4,024	\$ 4,738	\$ 54.77	\$ 106.90
2	Glenwood Springs	4,192	4,077	115	11,104	11,951	(847)	62,984	73,257	(10,273)	\$ 243,251	\$ 294,549	\$ (51,298)	\$ 118,634	\$ 150,153	\$ (31,519)	\$ 124,617	\$ 144,396	\$ (19,779)	\$ 29.73	\$ 58.03
3	New Castle	800	576	224	13,096	8,399	4,697	35,016	20,209	14,807	\$ 111,708	\$ 76,226	\$ 35,482	\$ 54,480	\$ 38,858	\$ 15,623	\$ 57,228	\$ 37,368	\$ 19,860	\$ 71.53	\$ 139.64
4	Silt	80	43	37	592	365	227	1,716	875	841	\$ 6,345	\$ 3,819	\$ 2,526	\$ 3,094	\$ 1,947	\$ 1,148	\$ 3,250	\$ 1,872	\$ 1,378	\$ 40.63	\$ 79.31
5	Rifle	4,744	4,409	335	15,316	14,940	376	73,268	73,004	264	\$ 284,182	\$ 309,731	\$ (25,549)	\$ 138,596	\$ 157,892	\$ (19,296)	\$ 145,586	\$ 151,839	\$ (6,253)	\$ 30.69	\$ 59.90
6	Garfield County	2,016	1,451	565	16,912	13,212	3,700	44,664	32,267	12,397	\$ 166,296	\$ 136,465	\$ 29,832	\$ 166,296	\$ 136,465	\$ 29,832	\$ -	\$ -	\$ -	\$ -	\$ 82.49
7	Total	11,992	10,636	1,356	59,208	49,611	9,597	222,396	201,703	20,693	\$ 828,886	\$ 828,998	\$ (112)	\$ 489,443	\$ 489,499	\$ (56)	\$ 339,443	\$ 339,499	\$ (56)	\$ 28.31	\$ 69.12
	Check Total Difference +/-	11,992		13%	59,208		19%	222,396		10%	\$ 828,886			\$ 489,443			\$ 339,443				

Note: Column Q, Line 6 indicates potential changes in Garfield County's 2025 contribution based on year-end forecasted costs and services

Note: Column T, Lines 1 - 5 indicate potential changes in the jurisdictions 2025 contributions based on year-end forecasted costs and services

Chart 1

Jurisdiction	% Act/Fore Pgr. To Budget	% Act/Fore Load Miles To Budget	% Act/Fore Loaded Minutes To Budget
Carbondale	200%	294%	227%
Glenwood Springs	103%	93%	86%
New Castle	139%	156%	173%
Silt	186%	162%	196%
Rifle	108%	103%	100%
Garfield County	139%	128%	138%
Total Average	113%	119%	110%

Chart 2

Performance Measure	YTD Forecast	MOU Budget	\$ Variance	% Variance
Total Cost Per One-Way Passr. Trip	\$ 69.12	\$ 77.94	\$ (8.82)	-11%
Total Cost Per Loaded Mile	\$ 14.00	\$ 16.71	\$ (2.71)	-16%
Total Cost Per Loaded Minute	\$ 3.73	\$ 4.11	\$ (0.38)	-9%

Garfield County Cambro:

Passr YTD, Feb	Cost per Cambro	YTD Est Cost
86	\$82.49	\$7,919.04

Line Item	2025 Budget	Mar, 2025 YTD Forecast	2025 Forecast Reconciliation
1 Total Est. RFTA Traveler Cost	835,880	835,768	(112)
2 Glenwood ADA Contribution	(30,000)	(30,000)	-
3 Net RFTA Traveler Cost	805,880	805,768	(112)
4 RFTA Carbondale Cost	4,024	8,762	4,738
5 RFTA Glenwood Cost	144,396	124,617	(19,779)
6 RFTA New Castle Cost	37,368	57,228	19,860
7 Net RFTA Cost	185,788	190,607	4,819
8 County Payment to RFTA	620,092	615,161	(4,931)
9 Silt Cost	1,872	3,250	1,378
10 Rifle Cost	151,839	145,586	(6,253)
11 Balance of County Funding	466,381	466,325	(56)

RFTA - Garfield County Traveler

Year: 2025															
Jurisdiction	Passenger Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annualized
Carbondale	Client	12	16	12										40	160
	PCA	0	0	0										0	0
	Guest	0	0	0										0	0
Carbondale		12	16	12										40	160
Glenwood Springs	Client	403	321	323										1,047	4,188
	PCA	0	0	0										0	0
	Guest	1	0	0										1	4
Glenwood Springs		404	321	323										1,048	4,192
New Castle	Client	70	70	58										198	792
	PCA	2	0	0										2	8
	Guest	0	0	0										0	0
New Castle		72	70	58										200	800
Silt	Client	5	5	9										19	76
	PCA	0	1	0										1	4
	Guest	0	0	0										0	0
Silt		5	6	9										20	80
Rifle	Client	386	354	415										1,155	4,620
	PCA	20	2	9										31	124
	Guest	0	0	0										0	0
Rifle		406	356	424										1,186	4,744
Garfield County	Client	165	161	165										491	1,964
	PCA	12	1	0										13	52
	Guest	0	0	0										0	0
Garfield County		177	162	165										504	2,016
		1,076	931	991										2,998	11,992

Note: Garfield County client passenger type includes food cambro deliveries. Each delivery accounts for one client trip.

RFTA - Garfield County Traveler

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annualized
2025 - Loaded Miles	Carbondale	162	212	173										547	2,188
	Glenwood Springs	1,023	916	837										2,776	11,104
	New Castle	1,154	1,140	980										3,274	13,096
	Silt	42	35	71										148	592
	Rifle	1,314	1,158	1,357										3,829	15,316
	Garfield County	1,270	1,375	1,583										4,228	16,912
		4,965	4,836	5,001										14,802	59,208

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annualized
2025 - Loaded Minutes	Carbondale	377	432	378										1,187	4,748
	Glenwood Springs	6,369	4,684	4,693										15,746	62,984
	New Castle	3,233	2,866	2,655										8,754	35,016
	Silt	116	118	195										429	1,716
	Rifle	6,257	5,685	6,375										18,317	73,268
	Garfield County	3,601	3,650	3,915										11,166	44,664
		19,953	17,435	18,211										55,599	222,396

Loaded Miles = Miles driven with passengers on board / Loaded Minutes = Minutes driven with passengers on board

RFTA - Garfield County Traveler

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Annualized
2025 - Loaded Hours	Carbondale	6.3	7.2	6.3										19.8	79.3
	Glenwood Springs	106.4	78.2	78.5										263.0	1,052.2
	New Castle	54.0	47.8	44.4										146.3	585.0
	Silt	1.9	2.0	3.2										7.1	28.4
	Rifle	104.3	94.7	106.0										305.0	1,220.2
	Garfield County	60.1	61.0	65.3										186.4	745.5
		333.0	290.9	303.7										927.7	3,710.6

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025 - Distinct Customers	Carbondale	3	3	2										4
	Glenwood Springs	32	29	27										33
	New Castle	7	7	5										8
	Silt	1	2	1										2
	Rifle	27	30	28										33
	Garfield County	18	17	16										21
		88	88	79										101

Loaded Hours = Hrs driven w/psg on board / Distinct Customers p/month = Unique customers utilizing the service / YTD distinct customers shows unique YTD customers

RFTA - Garfield County Traveler

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025 - Psg p/Mile	Carbondale	0.02	0.02	0.02										0.02
	Glenwood Springs	0.13	0.10	0.12										0.12
	New Castle	0.04	0.03	0.04										0.04
	Silt	0.02	0.03	0.02										0.02
	Rifle	0.15	0.15	0.15										0.15
	Garfield County	0.04	0.03	0.04										0.04
		0.08	0.07	0.08										0.08

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025 - Psg p/Hour	Carbondale	0.26	0.22	0.20										0.22
	Glenwood Springs	1.04	0.92	1.01										0.99
	New Castle	0.35	0.32	0.31										0.33
	Silt	0.17	0.20	0.18										0.18
	Rifle	1.40	1.37	1.40										1.39
	Garfield County	0.32	0.30	0.34										0.32
		0.72	0.64	0.71										0.69

RFTA - Garfield County Traveler

Jurisdiction: Carbondale															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Non-ADA - Ambulatory	No	12	16	12										40
			12	16	12										40

Jurisdiction: Glenwood Springs															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	ADA - Ambulatory	No	280	223	211										714
2025	ADA - Ambulatory Requiring Lift	No	28	24	28										80
2025	ADA - WheelChair	No	64	56	52										172
2025	Non-ADA - Ambulatory	No	21	11	26										58
2025	Non-ADA - WheelChair	No	10	7	6										23
			403	321	323										1,047

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

RFTA - Garfield County Traveler

Jurisdiction: New Castle															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Non-ADA - Ambulatory	No	54	52	51										157
2025	Non-ADA - Ambulatory Requiring Lift	No	14	18	7										39
2025	Non-ADA - WheelChair	No	2												2
			70	70	58										198

Jurisdiction: Rifle															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Non-ADA - Ambulatory	No	254	221	267										736
2025	Non-ADA - Ambulatory Requiring Lift	No	62	56	69										187
2025	Non-ADA - WheelChair	No	72	79	81										232
			388	356	417										1,155

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

RFTA - Garfield County Traveler

Jurisdiction: Garfield County															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	ADA - Ambulatory	No	55	40	28										123
2025	ADA - WheelChair	No	4	1											5
2025	Non-ADA - Ambulatory	No	67	83	96										246
2025	Non-ADA - Ambulatory Requiring Lift	No	35	28	36										99
2025	Non-ADA - WheelChair	No	4	9	5										18
			165	161	165										491

Jurisdiction: Silt															
Year	Trip / Mobility	Assistance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Non-ADA - Ambulatory	No	5	5	9										19
			5	5	9										19

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

RFTA - Garfield County Traveler

Jurisdiction: Carbondale														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Medical	4	8	2										14
2025	Work	8	8	10										26
		12	16	12										40

Jurisdiction: Glenwood Springs														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Errands	101	74	82										257
2025	Medical	82	87	64										233
2025	Wellness	69	44	38										151
2025	Work	151	116	139										406
		403	321	323										1,047

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

RFTA - Garfield County Traveler

Jurisdiction: New Castle														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Medical	18	28	7										53
2025	Wellness	10	10	7										27
2025	Work	42	32	44										118
		70	70	58										198

Jurisdiction: Rifle														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Errands	119	108	111										338
2025	Medical	79	84	84										247
2025	Wellness	40	31	72										143
2025	Work	148	131	148										427
		386	354	415										1,155

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

RFTA - Garfield County Traveler

Jurisdiction: Garfield County														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Cambro	32	28	36										96
2025	Errands	8	6	9										23
2025	Medical	39	21	14										74
2025	Wellness	5	4	4										13
2025	Work	81	102	102										285
		165	161	165										491

Jurisdiction: Silt														
Year	Purpose	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Errands		3	2										5
2025	Medical	0	0	0										0
2025	Wellness	5	2	7										14
		5	5	9										19

Note: Statistics only include one-way client trips. Guests and personal care attendants not included in monthly totals.

Year	Jurisdiction	No Show Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	Carbondale	No Show	0	0	0										0
	Carbondale		0	0	0										0
	Glenwood Springs	Late Cancel	30	26	31										87
	Glenwood Springs	No Show	12	14	5										31
	Glenwood Springs		42	40	36										118
	New Castle	Late Cancel		3	3										6
	New Castle	No Show	0	0	3										3
	New Castle		0	3	6										9
	Silt	Late Cancel	2	2	1										5
	Silt	No Show	0	1	0										1
	Silt		2	3	1										6
	Rifle	Late Cancel	12	11	5										28
	Rifle	No Show	3	5	0										8
	Rifle		15	16	5										36
	Garfield County	Late Cancel	10	6	5										21
	Garfield County	No Show	7	1	2										10
	Garfield County		17	7	7										31
			76	69	55										200

RFTA - Garfield County Traveler

Year	Jurisdiction	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025 - Denials	Carbondale	0	0	0										0
	Glenwood Springs	0	0	0										0
	New Castle	0	0	0										0
	Silt	0	0	0										0
	Rifle	0	0	0										0
	Garfield County	0	0	0										0
		0	0	0										0



DEPARTMENT OF PLANNING & DEVELOPMENT

202 Railroad Avenue, Rifle, CO 81650

Phone: 970-665-6490

MEMORANDUM

TO: City of Rifle City Council
FROM: Zach Higgins, Community Development Director
DATE: May 07, 2025
SUBJECT: Director Update

Community Development Department, April – 2025 Update

- DOLA Local Planning and Capacity Grant Award – City of Rifle received notice that we were awarded \$200,000 to be used towards a Land Use and Development Code update, Comprehensive Plan reconfirmation, and potential adoption of DOLA Fast Track Requirements
- City of Rifle Planning and Building Software – CloudPermit was awarded the contract for Planning and Building digital permitting software. Includes Building Permits, Contractor Licenses, Land Use Applications, and Code Enforcement
- Housing Needs Assessment – Consultant has provided a draft assessment and received staff comments. Staff is expecting a second draft by May 15th.
- Energy Resilience Action Plan – Staff has received a draft and is providing comment. Draft ERAP will be presented to PC and PRAB at a joint workshop on May 12th for feedback.

Attached – Building Permit Data (January – March, 2025)

CITY OF RIFLE BUILDING PERMIT REPORT

January 2025

Summary (see note 1)	Total No. of Permits	Total Units *New SFD & New MFD (is not part of total permit amount)	*New SFD Units (is not part of total permit amount)	*New MFD Units (is not part of total permit amount)	New Commercial	Other	Valuation	Use Tax Collected	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees
January	11	5				6	\$ 1,730,249.73	\$ 36,587.76	\$ 9,572.91	\$ 5,605.50	\$ 14,938.60	\$ 11,956.94	\$ 30,907.80	\$ 31,377.65
Year to Date	11	5				6	\$ 1,730,249.73	\$ 36,587.76	\$ 9,572.91	\$ 5,605.50	\$ 14,938.60	\$ 11,956.94	\$ 30,907.80	\$ 31,377.65
Jan-24	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
Year to Date 2024	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
End of Year 2024	298	27	20	7	5	266	\$ 34,362,080.26	\$ 313,480.10	\$ 170,740.58	\$ 92,792.12	\$ 311,540.07	\$ 189,305.28	\$ 470,583.60	\$ 467,955.53

Permit No	Parcel No	Date Paid	Address	Applicant	Zone	Permit Type	Valuation	Use Tax	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees	Certificate of Occupancy Issued Date
001602	217716114008	1/10/2025	436 E 2ND STREET	ARMAND CONSTRUCTION	LDR	RESIDENTIAL IMPROVEMENT	\$ 4,000.00	\$ 85.00	\$ 182.25						
001638	217718143013	1/9/2025	1865 CROCKETT CIRCLE	TE BUILDERS	EZPUD	RESIDENTIAL NEW	\$ 459,597.61	\$ 9,766.42	\$ 3,007.50	\$ 1,954.88	\$ 4,268.18	\$ 4,268.18	\$ 6,181.56	\$ 6,275.53	
001657	217710207004	1/15/2025	1417 FIR COURT	NW EXTREME INSTALLERS	MED	WINDOW/DOOR	\$ 3,254.64	\$ 69.15	\$ 86.81	\$ -	\$ -	\$ -	\$ -	\$ -	
001660	217704300007	1/7/2025	200 W 20TH ST, A144	CLAYTON HOMES	MDR	RESIDENTIAL NEW	\$ 164,900.00	\$ 3,504.13	\$ -	\$ -	\$ -	\$ -	\$ 6,181.56	\$ 6,275.53	
001661	217704300007	1/7/2025	200 W 20TH ST, E3	CLAYTON HOMES	MDR	RESIDENTIAL NEW	\$ 198,900.00	\$ 4,226.63	\$ -	\$ -	\$ -	\$ -	\$ 6,181.56	\$ 6,275.53	
001667	217709121004	1/14/2025	442 ARBOR LANE	TYLER MILES	LDR	RESIDENTIAL NEW	\$ 590,000.00	\$ 12,357.50	\$ 3,661.25	\$ 2,379.81	\$ 4,268.14	\$ 3,918.56	\$ 6,181.56	\$ 6,275.53	
001668	217715307001	1/7/2025	1402 ENTERPRISE COURT	ANGEL SIGN COMPANY	LIGHT IND	SIGN	\$ 5,821.00	\$ 123.68	\$ 40.00			\$ -	\$ -	\$ -	
001669	217704261004	1/19/2025	326 W 30TH ST	ALDER RIDGE LLC	LDR	RESIDENTIAL NEW	\$ 271,668.48	\$ 5,772.95	\$ 1,955.09	\$ 1,270.81	\$ 6,402.28	\$ 3,770.20	\$ 6,181.56	\$ 6,275.53	
001676	217704429047	1/17/2025	442 COLUMBINE DRIVE	LIFETIME WINDOWS	MED	WINDOW/DOOR	\$ 9,348.00	\$ 198.65	\$ 172.12	\$ -	\$ -	\$ -	\$ -	\$ -	
001678	217704426017	1/8/2025	2316 MEADOW CIRCLE	MILE HIGH CITY ROOFING	LOW DEN	REROOF	\$ 8,000.00	\$ 170.00	\$ 220.00	\$ -	\$ -	\$ -	\$ -	\$ -	
001680	217708401020	1/27/2025	575 PREFONTAINE AVE	SOCO SOLAR AND POWER LLC	LOW DEN	SOLAR	\$ 14,760.00	\$ 313.65	\$ 247.89	\$ -	\$ -	\$ -	\$ -	\$ -	

Total = \$ 1,730,249.73 \$ 36,587.76 \$ 9,572.91 \$ 5,605.50 \$ 14,938.60 \$ 11,956.94 \$ 30,907.80 \$31,377.65

Valuation Statistics Total For Month				\$ -				
Single & Two Family New	\$	1,685,066.09		Multifamily New	\$	-	Commercial New	\$ -
Single & Two Family Other	\$	39,362.64		Multifamily Other	\$	-	Commercial Other	\$ 5,821.00
Single & Two Family Total	\$	1,724,428.73		Multifamily Total	\$	-	Commercial Total	\$ 5,821.00

*manufactured homes- SFD only if on its own lot / if in a park it will be under counted as Other
*SFD=Single Family Dwellings *2-FAM=New 2 Family (will count as a SFD) *MF=Multi- Family *Un=Units *RES=Residential *OTHER=Shed, Decks, Garages & etc. *Parcel No.=GIS use
Note 1: Total No. of permits= Total Single Family Units + Multi Family Bldg. + Commercial + Other Total Units= Single Family Units + Multi Family Units
Note 2: Building Permit Fees include Permit, Mechanical and Plumbing Fees

Notes regarding final totals

001660 PERMIT SHOULD HAVE NOT BEEN CHARGED USE TAX AND SHOULD HAVE BEEN CHARGED A PERMIT FEE.
001661 PERMIT SHOULD HAVE NOT BEEN CHARGED USE TAX AND SHOULD HAVE BEEN CHARGED A PERMIT FEE.

CITY OF RIFLE BUILDING PERMIT REPORT

February 2025

Summary (see note 1)	Total No. of Permits	Total Units *New SFD & New MFD	*New SFD Units (is not part of total permit amount)	*New MFD Units (is not part of total permit amount)	New Commercial	Other	Valuation	Use Tax Collected	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees
February	30	3	3		2	12	\$ 10,865,773.95	\$ 56,432.81	\$ 49,622.43	\$ 28,363.80	\$ 7,310.92	\$ 7,541.44	\$ 18,741.08	\$19,025.99
Year to Date	41	8	8		2	18	\$ 12,596,023.68	\$ 93,020.57	\$ 59,195.34	\$ 33,969.30	\$ 22,249.52	\$ 19,498.38	\$ 49,648.88	\$50,403.64
Feb-24	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
Year to Date 2024	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
End of Year 2024	298	27	20	7	5	266	\$ 34,362,080.26	\$ 313,480.10	\$ 170,740.58	\$ 92,792.12	\$ 311,540.07	\$ 189,305.28	\$ 470,583.60	\$ 467,955.53

Permit No	Parcel No	Date Paid	Address	Applicant	Zone	Permit Type	Valuation	Use Tax	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees
001473	217709121034	2/20/2025	1490 RIFLE HEIGHTS	JAVIER AND JULIA PERRALTA	LDR	RESIDENTIAL NEW	\$ 789,353.78	\$ 16,773.73	\$ 4,608.18	\$ 2,995.32	\$ 4,139.74	\$ 3,770.72	\$ 6,001.51	\$ 6,092.75
001570	217716404006	2/27/2025	700-708 TAUGENBAUGH BL	KKD PROPERTIES	CS	COMM TENANT FIN	\$ 150,000.00	\$ 3,187.50	\$ 1,273.75	\$ 827.94	\$ -	\$ -	\$ -	\$ -
001659	217709120014	2/14/2025	1312 CLOVER COURT	SUAREZ CONSTRUCTION	LOW DEN	RESIDENTIAL NEW	\$ 380,000.00	\$ 8,075.00	\$ 2,561.75	\$ 1,665.14	\$ -	\$ 3,770.72	\$ 6,181.56	\$ 6,275.53
001670	217708411011	2/25/2025	520 WAMSLEY WAY	MULLENAX CONSTRUCTION	LOW DEN	REROOF	\$ 7,811.00	\$ 165.96	\$ 215.96	\$ -	\$ -	\$ -	\$ -	\$ -
001671	217715407010	2/25/2025	1842 ENTERPRISE COURT	TALLY HO CONSTRUCTION	LIGHT IND	COMM NEW	\$ 724,331.20	\$ 15,392.01	\$ 4,299.32	\$ 2,794.56	\$ 98.08	\$ -	\$ -	\$ -
001688	2177177104010	2/24/2025	427 PREFONTAINE AVE	RENEWAL BY ANDERSON	LOW DEN	WINDOW/DOOR	\$ 13,555.00	\$ 288.02	\$ 231.02	\$ -	\$ -	\$ -	\$ -	\$ -
001689	217716418009	2/14/2025	346 9TH STREET SOUTH	A-1 HEATING AND COOLING	MED	FURNACE/BOILER	\$ 6,853.41	\$ 145.61	\$ 170.61	\$ -	\$ -	\$ -	\$ -	\$ -
001690	217709301010	2/6/2025	132 E 11TH ST	A+L CONSTRUCTION	MDRX	RESIDENTIAL SHED	\$ 110,000.00	\$ 2,337.50	\$ 1,049.75	\$ -	\$ 3,073.10	\$ -	\$ -	\$ -
001691	217715317014	2/4/2025	800 AIRPORT ROAD	OBROCHTA MOTELS LLC	CS	COMM TENANT FIN	\$ 22,311.00	\$ -	\$ 353.60	\$ 229.84	\$ -	\$ -	\$ -	\$ -
001692	217704300007	2/24/2025	200 W 20TH ST, A145	CLAYTON HOMES	MDRX	MOBILE HOME	\$ 187,787.99	\$ -	\$ 1,485.36	\$ 965.48	\$ -	\$ -	\$ 6,558.01	\$ 6,657.71
001693	217716220003	2/10/2025	225 HUTTON AVE	DENNIS CLANCY	LDR	REROOF	\$ 15,000.00	\$ 318.75	\$ 368.75	\$ -	\$ -	\$ -	\$ -	\$ -
001694	217716224015	2/19/2025	120 E 1ST ST	BUD'S SIGNS	CENTRAL	SIGN	\$ 28,500.00	\$ 605.63	\$ 645.63	\$ -	\$ -	\$ -	\$ -	\$ -
001695	217710208024	2/24/2025	1132 E 18TH ST	AZZ ROOFING LLC	MDRPU	REROOF	\$ 6,066.00	\$ 128.90	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
001696	217704427007	2/10/2025	2303 MEADOW CIR	HENRY MITCHEL CARTER	LDR	GARAGE	\$ 110,000.00	\$ 2,337.50	\$ 1,049.75	\$ 682.34	\$ -	\$ -	\$ -	\$ -
001698	217716425012	2/24/2025	785 SMITH STREET, UNIT A	ATLASTA SOLAR	CS	SOLAR	\$ 17,982.50	\$ 382.12	\$ 293.01	\$ -	\$ -	\$ -	\$ -	\$ -
001699	217716425012	2/24/2025	785 SMITH STREET, UNIT B	ATLASTA SOLAR	CS	SOLAR	\$ 17,982.50	\$ 382.12	\$ 293.01	\$ -	\$ -	\$ -	\$ -	\$ -
001700	217716425012	2/25/2025	786 SMITH STREET, UNIT C	ATLASTA SOLAR	CS	SOLAR	\$ 17,982.50	\$ 382.12	\$ 293.01	\$ -	\$ -	\$ -	\$ -	\$ -
001701	217716425012	2/26/2025	787 SMITH STREET, UNIT D	ATLASTA SOLAR	CS	SOLAR	\$ 17,982.50	\$ 382.12	\$ 293.01	\$ -	\$ -	\$ -	\$ -	\$ -
001704	217716220012	2/5/2025	215 HUTTON AVE	AMERICAN AFFORDABLE	LOW DEN	REROOF	\$ 4,200.00	\$ 89.25	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
001706	21770920033	2/10/2025	320 W 12TH ST	HIGH PROFILE ROOFING	CS	REROOF	\$ 14,853.00	\$ 315.61	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
001707	217718400314	2/10/2025	2555 INNOVATION DR	DECATUR WILKIE	CIVIC	COMM NEW	\$ 8,000,000.00	\$ -	\$ 27,658.75	\$ 17,978.19	\$ -	\$ -	\$ -	\$ -
001708	217704103013	2/12/2025	3114 COALMINE AVE	WESTERN SLOPE GUTTERS	MED	REROOF	\$ 10,800.00	\$ 229.50	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
001709	217704300007	2/12/2025	200 W 20TH ST, A57	LUNA PEAK CONSTRUCTION	MDRX	DECK	\$ 11,925.00	\$ 253.39	\$ 208.20	\$ -	\$ -	\$ -	\$ -	\$ -
001710	217716109019	2/18/2025	720 E 3RD ST	TOP TIER SERVICES LLC	MED	REROOF	\$ 2,997.50	\$ 63.67	\$ 208.20	\$ -	\$ -	\$ -	\$ -	\$ -
001711	217716109020	2/28/2025	722 E 3RD ST	TOP TIER SERVICES LLC	MED	REROOF	\$ 2,997.50	\$ 63.67	\$ 208.20	\$ -	\$ -	\$ -	\$ -	\$ -
001713	217709115001	2/24/2025	1805 ANVIL VIEW AVE	G & C FENCING	LOW DEN	FENCE	\$ 26,631.50	\$ 565.89	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -
001714	217704203023	2/24/2025	2812 WEST AVE	GROUNDWORKS	LDR	FOUNDATION REPAIR	\$ 21,778.07	\$ 462.78	\$ 346.14	\$ 224.99	\$ -	\$ -	\$ -	\$ -
001721	217716403003	2/26/2025	717 TAUGENBAUGH BLVD	UMBRELLA ROOFING	TOURIST	COMM REROOF	\$ 133,700.00	\$ 2,841.13	\$ 1,182.47	\$ -	\$ -	\$ -	\$ -	\$ -
001722	217716109022	2/25/2025	732 E 3RD ST	TOP TIER SERVICES LLC	MED	REROOF	\$ 4,232.00	\$ 89.93	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
001725	217704300007	2/28/2025	200 W 20TH ST, A34	GRAY MOUNTAIN ROOFING	MDR	REROOF	\$ 8,160.00	\$ 173.40	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -
Total =							\$ 10,865,773.95	\$ 56,432.81	\$ 49,622.43	\$ 28,363.80	\$ 7,310.92	\$ 7,541.44	\$ 18,741.08	\$19,025.99

CITY OF RIFLE BUILDING PERMIT REPORT

March 2025

Summary (see note 1)	Total No. of Permits	Total Units *New SFD & MFD (is not part of total permit amount)	*New SFD Units (is not part of total permit amount)	*New MFD Units (is not part of total permit amount)	New Commercial	Other	Valuation	Use Tax Collected	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees
March	41	9	9	0	0	32	\$ 3,640,281.84	\$ 69,981.48	\$ 22,375.38	\$ 12,678.30	\$ 39,139.17	\$ 23,674.96	\$ 50,205.38	\$50,968.60
Year to Date	82	17	17	0	2	50	\$ 16,236,305.52	\$ 163,002.05	\$ 81,570.72	\$ 46,647.60	\$ 61,388.69	\$ 43,173.34	\$ 99,854.26	\$101,372.24
Mar-24	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
Year to Date 2024	32	2	2	0	1	29	\$ 1,568,359.86	\$ 33,199.84	\$ 13,481.23	\$ 4,918.31	\$ 8,242.17	\$ 3,660.89	\$ 25,809.19	\$ 25,784.93
End of Year 2024	298	27	20	7	5	266	\$ 34,362,080.26	\$ 313,480.10	\$ 170,740.58	\$ 92,792.12	\$ 311,540.07	\$ 189,305.28	\$ 470,583.60	\$ 467,955.53

Permit No	Parcel No	Date Paid	Address	Applicant	Zone	Permit Type	Valuation	Use Tax	Building Permit Fees	Plan Review Fees	Offsite Street Impact Fees	Parkland Dedication Fees	Waste Water System Improvement Fees	Water System Improvement Fees	Certificate of Occupancy Issued Date
001649	217704334002	3/10/2025	2654 FAIRVIEW HEIGHTS	GREEN LIGHT SOLAR	MED	SOLAR	\$ 25,707.00	\$ 546.25	\$ 398.39	\$ -	\$ -	\$ -	\$ -	\$ -	-
001682	217709337026	3/13/2025	1275 WHITERIVER AVE	LICO'S ELECTRIC	MDRX	RESIDENTIAL NEW	\$ 349,451.40	\$ 7,425.81	\$ 2,390.68	\$ 1,553.94	\$ 6,402.28	\$ 3,918.56	\$ 6,181.56	\$ 6,275.53	
001685	217709337026	3/18/2025	1257 WHITERIVER AVE	LICO'S ELECTRIC	MDRX	RESIDENTIAL NEW	\$ 268,611.13	\$ 5,707.96	\$ 1,937.97	\$ 1,259.68	\$ 6,402.28	\$ 3,918.56	\$ 6,181.56	\$ 6,275.53	
001686	217709337026	3/18/2025	1263 WHITERIVER AVE	LICO'S ELECTRIC	MDRX	RESIDENTIAL NEW	\$ 249,387.29	\$ 5,299.45	\$ 1,830.32	\$ 1,189.71	\$ 6,402.28	\$ 3,918.56	\$ 6,181.56	\$ 6,275.53	
001687	217709337026	3/13/2025	1269 WHITERIVER AVE	LICO'S ELECTRIC	MDRX	RESIDENTIAL NEW	\$ 252,257.95	\$ 5,360.44	\$ 1,846.39	\$ 1,200.15	\$ 6,402.28	\$ 3,918.56	\$ 6,181.56	\$ 6,275.53	
001697	217704403002	3/21/2025	120 E 26TH ST	YESCO LLC	CS	SIGN	\$ 27,450.00	\$ 623.31	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001703	217716216002	3/17/2025	134 W 2ND ST	DSI MECHANICAL SOLUTIONS	CBD	AC/HEATER UNIT	\$ 16,000.00	\$ 340.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001705	217718143008	3/6/2025	465 CROCKETT CIRCLE	TY CARON	EZ	RESIDENTIAL NEW	\$ 764,000.00	\$ 16,235.00	\$ 4,487.75	\$ 2,917.04	\$ 4,523.60	\$ 4,000.36	\$ 6,558.01	\$ 6,657.71	
001715	217704427002	3/12/2025	2215 UTE AVE	SUNSENCE INC	LDR	SOLAR	\$ 23,469.00	\$ 498.70	\$ 369.82	\$ -	\$ -	\$ -	\$ -	\$ -	-
001716	217709130016	3/12/2025	1663 WALNUT LOOP	SAVAGE LIMITED PARTNER	MDR	RESIDENTIAL NEW	\$ 216,129.32	\$ 4,592.72	\$ 1,644.07	\$ 1,068.65	\$ 4,482.85	\$ -	\$ 6,558.01	\$ 6,657.71	
001717	217716216003	3/10/2025	124 W 2ND ST	A2Z ROOFING LLC	CBD	REROOF	\$ 9,100.00	\$ 193.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
001718	217704341003	3/18/2025	2462 HOWARD AVE	MULLENAX CONSTRUCTION	MED	REROOF	\$ 6,200.00	\$ 131.75	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001719	217709120039	3/10/2025	1403 MUNRO AVE	MARCOS ROBLES CORNEJO	LDR	RESIDENTIAL NEW	\$ 659,820.18	\$ 14,021.18	\$ 3,992.90	\$ 2,595.39	\$ 4,523.60	\$ 4,000.36	\$ -	\$ -	-
001720	217710203009	3/5/2025	1350 FIRETHORN DR	JNB CONSTRUCTION LLC	LDR	RESIDENTIAL ADDITION	\$ 55,000.00	\$ 1,168.75	\$ 696.23	\$ 441.19	\$ -	\$ -	\$ -	\$ -	-
001723	217523103002	3/17/2025	4221 W CENTENNIAL PKWY	GROUNDWORKS	ID	COMMERCIAL FOUNDATION REPAIR	\$ 57,496.83	\$ 1,221.79	\$ 696.23	\$ 452.55	\$ -	\$ -	\$ -	\$ -	-
001724	217710331044	01/1/2025	743 CEDAR COURT	FREEDOM FOREVER COLORADO	LDR	SOLAR	\$ 45,633.00	\$ 969.68	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001727	217704300007	3/20/2025	200 W 20TH ST, D20	CLAYTON HOMES	MDR	MOBILE HOME	\$ 174,450.00	\$ -	\$ 50.00	\$ -	\$ -	\$ -	\$ 6,181.56	\$ 6,275.53	
001728	217704300007	3/21/2025	201 W 20TH ST, E4	CLAYTON HOMES	MDR	MOBILE HOME	\$ 174,450.00	\$ -	\$ 50.00	\$ -	\$ -	\$ -	\$ 6,181.56	\$ 6,275.53	
001729	217716114006	3/10/2025	412 E 2ND ST	DABELLA EXTERIORS	LDR	SIDING	\$ 33,000.00	\$ 701.25	\$ 472.05	\$ -	\$ -	\$ -	\$ -	\$ -	-
001730	217704215027	3/10/2025	3016 HOWARD AVE	DABELLA EXTERIORS	LDR	REROOF	\$ 26,937.00	\$ 572.39	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001731	217716204004	3/25/2025	216 W 3RD ST, UNIT 10	MICRO PLASTICS	CBD	SIGN	\$ 3,500.00	\$ 74.38	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001732	217715307018	3/31/2025	1581 ENTERPRISE COURT	CRW INC	LIGHT IND	REROOF	\$ 48,740.00	\$ 1,035.73	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001736	217523103002	3/25/2025	4215-4291 W CENTENNIAL	MICRO PLASTICS	ID	SIGN	\$ 3,400.00	\$ 72.25	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001737	217716115009	3/20/2025	338 E 2ND ST	GILBERT FRONTELLA	RED	FENCE	\$ 2,500.00	\$ 53.13	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001738	217709112007	3/18/2025	767 E 17TH ST	NW EXTREME INSTALLERS	MDR	RESIDENTIAL IMPROVEMENT	\$ 3,577.08	\$ 75.99	\$ 91.33	\$ -	\$ -	\$ -	\$ -	\$ -	-
001739	217709315024	3/17/2025	703-705 E AVE	ROBERT AND KIMBERLY BURNER	LDR	RESIDENTIAL IMPROVEMENT	\$ 5,000.00	\$ 106.25	\$ 111.25	\$ -	\$ -	\$ -	\$ -	\$ -	-
001740	217717101018	3/18/2025	446 ELM AVE	A1 HEATING AND COOLING	LDR	FURNACE/BOILER	\$ 9,489.66	\$ 201.62	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001741	217704437015	3/18/2025	395 COLUMBINE DR	A1 HEATING AND COOLING	MED	FURNACE/BOILER	\$ 15,800.29	\$ 335.75	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001742	217709413003	3/18/2025	815 MUNRO AVE	A1 HEATING AND COOLING	LDR	FURNACE/BOILER	\$ 12,606.66	\$ 267.88	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001743	217716216010	3/18/2025	133 W 3RD ST	A1 HEATING AND COOLING	CBD	FURNACE/BOILER	\$ 9,836.03	\$ 209.02	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001744	217709200054	3/20/2025	1501 RAILROAD AVE, UNIT 1	NORTHWEST COLORADO	CS	FURNACE/BOILER	\$ 5,000.00	\$ 106.25	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001745	217716107007	3/24/2025	340 WHITERIVER AVE	NORTHWEST COLORADO	MDRX	FURNACE/BOILER	\$ 3,500.00	\$ 74.38	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001746	217716404006	3/25/2025	700-708 TAUGENBAUGH BL	MICRO PLASTICS	CS	SIGN	\$ 4,000.00	\$ 85.00	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001747	217704303010	3/25/2025	2803 RAIL AVE	A2Z ROOFING LLC	LDR	REROOF	\$ 3,000.00	\$ 63.75	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001748	217710206004	3/28/2025	1401 E SPRUCE COURT	A1 HEATING AND COOLING	LDR	FURNACE/BOILER	\$ 4,285.67	\$ 91.04	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001752	217704215006	3/27/2025	632 W 30TH ST	DABELLA EXTERIORS	LDR	REROOF	\$ 19,377.00	\$ 411.74	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001753	217709431036	3/25/2025	780 CACTUS COURT	MILE HIGH CITY ROOFING	LDR	REROOF	\$ 9,000.00	\$ 191.25	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001754	217715407048	3/28/2025	1960 AIRPORT ROAD	A1 HEATING AND COOLING	LIGHT IND	FURNACE/BOILER	\$ 24,746.35	\$ 525.85	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001756	217710306004	3/26/2025	1310 DOGWOOD DR	CLIMATE CONTROL	LDR	AC/HEATER UNIT	\$ 2,973.00	\$ 63.16	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001758	217704429011	3/31/2025	426 EVERGREEN DR	SNOWPEAK STRATEGIC SOLUTIONS	MED	FENCE	\$ 4,400.00	\$ 93.50	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
001759	217710311017	3/31/2025	850 HICKORY DR	MILE HIGH CITY ROOFING	LDR	REROOF	\$ 11,000.00	\$ 233.75	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total =							\$ 3,640,281.84	\$ 69,981.48	\$ 22,375.38	\$ 12,678.30	\$ 39,139.17	\$ 23,674.96	\$ 50,205.38	\$50,968.60	

Notes regarding final totals



**DEPARTMENT OF ENGINEERING
DIRECTOR'S REPORT
30-APR-25**

[illegible]

Summary: All street projects are either contracted or out to bid. There are three major upcoming project awards: Penwell Transmission, SEP Waterquality, and Morrow Drive. There is one more planned construction project remaining for bid. This is the Whiteriver and 9th Street Sewer replacement. This project is currently being designed in house and is expected to go out to bid in May, and begin construction in July. With construction bidding complete design RFPs will begin for 2026 construction projects. Currently these designs include East Avenue 1st to 5th and a water distribution line to Rifle Village South.

Two Week Look Ahead: Construction will begin at Ute and 5th Street. Bridge work will be ongoing. Concrete work on Park Avenue will be completing and the roadwork will be ongoing.



April 11, 2025

The Honorable Jared Polis
Governor of Colorado
136 State Capitol
200 E. Colfax Avenue
Denver, CO 80203

Dear Governor Polis,

On behalf of the City of Rifle, we respectfully request your veto of HB25-1147 "Fairness and Transparency in Municipal Courts". Constitutionally, municipalities are granted the powers to analyze their own local issues and craft appropriate remedies to address specific problems which may be unique to that locale. The same philosophy applies to state laws versus federal laws. Colorado problems may not be the same as New York problems. This bill is a direct threat to the ability of municipalities to govern our own issues. Additionally, the impacts on a variety of other local laws including zoning, code enforcement and burn restrictions are far reaching. Due to Colorado's geographic diversity, these are topics that should remain firmly entrenched in local decision making.

It's no secret that all courts, including municipal courts, have become a revolving door. Personal Recognizance bonds are ineffective and the continual lessening and removal of penalties have created an environment where there are few (if any) consequences for criminal behavior. The state laws dramatically reducing the penalties for most offenses has led to a sense of empowerment and nonchalance among people who commit crimes. We have defendants with more than 20 shoplifting or trespass cases and they continue to commit more offenses. When a municipality identifies a specific issue, it should have the authority to adopt remediative measures.

In Rifle, we have seen a notable rise in case load particularly for offenses such as trespass and theft. Rifle has a Walmart which is right on the I-70 corridor. We have a significant problem with people getting off the highway, stealing, then continuing along their merry way. Additionally, since it is a small town and Walmart is the only big box store, a large number of our repeat offenders continually steal and trespass there. Our municipal court is often the only timely and effective response, ensuring accountability.



RIFLE MUNICIPAL COURT
OFFICE: 970-665-6420 • FAX: 970-665-6422
201 EAST 18TH STREET • RIFLE, CO 81650
WWW.RIFLECO.ORG



Municipal courts are much more personal than county courts. Staff all reside within the city and have a genuine concern for improving our community. We have the time and desire to connect with people charged with crimes and try to assist them in making meaningful changes to their behavior. There are also options including diversion and deferred sentences which allow individuals to earn a dismissal of charges upon completion of specified requirements. Further, we serve to help relieve the burden on county courts which would have an extremely difficult time absorbing our caseload. In rural areas such as Rifle, there are no "extra" courtrooms to add additional county court judges even if the state budget allowed.

One additional note on HB25-1147 is that the requirement that every court proceeding be livestreamed appears to be an unfunded mandate. Many smaller or rural courts don't have the equipment and personnel required to meet this standard. As the recent "porn attacks" on many state court livestreams show, having personnel to operate and monitor the equipment is crucial.

We are respectfully requesting that you veto HB25-1147. Colorado cities and towns need to make decisions based on the best interests of their citizenry. We know our neighbors and should be able to continue to create a community where offenders are treated respectfully and provided options for reformation. This same system needs to be able to ensure consequences for criminal behavior to reduce recidivism.

Your veto of HB25-1147 ensures municipalities retain a tool they need to deliver early help, local solutions, and fair justice for all Coloradans.

Thank you for your leadership and your thoughtful consideration of this request.

Sincerely,

Kathy Pototsky JD, Court Administrator/Public Information Officer



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