

SURPLUS CASH PLEDGE AGREEMENT

THIS SURPLUS CASH PLEDGE AGREEMENT (this “**Agreement**”) is made as of _____, 2024, by Aspire Westminster Holdings LLC, a Delaware limited liability company (“**Pledgor**”), to Westminster Economic Development Authority, a Colorado urban renewal authority (“**Lender**”).

RECITALS

A. Pledgor is the sole member of Aspire Westminster Apartments LLC, a Delaware limited liability company (the “**Property Owner**”).

B. The Property Owner is the owner of a mixed-use building located in Westminster, Colorado commonly known as Aspire (the “**Property**”).

C. Aspire Westminster Borrower LLC, a Minnesota limited liability company (“**Borrower**”), is a member of Aspire Westminster Manager LLC, a Minnesota limited liability company, the sole member of Pledgor.

D. Borrower is indebted to Lender pursuant to a Promissory Note in favor of Lender dated of even date herewith in the original principal amount of 2,536,066.97 (the “**Note**”).

E. Pledgor will derive direct and indirect financial benefits from Lender issuing the Note to Borrower.

F. As a condition of causing the issuance of the Note, Lender has required Pledgor to execute and deliver this Agreement.

G. The Property is financed in part by a loan (the “**Mortgage Loan**”) from GLOF I REIT, LLC, a Delaware limited liability company (“**Mortgage Lender**”) to Property Owner pursuant to a Promissory Note dated as of _____, 2024, and the documents securing the Mortgage Loan (the “**Mortgage Loan Documents**”).

NOW, THEREFORE, in order to induce Lender to issue the Note to Borrower and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Pledgor agrees as follows:

1. **Pledge.** Pledgor pledges to Lender and grants to Lender a first-priority security interest in all of Pledgor’s now owned or hereafter acquired right, title and interest in and to the following (the “**Pledged Collateral**”):

(a) all distributions of income and assets, if and when received by or payable to Pledgor as a result of Pledgor’s membership interests in the Property Owner (“**Surplus Cash**”);

(b) all net proceeds, if and when received by Pledgor as a result of Pledgor’s membership interests in the Property Owner, from any refinancing or any disposition of all or any portion of the Property after the satisfaction of all then-due and owing obligations

that are secured by the Property and all loans due and owing to Pledgor as the sole member of the Property Owner;

(c) all other property hereafter delivered by Pledgor to Lender in substitution for or in addition to any of the foregoing, all certificates, certificates of deposit, notes, instruments and documents representing or evidencing such property, and all cash, securities, interest, distributions, rights, insurance payments and proceeds received by Pledgor from the Property Owner, and other property at any time and from time to time received, receivable or otherwise distributed with respect to or in exchange for any or all thereof.

For the avoidance of doubt, the Pledged Collateral shall not include any voting or governance rights in Pledgor or the Property Owner.

2. **Security for Obligations.** This Agreement secures the due, prompt and complete payment and performance by Borrower of each and every obligation of Borrower pursuant to the Note and all other loan documents (the “**Obligations**”). For the purposes of this Agreement, the term “**Event of Default**” is defined to mean any failure, default, breach, nonpayment or nonperformance, beyond the expiration of any applicable cure period, by Borrower or Pledgor of any of the terms of the Note or this Agreement.

3. **Representations and Warranties.** Pledgor represents and warrants as follows:

(a) Pledgor is and will be at all times the legal and beneficial owner of the Pledged Collateral free and clear of any lien, security interest, option or other charge or encumbrance, except for security interests created in favor of Lender.

(b) The pledge pursuant to this Agreement of any Pledged Collateral creates or will create a valid first priority security interest in the Pledged Collateral, securing the payment of the Obligations.

(c) Pledgor has the right to exercise and deliver this Agreement. The execution of this Agreement and performance and observance of its terms hereof have been duly authorized by necessary company action and do not contravene or violate any provision of Pledgor’s organizational documents.

(d) Pledgor covenants and agrees not to do any act that would destroy or impair the security interest in the Pledged Collateral granted to Lender under this Agreement.

(e) To the best of Pledgor’s knowledge, other than the filing of financing statements, no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor, or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies with respect to the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the foreclosure of security interests generally).

4. **Further Assurances.** Pledgor will promptly execute and deliver all further instruments, certificates and documents and take all further action that may be reasonably necessary or desirable or that Lender may reasonably request in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder and with respect to any Pledged Collateral.

5. **Pledgor's Rights, Distributions, Etc.**

(a) As long as no Event of Default has occurred and is continuing:

(i) Except as provided elsewhere in this Section 5(a), Pledgor shall be entitled to exercise any rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement; provided, however, that Pledgor shall refrain from exercising any such right if such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof; and provided further that Pledgor shall give Lender at least five days' prior written notice of the manner in which Pledgor intends to exercise, or the reasons for refraining from exercising, any such right that is not in the ordinary course of the business of Pledgor.

(ii) Until the Note is paid in full, Pledgor shall not be entitled to receive any distributions of Surplus Cash from the Property Owner. The Surplus Cash must be held in the operating account of the Property Owner until the Maturity Date (as defined in the Note), at which time it may be used to repay the Note or, if the Note has been repaid, for any other lawful purpose.

(iii) Until the Note is paid in full, Pledgor shall neither cause nor permit the Property Owner to pay the development fee owed to Sherman Associates Development LLC under that certain Development Services Agreement dated as of February 1, 2019 between Property Owner and Sherman Associates Development LLC related to the development and construction of the Property.

(iv) Until the Note is paid in full, Pledgor shall neither cause nor permit the Property Owner to enter into any loan agreements with any members or affiliates of the Property Owner or any intercompany loans.

(b) Upon the occurrence and during the continuance of an Event of Default:

(i) All rights of Pledgor to receive the Surplus Cash under the Mortgage Loan Documents or the operating agreement of the Property Owner shall become vested in Lender, which shall have the sole right to receive and hold as Pledged Collateral the Surplus Cash and any other distributions, proceeds and other payments to which Pledgor would be otherwise entitled hereunder.

(ii) All Surplus Cash and any other distributions, proceeds and other payments received by Pledgor contrary to the provisions of paragraph (i) of this Section 5(b) shall be received in trust for the benefit of Lender, shall be segregated

from other funds of Pledgor and shall be forthwith paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. **Lender Appointed Attorney-in-Fact.** Upon the occurrence and during the continuance of an Event of Default, Pledgor irrevocably appoints Lender as Pledgor's attorney in fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, from time to time in Lender's discretion, to take any action and to execute any instrument that Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to demand, receive, endorse, hold and collect all instruments made payable to Pledgor and collect Surplus Cash and any other distributions, proceeds or other payments with respect to the Pledged Collateral or any part thereof and to give full discharge for the same.

7. **Lender May Perform.** If Pledgor fails to perform any agreement contained herein, Lender may perform, or cause performance of, such agreement, and the reasonable expenses of Lender incurred in connection therewith shall be payable by Pledgor in accordance with Section 10.

8. **Remedies.** If any Event of Default shall have occurred and be continuing:

(a) Lender may exercise with respect to the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Colorado at that time, and Lender may also, without notice except as specified below, execute upon and apply the Pledged Collateral directly toward the payment of the Obligations, and sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Lender may deem commercially reasonable. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to Pledgor of the time and place of any public sale and one publication in a local newspaper, or at least ten days' notice of the time after which any private sale is to be made, shall constitute reasonable notification. Lender shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by Lender with respect to any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of Lender, be held by Lender as collateral for, and then or at any time thereafter applied (after payment of any amounts payable to Lender pursuant to Section 10) in whole or in part by Lender against, all or any part of the Obligations in such order as Lender shall elect. Any surplus of cash proceeds held by Lender and remaining after payment in full of all the Obligations shall be paid over to Pledgor or to whomsoever may be lawfully entitled to receive such surplus.

9. **Indemnification.** Neither Lender nor any of its directors, officers, agents or employees (together, the "**Indemnified Parties**") shall be liable for any action taken or omitted to

be taken by it or them hereunder or in connection therewith, except for its or their own gross negligence or willful misconduct. Pledgor will indemnify and hold harmless the Indemnified Parties from and against any and all liability incurred by any of the Indemnified Parties hereunder or in connection herewith unless such liability shall be due to the gross negligence or willful misconduct on the part of any of the Indemnified Parties.

10. **Expenses.** Pledgor will upon demand pay to Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that Lender incurs in connection with (a) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (b) the exercise or enforcement of any of the rights of Lender hereunder, or (c) the failure by Pledgor to perform or observe any of the provisions hereof.

11. **Security Interest Absolute.** All rights of Lender and security interests hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of (i) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations; or (ii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Pledgor or any other pledgor or any guarantor or co-maker with respect to the Obligations or Pledgor with respect to this Agreement.

12. **Continuing Security Interest.** This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the satisfaction in full of the Obligations, (b) be binding upon Pledgor and its respective successors, transferees and assigns (other than a transferee of the Property in response to the exercise of rights by a holder of debt financing relating to the Property pursuant to a lien or an encumbrance in favor of the holder relating to the Property and all successors and assigns of such transferee), and (c) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender and its respective successors, transferees and assigns.

13. **Other Terms.**

(a) Lender hereby consents to the Property Management Agreement dated as of October 20, 2020 between Property Owner and Sherman Ventures Management LLC (the “**Management Agreement**”). Pledgor shall neither cause nor permit the Property Owner to terminate, cancel, or modify the Management Agreement, or enter into any other agreement relating to the management or operation of the Property, without providing prior written notice Lender.

(b) Lender hereby consents to the Second Amended and Restated Limited Liability Company Agreement of Aspire Westminster Apartments LLC dated as of _____, 2024 (the “**LLC Agreement**”). Pledgor shall neither cause nor permit the Property Owner to terminate, cancel, or modify the LLC Agreement without providing prior written notice Lender.

(c) Pledgor shall cause the Property Owner to provide a complete copy of the Property Owner’s annual internal financial statements covering the Property to Lender annually within ninety (90) days following the end of each twelve-month period commencing on January

1st and ending on December 31st of such calendar year. The Property Owner's annual financial statements shall be accompanied by a certificate executed by a duly authorized financial officer of Property Owner (or an authorized representative) stating that such annual financial statement presents fairly the financial condition and the results of operations of Property Owner and the Property in all material respects.

14. Miscellaneous.

(a) If any one or more provisions of this Agreement are determined to be illegal or unenforceable, all other provisions nevertheless shall be effective. No provision of this Agreement or right of Lender hereunder can be waived nor can Pledgor be released from Pledgor's obligations hereunder except by a writing duly executed by Lender. This Agreement may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by Lender and Pledgor.

(b) When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

(c) Pledgor's obligations under this Agreement may not be assigned without the prior written consent of Lender. This Agreement shall inure to the benefit of and bind successors and permitted assigns of Lender and Pledgor.

(d) This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by federal law, in which case, such federal law shall so govern and be controlling. In any action brought under or arising out of this Agreement, Pledgor consents to the jurisdiction of the district court of Jefferson County, Colorado and consent to service of process by any means authorized by the laws of such state. Except as provided in any other written agreement now or at any time hereafter in force between Lender and Pledgor, this Agreement shall constitute the entire agreement of Pledgor with Lender with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Lender or Pledgor unless expressed herein.

(e) Notices required hereunder shall be by a reputable overnight carrier or hand delivered, addressed as follows.

If to Lender: Westminster Economic Development Authority
4800 West 92nd Avenue
Westminster, CO 80031

If to Pledgor: Aspire Westminster Holdings LLC
233 Park Avenue, Suite 201
Minneapolis, MN 55415
Attn: Legal Department

or to such other address specified upon ten days advance notice in writing by one party to the other party.

(f) PLEDGOR, BY ITS ACCEPTANCE HEREOF, EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

(g) Pledgor represents and warrants that the execution, delivery and performance by Pledgor of this Agreement does not and will not contravene or conflict with (a) any law, order, rule, regulation, writ, injunction or decree applicable to Pledgor; or (b) any contractual restriction binding on or affecting Pledgor or any of Pledgor's property or assets.

(h) This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect


of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, Pledgor has executed this Agreement as of the date first written above.

PLEDGOR:

Aspire Westminster Holdings LLC,
a Delaware limited liability company

By: 
George E. Sherman
Chief Executive Officer