MEMORADUM OF UNDERSTANDING BETWEEN THE STEAMBOAT SPRINGS SCHOOL DISTRICT AND RURAL HOMES TO BUILD AFFORDABLE HOUSING

September 3, 2025 This Term Sheet For Real Property Acquisition ("Term Sheet") is entered into by and between Rural Homes, LLC, ("Rural Homes") a Colorado limited liability company whose principal business address is 220 East Colorado Avenue, Suite 106, Telluride, CO 81435 and the Steamboat Springs School District RE-2 ("SSSD") whose principal business address is 325 7th Street, Steamboat Springs, CO 80487. Each of Rural Homes and SSSD is sometimes referred to as a "Party" and collectively as the "Parties."

WHEREAS, across the State of Colorado communities face a critical need for affordable housing for, among other affected populations, school district employees.

WHEREAS, SSSD is a public school district operating in the State of Colorado which is interested in assisting in providing affordable housing for its employees.

WHEREAS, Rural Homes has developed a proprietary business model by which it is able to assist in providing affordable housing for communities in the State of Colorado.

WHEREAS, the Steamboat region is experiencing a critical shortage of affordable housing for, among other affected populations, the workforce and employees of SSSD.

WHEREAS, housing is a critical need for people, a key determinant in securing people's good health and well-being, a source of safety and stability for people, and helps communities attract and maintain a stable and economically secure population in which people are free to pursue education and employment.

WHEREAS, Rural Homes and SSSD desire to work cooperatively with the public and local governments and districts to develop an affordable housing project, in particular for the employees and family members of SSSD.

WHEREAS, SSSD owns certain undeveloped real property that is not part of the current and long-term projected plans for education facilities, and which can be used to develop affordable housing.

WHEREAS, Rural Homes is ready, willing, and able to implement its proprietary business model to build twenty-two (22) affordable housing homes on the SSSD Sleeping Giant School undeveloped real property parcel.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereto agree as follows:

1. **REAL PROPERTY**. SSSD owns a real property parcel located in Routt County, Colorado, that is commonly referred to as northeast corner of Sleeping Giant School (the

"Parcel"). The Parcel will require a subdivision process which Rural Homes will undertake its own expense.

2. **PURCHASE PRICE**. SSSD shall convey the Parcel to Rural Homes in fee simple without cost to Rural Homes aside from the requirements set forth herein.

3. **EARNEST MONEY**. Rural Homes shall not be required to provide an earnest money deposit.

4. **TITLE.** Rural Homes will accept the conveyance of the Parcel in fee simple subject only to a covenant that the Parcel shall be developed with affordable housing within 2 ("two") years after entitlement approvals. Rural Homes shall obtain, at its sole expense, the water allocation will serve agreement from the City of Steamboat, approval for the installation and maintenance of the water and sewer system from the Steamboat II Metro District, major subdivision or plan unit development and rezoning approvals from Routt County planning department, Routt County building permit approval and any other associated jurisdictional requirements to fully entitle the Parcel in order to commence construction. In the event the Parcel is not developed within 2 ("two") years of entitlement approvals it shall revert to the SSSD and this reverter clause will be made a part of the deed restriction. Within ten (10) business days of the execution of the Real Property Purchase Agreement, SSSD shall furnish, at SSSD cost, an Owner's Commitment for Title Insurance in favor of Rural Homes. Any extended coverage or endorsements requested by Rural Homes shall be at Rural Homes's expense. SSSD shall convey fee simple title to the property at Closing by Special Warranty Deed, free and clear of all liens and interests, encumbrances and security interests of any kind or character of record or otherwise, with Title insured by the Title Company subject only to matters shown on the survey, title commitment schedule B documents, covenants, easements, and restrictions of record and accepted by Rural Homes. Title will be conveyed subject to real estate taxes and assessments not yet due and payable, which will be prorated as of the date of Closing.

5. **SURVEY**. Within ten (10) business days after execution of the Real Property Purchase Agreement, SSSD shall cause to be prepared a draft ALTA survey of the Parcel (the "Survey") for Rural Homes's review, prepared by a licensed surveyor acceptable to Rural Homes and the Title Company.

6. Rural Homes shall accept the Parcel in fee simple subject only to a deed restriction that the Parcel shall be developed with affordable housing and that ten homes shall be reserved for sale to SSSD at a cost not to exceed $5 million. The not to exceed $5 million cost, absent any approval change orders, shall be payable to Rural Homes or a solely owned affiliate of Rural Homes upon the commencement of construction activities.

7. Rural Homes shall be responsible for all costs of pre-development, planning and permitting, construction, and marketing and sales to approved buyers who meet the deed restriction criteria.

8. Rural Homes shall use its best efforts to begin construction no later than the third quarter of calendar year 2026 with move in dates no later than fourth quarter 2027 subject to entitlement approvals and winter conditions. In the event construction is not completed by two years from the date of entitlement approvals, Rural Homes shall pay SSSD $5,000.00_for every week after that date until a temporary certificate of occupancy for the homes is granted.

9. Rural Homes shall build approximately 22 homes with floor plans of two bedrooms, three bedrooms, and four bedrooms.

10. Rural Homes shall make the housing units not pre-sold to SSSD available for sale to the public by a lottery system open only to buyers who meet the deed restriction criteria with a lottery preference towards SSSD employees.

11. Rural Homes shall sell ten (10) homes to SSSD at a pre-determined price for use as rentals for SSSD employees. SSSD or its designee shall manage the rental homes.

12. SSSD shall fund the Purchase and Sale Agreement for their homes at the start of construction.

13. SSSD shall have the first right of refusal to purchase or option for one of their employees to purchase, homes from the publicly sold inventory if and when they become available from previous owners based on the deed restriction guidelines. This right of first refusal to purchase or option shall be incorporated in the deed restriction on the Parcel.

14. SSSD shall work with Rural Homes to develop a management plan that may include the formation of a homeowners association ("HOA") for the common elements on the Parcel.

15. Rural Homes is owned by a 501(c)(3) non-profit entity and is the only Colorado based supplier of affordable housing using the Rural Homes proprietary business model that allows for the construction of affordable housing on these sites. This agreement between Rural Homes and SSSD will result in significant cost savings and reduced administrative workload for SSSD and provide housing units with improved consistency in materials and workmanship not available from entities that do not utilize the proprietary Rural Homes business model.

16. **DEED RESTRICTED HOUSING**. Rural Homes shall insure that the Final Plat for the Parcel shall contain a plat notice referencing that each unit owner is subject to a deed restriction and covenant agreement as depicted in the Deed Restrictions and Covenants and recorded with each unit purchased and applicable Affordable Housing Regulations and Guidelines. Said deed restriction shall be a covenant that runs with the title to the land in perpetuity and shall not expire and shall survive any foreclosure on the respective housing unit, unless the restrictions are otherwise released or modified as provided for in the recorded deed restriction and covenant for each housing unit.

17. **REQUIREMENTS**. The homes not owned by SSSD shall be owned and occupied by persons who qualify with the terms and conditions of the Deed Restrictions and Covenants which shall include, in general: (i) At least one Owner of the home shall maintain his/her primary residence and abode in Routt County, Colorado, or provide written intent of his/her desire and intent to do so within thirty (30) days prior to purchasing the housing unit; (ii) At least one member of the household shall be a qualified employee working in Routt County or for an employer based in Routt county; (iii) Household income shall not exceed 200% Area Median Income Levels (AMI) for Routt County at the time of purchase; (iv) The homes shall be, and remain, owner occupied. Long-term rental of these housing units is prohibited unless approved by SSSD. At no time shall any housing unit be leased as a short-term rental; (v) The maximum resale price of any housing unit is limited to an annual price appreciation cap of 3% of the initial purchase price; there is no guarantee that housing units will be resold for a profit. The seller of a housing unit is responsible for ensuring compliance with the Deed Restrictions and Covenants and agrees to submit a Notice of Intent to Sell and to consult with the authorized administrator, regarding any qualified buyer(s) and the maximum resale price. All warranty deeds for the transfer and conveyance of a housing unit will clearly indicate that the housing units are deed restricted along with proper reference to the restrictions and be in bold and a larger font.

18. **TRANSACTION CLOSING**. The closing of the Transaction (the "**Transaction Closing**") will take place no later than five (5) business days following the end of the Parties' Due Diligence period as set out below.

19. **CONDITIONS**. The Transaction Closing is subject to the following conditions:

(i) Approval by the SSSD Board of the transactions contemplated by the Real Property Purchase Agreement, including transfer of ownership of the Parcel to Rural Homes;

(ii) Execution of the Real Property Purchase Agreement, Deeds and any other documents necessary to effectuate the Transaction Closing;

(iii) Successful completion of the due diligence period;

(iv) The representations and warranties of each Party being true, complete, and accurate; and

(v) Such other contingencies that are reasonable and customary in a similar transaction.

20. **REAL PROPERTY PURCHASE AGREEMENT**. Rural Homes and SSSD will enter into a definitive written agreement ("**Real Property Purchase Agreement**") governing the Transaction. The terms of the Real Property Purchase Agreement will be subject to the negotiation and approval of Rural Homes and SSSD. SSSD shall make comprehensive representations and warranties in the Real Property Purchase Agreement, including, without limitation, representations to the effect that SSSD owns the Parcel free and clear of all liens and encumbrances. The Real Property Purchase Agreement will contain such other terms and conditions as are customary for transactions of this size and nature. The Real Property Purchase Agreement will incorporate the terms and conditions set forth herein.

21. **DUE DILIGENCE PERIOD**. For a period of thirty (30) days after the full execution of this Term Sheet (the "**Due Diligence Period**"), Rural Homes may begin and/or continue Rural Homes's due diligence and shall be permitted to make a full and complete investigation of the Parcel. This Due Diligence Period may be extended by mutual agreement of the Parties. SSSD agrees to cooperate with Rural Homes's due diligence investigation and to provide Rural Homes and Rural Homes's representatives with prompt and reasonable access to all records, leases and permits, and other information pertaining to the Parcel. Rural Homes may, in its sole and absolute discretion, terminate this Term Sheet during the due diligence period if it finds that the Parcel is unsatisfactory to Rural Homes.

22. **COSTS AND TRANSACTION BROKER FEES**. Unless otherwise agreed to in writing by Rural Homes and SSSD, each of Rural Homes and SSSD will pay their own fees and expenses in connection with the transactions contemplated hereunder whether or not such transactions proceed to Transaction Closing. There are no broker or finder's fees.

23. **CONSENTS**. Rural Homes and SSSD will cooperate with each other and proceed, as promptly as is reasonably practical, to obtain all approvals, consents, authorizations, licenses, permits or clearances necessary and appropriate for the consummation of the transactions.

24. **ENTIRE AGREEMENT; ENFORCABILITY**. This Term Sheet supersedes and replaces all prior offers and negotiations. By executing this Term Sheet, Rural Homes and SSSD confirm their agreement that the terms and conditions specified in this Term Sheet should be incorporated into the Real Property Purchase Agreement and agree that this Term Sheet itself is not binding on either Party.

25. **GOVERNING LAW**. This Term Sheet will be governed by the internal laws of the State of Colorado without regard to conflicts of laws rules. The state courts located in Routt County, Colorado shall be the exclusive venue to resolve any dispute arising out of this Term Sheet or the matters contemplated hereby. The Parties irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. The party substantially prevailing in the dispute shall be entitled to reimbursement of reasonable attorneys' fees and interest from the other party. AGREED TO AND ACCEPTED this ____ day of September 2025.

RURAL HOMES, LLC	STEAMBOAT SPRINGS SCHOOL DISTRICT RE-2
By: David Ware	By: _____
Its: CEO	Its: _____