



May 8, 2019

Private & Confidential

Mr. Brandt M. Vanderbosch, AIA, Principal
and Founder
Vertical Arts Architecture
690 Marketplace Plaza, Suite 1
Steamboat Springs, CO 80487

2520192690058

Dear Brandt:

Re: Department of Labor Filings for Deferred
Compensation Plan

As requested we have prepared and enclosed, in duplicate, the required statements, as described in Labor Regulation Section 2520.104-23(b)(1), to obtain an exemption from the requirements (ERISA) of having to file Form 5500 annual report for your Deferred Compensation Plan by electing the alternative method of compliance, as follows:

	<u>Amount Due</u>
Labor Regulation Statements required under Section 2520.104-23(b)(1)	None

If the statements meet with your approval, the original should be dated, signed by you (as plan administrator) and filed certified mail not later than 120 days after adoption of the Plan (October 28, 2019), with:

Top Hat Plan Exemption
Employee Benefits Security Administration
Room N-1513
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Deborah E. Finch, CPA/ABV, CVA, CDA
Principal

July 1, 2019

Top Hat Plan Exemption
Employee Benefits Security Administration
Room N-1513
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

Dear Sir or Madam:

Re: Vertical Arts, Inc.
Deferred Compensation Plan Reporting
and Disclosure Compliance Statement

In compliance with Section 110 of the Employee Retirement Income Security Act of 1974 (ERISA) and the regulations thereunder, enumerated in Section 2520.104-23, Vertical Arts, Inc. is filing this Reporting and Disclosure Compliance Statement and in connection herewith, provides the following information:

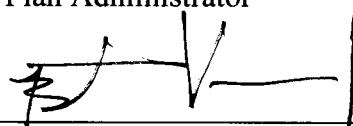
1. Name and Address of Employer: Vertical Arts, Inc.
690 Marketplace Plaza, Suite 1
Steamboat Springs, CO 80487
2. Employer Identification number: 20-2149573
3. Number of Top Hat Plans: 1
4. Number of Employees Participating
in Each Plan: 1
5. Purpose of the Plan:

Vertical Arts, Inc. maintains this unfunded plan primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

Vertical Arts, Inc. will provide the plan document to the Secretary of Labor upon request, as required by Section 104(a)(6) of ERISA.

Vertical Arts, Inc.

as Plan Administrator

By: 

Brandt M. Vanderbosch, President

DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT entered into this 1st day of July, 2019, by and between Vertical Arts, Inc., a corporation organized and existing under the laws of the State of Colorado with a principal place of business located at 690 Marketplace Plaza, Suite 1, Steamboat Springs, CO 80487 (“Corporation”), and Brandt M. Vanderbosch residing at 342 River Road, Steamboat Springs, CO 80487 (“Executive”).

WITNESSETH;

WHEREAS, the Executive has provided many years of exemplary service to the Corporation and is an extremely valuable and trusted key employee of the Corporation; and

WHEREAS, as a result of the Executive’s dedication and service, the Corporation has experienced substantial growth and success; and

WHEREAS, the Executive is currently desirous of planning for the continuance of his service to the Corporation and of providing for his future retirement from the employment of the Corporation; and

WHEREAS, the Corporation recognizes the exemplary past services of the Executive throughout his tenure at the Corporation and believes that the Executive has not been adequately compensated for his service over the years to and on behalf of the Corporation;

NOW, THEREFORE, in consideration of the Executive’s past efforts on behalf of the Corporation and of the mutual covenants herein contained and other good and valuable consideration, the parties hereby agree as follows:

1. **Deferred Compensation.** Notwithstanding any other agreements between the parties, the Corporation agrees to provide the Executive with certain amounts of deferred compensation, which will be deferred pursuant to the terms of this Agreement as hereinafter set forth.

2. **Deferred Compensation Benefit.** The Executive shall be entitled to receive the following benefit:

(a) As of July 1, 2019, the Corporation shall establish in its internal books and records a deferred compensation account (the “Account”) for the benefit of the Executive. The account shall be credited with the sum of FIVE HUNDRED THOUSAND and 00/100 dollars (\$500,000).

(b) Interest shall accrue on any unpaid balance beginning July 1, 2019, at an annual interest rate of five percent (5%), compounded monthly.

(c) Subsequent to the execution of this Agreement and subject to the terms of this Agreement, the Executive may elect to defer additional amounts of compensation, which would be added to the Account balance as compensatory additions, but only if the election to defer compensation is made not later than the close of the taxable tax year preceding the year in which the related services are rendered or at another time as provided under Internal Revenue Code Section 409A and the regulations thereunder.

(d) The Executive shall be fully vested in his account.

3. **Payment of Benefit.** The benefit provided to the Executive pursuant to Paragraph "2" above shall be payable as follows:

(a) Commencing with the first payment due January 1, 2036, the Account balance shall be paid to the Executive (or his designated beneficiaries) in equal self liquidating monthly installments of TWENTY-ONE THOUSAND FOUR HUNDRED SIX and 61/100 dollars (\$21,406.61) over a period of sixty (60) months including interest at the rate of five percent (5%) per annum, compounded monthly.

(b) Such installments shall continue to be paid on the first day of each month thereafter through December 1, 2040 or until the Deferred Compensation Benefit is paid in full.

(c) In the event the Corporation shall fail to make any payment due hereunder within fifteen (15) business days of receipt of notice from the Executive (or his beneficiaries) that the same is past due, the entire unpaid amount due the Executive (or his beneficiaries) hereunder shall, at the Executive's (or his beneficiaries') option, become immediately due and payable, but such right shall only be available if it is not in violation of the "constructive receipt" provisions in Internal Revenue Code Section 409A and the regulations thereunder.

(d) An example of the computation of the Account balance and the monthly payment is attached to this Agreement as *Schedule A*. This example illustrates the growth in the Account balance and payment structure assuming there are no additions to the Account. If additions do occur, the payment schedule would be modified accordingly.

4. **Beneficiary.** In the event that the Executive shall die prior to receipt of any amount to which he is entitled hereunder, or of all such amounts, any amounts remaining unpaid shall be paid to such beneficiary or beneficiaries as the Executive may designate by filing with the Corporation a notice in writing. If no such beneficiaries are designated, then the balance remaining shall be paid to the Executive's estate.

5. **Payment to Beneficiary.** Whenever the Executive's beneficiaries shall become entitled to receive any amount hereunder, the amount shall be paid to such beneficiaries as follows:

(a) If at the time of the Executive's death there remains any excess insurance proceeds from the insurance policy listed on *Schedule B* attached hereto that were not used to satisfy the unpaid balance of any Promissory Notes due to the Executive, if any, pursuant to the Vertical Arts, Inc. Shareholders' Agreement dated July 1, 2019, then all or a portion of such excess insurance proceeds (exclusive of the amount identified by the Corporation as "key person" insurance on *Schedule B*) will be paid to the Executive's designated beneficiaries in one lump sum at the time the proceeds are available to the extent of the unpaid Account balance. Any remaining unpaid Account balance shall be paid to the Executive's designated beneficiaries in equal self liquidating monthly installments of TWENTY-ONE THOUSAND FOUR HUNDRED SIX and 61/100 dollars (\$21,406.61) with interest at the rate of five percent (5%) per annum, compounded monthly, commencing with the first payment due on the first day of the month following the month the insurance proceeds are paid until such remaining Account balance is paid in full.

(b) If there are no insurance proceeds available for the payment of the unpaid Account balance, then the unpaid Account balance shall be paid to the Executive's designated beneficiaries in monthly installments until fully paid, in accordance with the provisions of Paragraph "3" hereof, except that the first payment will be due on the first day of the month following the date of the Executive's death.

(c) If it is determined that the payment of the life insurance proceeds creates an acceleration of payment that is in violation of the "constructive receipt" provisions in Internal Revenue Code Section 409A and the regulations thereunder, then the unpaid Account balance will be paid in accordance with the provisions of Paragraph "3" hereof.

6. **Acceleration Clause.** The Corporation shall have no right to accelerate payments due the Executive (or his beneficiaries) in any amount or manner unless such right is available based on an event that is deemed not to be in violation of the "constructive receipt" provisions in Internal Revenue Code Section 409A and the regulations thereunder. To the extent payments are accelerated, interest will accrue only on the unpaid balance of the Deferred Compensation Benefit.

7. **Executive's Rights Unsecured.** Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and the Executive, his designated beneficiaries, or any other person. Any funds, which may be invested under the provisions of this Agreement, shall continue for all purposes to be a part of the general funds of the Corporation, and no person other than the Corporation shall, by virtue of the provisions of this Agreement, have any interest in such fund. Except as provided in Paragraph "10", to the extent that any person acquires a right to receive payments from the Corporation under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

8. **Assignability of Rights.** Except as otherwise provided by this Agreement, it is agreed that neither the Executive, nor any beneficiary, shall have any right to commute, sell, assign, transfer or otherwise convey the right to receive any payments hereunder, which payments and the right thereto are expressly declared to be non-assignable and non-transferable.

9. **Independence of Agreement.** The benefits payable under this Agreement shall be independent of, and in addition to, any other employment agreement that may exist from time to time between the parties hereto, or any other compensation payable by the Corporation to the Executive, whether as salary, bonus or otherwise. This Agreement shall not be deemed to constitute a contract of employment between the parties hereto, nor shall any provision hereof restrict the right of the Executive to terminate his employment.

10. **Mergers and Consolidations.** The Corporation agrees that it will not merge or consolidate with any other corporation or organization, or permit its business activities to be taken over by any other organization or sell all or substantially all of its assets, unless and until the succeeding or continuing corporation or other organization shall expressly assume the rights and obligations of the Corporation herein set forth. The Corporation further agrees that upon the ceasing of its business activities or termination of its existence, the Executive (or his beneficiaries) shall have a continuing lien on all corporate assets until all amounts due hereunder and remaining unpaid are paid in full unless the Executive (or his beneficiaries) enter into a written agreement with a succeeding or continuing organization which provides for the benefits to remain unsecured.

11. **Taxes.** The Corporation shall have the right to deduct from all amounts paid pursuant to this Agreement any amount required by law to be withheld to satisfy a tax obligation. The Executive (or his beneficiaries) shall be solely liable for the payment of any tax that arises from a payment under this Agreement.

12. **Tax Savings.** Notwithstanding anything to the contrary contained in this Agreement, (i) if the Internal Revenue Service ("IRS") prevails in a claim that any amount credited to the Executive's Account constitutes taxable income to the Executive (or his beneficiaries) for any taxable year prior to the taxable year in which such amount is distributed, or (ii) if legal counsel satisfactory to the Corporation and the Executive (or his beneficiaries) renders an opinion that the IRS would likely prevail in such a claim, such amounts credited to the account of the Executive (or his beneficiaries) shall be immediately distributed to him (or his beneficiaries), as the case may be. For purposes of this Agreement, the IRS shall be deemed to have prevailed in a claim if such claim is upheld by a Court of final jurisdiction, or if the Executive (or his beneficiaries), based on an opinion of legal counsel satisfactory to the Corporation and the Executive (or his beneficiaries), fails to appeal a decision of the IRS, or a Court of applicable jurisdiction, with respect to such claim, to an appropriate IRS appeals authority or to a Court of higher jurisdiction, within the appropriate time period.

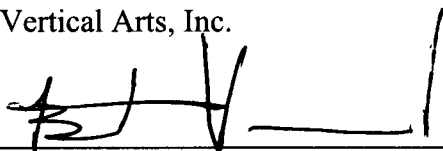
13. **Revocation.** This Agreement may be revoked or amended in whole or in part only by a writing signed by all of the parties hereto.

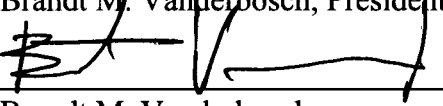
14. **Severability.** If any provision of this Agreement shall be found to be void or unenforceable, the remaining provisions shall continue in full force and effect.

15. **Governing Law.** The laws of the State of Colorado shall govern this Agreement, without regard to conflicts of law principles.

IN WITNESS WHEREOF, the said Corporation has caused this Agreement to be signed in its corporate name by its duly authorized officer, and the Executive has hereunto set his hand, all on the date first above written.

Vertical Arts, Inc.

By: 

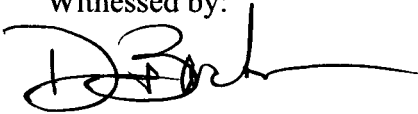
Brandt M. Vanderbosch, President


Brandt M. Vanderbosch

SPOUSAL CONSENT

I ACKNOWLEDGE that I, the undersigned, have read the foregoing Deferred Compensation Agreement and that I know and understand its contents. I hereby approve of the provisions of such Deferred Compensation Agreement and consent to all terms and conditions under such Agreement on the date first above written.

Witnessed by:



Deferred Compensation - Brandt M. Vanderbosch - Schedule A

Compound Period : Monthly

Nominal Annual Rate : 5.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	07/01/2019	500,000.00	1		
2 Payment	12/31/2020	0.00	16	Annual	12/31/2035
3 Payment	01/01/2036	21,406.61	60	Monthly	12/01/2040

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 07/01/2019				500,000.00
2019 Totals	0.00	0.00	0.00	
1 12/31/2020	0.00	38,827.48	38,827.48-	538,827.48
2020 Totals	0.00	38,827.48	38,827.48-	
2 12/31/2021	0.00	27,567.44	27,567.44-	566,394.92
2021 Totals	0.00	27,567.44	27,567.44-	
3 12/31/2022	0.00	28,977.84	28,977.84-	595,372.76
2022 Totals	0.00	28,977.84	28,977.84-	
4 12/31/2023	0.00	30,460.40	30,460.40-	625,833.16
2023 Totals	0.00	30,460.40	30,460.40-	
5 12/31/2024	0.00	32,018.81	32,018.81-	657,851.97
2024 Totals	0.00	32,018.81	32,018.81-	
6 12/31/2025	0.00	33,656.96	33,656.96-	691,508.93
2025 Totals	0.00	33,656.96	33,656.96-	
7 12/31/2026	0.00	35,378.91	35,378.91-	726,887.84
2026 Totals	0.00	35,378.91	35,378.91-	
8 12/31/2027	0.00	37,188.96	37,188.96-	764,076.80
2027 Totals	0.00	37,188.96	37,188.96-	
9 12/31/2028	0.00	39,091.62	39,091.62-	803,168.42
2028 Totals	0.00	39,091.62	39,091.62-	
10 12/31/2029	0.00	41,091.62	41,091.62-	844,260.04
2029 Totals	0.00	41,091.62	41,091.62-	
11 12/31/2030	0.00	43,193.95	43,193.95-	887,453.99
2030 Totals	0.00	43,193.95	43,193.95-	

Deferred Compensation - Brandt M. Vanderbosch - Schedule A

Date	Payment	Interest	Principal	Balance
12 12/31/2031	0.00	45,403.83	45,403.83-	932,857.82
2031 Totals	0.00	45,403.83	45,403.83-	
13 12/31/2032	0.00	47,726.78	47,726.78-	980,584.60
2032 Totals	0.00	47,726.78	47,726.78-	
14 12/31/2033	0.00	50,168.57	50,168.57-	1,030,753.17
2033 Totals	0.00	50,168.57	50,168.57-	
15 12/31/2034	0.00	52,735.29	52,735.29-	1,083,488.46
2034 Totals	0.00	52,735.29	52,735.29-	
16 12/31/2035	0.00	55,433.33	55,433.33-	1,138,921.79
2035 Totals	0.00	55,433.33	55,433.33-	
17 01/01/2036	21,406.61	156.02	21,250.59	1,117,671.20
18 02/01/2036	21,406.61	4,656.96	16,749.65	1,100,921.55
19 03/01/2036	21,406.61	4,587.17	16,819.44	1,084,102.11
20 04/01/2036	21,406.61	4,517.09	16,889.52	1,067,212.59
21 05/01/2036	21,406.61	4,446.72	16,959.89	1,050,252.70
22 06/01/2036	21,406.61	4,376.05	17,030.56	1,033,222.14
23 07/01/2036	21,406.61	4,305.09	17,101.52	1,016,120.62
24 08/01/2036	21,406.61	4,233.84	17,172.77	998,947.85
25 09/01/2036	21,406.61	4,162.28	17,244.33	981,703.52
26 10/01/2036	21,406.61	4,090.43	17,316.18	964,387.34
27 11/01/2036	21,406.61	4,018.28	17,388.33	946,999.01
28 12/01/2036	21,406.61	3,945.83	17,460.78	929,538.23
2036 Totals	256,879.32	47,495.76	209,383.56	
29 01/01/2037	21,406.61	3,873.08	17,533.53	912,004.70
30 02/01/2037	21,406.61	3,800.02	17,606.59	894,398.11
31 03/01/2037	21,406.61	3,726.66	17,679.95	876,718.16
32 04/01/2037	21,406.61	3,652.99	17,753.62	858,964.54
33 05/01/2037	21,406.61	3,579.02	17,827.59	841,136.95
34 06/01/2037	21,406.61	3,504.74	17,901.87	823,235.08
35 07/01/2037	21,406.61	3,430.15	17,976.46	805,258.62
36 08/01/2037	21,406.61	3,355.24	18,051.37	787,207.25
37 09/01/2037	21,406.61	3,280.03	18,126.58	769,080.67
38 10/01/2037	21,406.61	3,204.50	18,202.11	750,878.56
39 11/01/2037	21,406.61	3,128.66	18,277.95	732,600.61
40 12/01/2037	21,406.61	3,052.50	18,354.11	714,246.50
2037 Totals	256,879.32	41,587.59	215,291.73	
41 01/01/2038	21,406.61	2,976.03	18,430.58	695,815.92
42 02/01/2038	21,406.61	2,899.23	18,507.38	677,308.54
43 03/01/2038	21,406.61	2,822.12	18,584.49	658,724.05
44 04/01/2038	21,406.61	2,744.68	18,661.93	640,062.12
45 05/01/2038	21,406.61	2,666.93	18,739.68	621,322.44
46 06/01/2038	21,406.61	2,588.84	18,817.77	602,504.67

Deferred Compensation - Brandt M. Vanderbosch - Schedule A

Date	Payment	Interest	Principal	Balance
47 07/01/2038	21,406.61	2,510.44	18,896.17	583,608.50
48 08/01/2038	21,406.61	2,431.70	18,974.91	564,633.59
49 09/01/2038	21,406.61	2,352.64	19,053.97	545,579.62
50 10/01/2038	21,406.61	2,273.25	19,133.36	526,446.26
51 11/01/2038	21,406.61	2,193.53	19,213.08	507,233.18
52 12/01/2038	21,406.61	2,113.47	19,293.14	487,940.04
2038 Totals	256,879.32	30,572.86	226,306.46	
53 01/01/2039	21,406.61	2,033.08	19,373.53	468,566.51
54 02/01/2039	21,406.61	1,952.36	19,454.25	449,112.26
55 03/01/2039	21,406.61	1,871.30	19,535.31	429,576.95
56 04/01/2039	21,406.61	1,789.90	19,616.71	409,960.24
57 05/01/2039	21,406.61	1,708.17	19,698.44	390,261.80
58 06/01/2039	21,406.61	1,626.09	19,780.52	370,481.28
59 07/01/2039	21,406.61	1,543.67	19,862.94	350,618.34
60 08/01/2039	21,406.61	1,460.91	19,945.70	330,672.64
61 09/01/2039	21,406.61	1,377.80	20,028.81	310,643.83
62 10/01/2039	21,406.61	1,294.35	20,112.26	290,531.57
63 11/01/2039	21,406.61	1,210.55	20,196.06	270,335.51
64 12/01/2039	21,406.61	1,126.40	20,280.21	250,055.30
2039 Totals	256,879.32	18,994.58	237,884.74	
65 01/01/2040	21,406.61	1,041.90	20,364.71	229,690.59
66 02/01/2040	21,406.61	957.04	20,449.57	209,241.02
67 03/01/2040	21,406.61	871.84	20,534.77	188,706.25
68 04/01/2040	21,406.61	786.28	20,620.33	168,085.92
69 05/01/2040	21,406.61	700.36	20,706.25	147,379.67
70 06/01/2040	21,406.61	614.08	20,792.53	126,587.14
71 07/01/2040	21,406.61	527.45	20,879.16	105,707.98
72 08/01/2040	21,406.61	440.45	20,966.16	84,741.82
73 09/01/2040	21,406.61	353.09	21,053.52	63,688.30
74 10/01/2040	21,406.61	265.37	21,141.24	42,547.06
75 11/01/2040	21,406.61	177.28	21,229.33	21,317.73
76 12/01/2040	21,406.61	88.88	21,317.73	0.00
2040 Totals	256,879.32	6,824.02	250,055.30	
Grand Totals	1,284,396.60	784,396.60	500,000.00	

SCHEDULE B

<u>Insurance Company and Policy Number</u>	<u>Insured</u>	<u>Owner and Beneficiary</u>	<u>Face Value</u>	<u>Portion of Face Value Identified as Key Person Insurance</u>
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TBD. ^{2V}

**BENEFICIARY DESIGNATION FOR
DEFERRED COMPENSATION AGREEMENT**

With respect to the Deferred Compensation Agreement entered into on July 1, 2019, by and between Vertical Arts, Inc. ("Corporation") and Brandt M. Vanderbosch, I hereby designate the following beneficiary (beneficiaries):

A. Primary Beneficiary Designation

I direct that any remaining benefit payable under the Agreement (as identified above) upon my death shall be paid to the following person(s) as my primary beneficiary (beneficiaries):

Kelly Vanderbosch	342 Rver Road, Steamboat Springs	Spouse
Name	Address	Relationship
Name	Address	Relationship

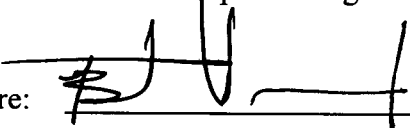
B. Contingent Beneficiary Designation

If my Primary Beneficiaries do not survive me, I designate such amount or amounts shall be paid to the following person(s) as my contingent beneficiary (beneficiaries):

Beck Vanderbosch	342 Rver Road, Steamboat Springs	Son
Name	Address	Relationship
Cohen and Cruz Vanderbosch	342 Rver Road, Steamboat Springs	Sons
Name	Address	Relationship


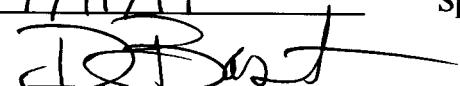
If I have designated more than one primary beneficiary, the said amount or amounts shall be equally divided among my primary beneficiaries who are living at the time of my death, unless I specify otherwise on this form. If, upon my death, there is no primary beneficiary living, and if I have named more than one contingent beneficiary, the said amount or amounts shall be equally divided among my contingent beneficiaries who are living at the time of my death, unless I specify otherwise on this form.

The execution of this Form and delivery thereof to the Corporation revokes all prior designations of beneficiaries that I may have made.

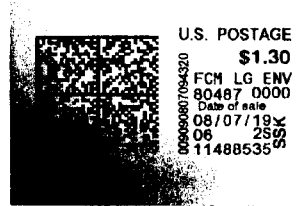
Date: 7/1/2019 Participant Signature: 

Spousal Consent

The undersigned, spouse of Brandt M. Vanderbosch, hereunto subscribes her name in evidence of her agreement and consent to the beneficiary designations above.

Date: 7/11/19 Spouse's Signature: 
Witness: 

al Arts, Inc.
Marketplace Plaza
Suite 1
Springs, CO 80487



Top Hat Plan Exemption
Employee Benefits Security Administration
Room N-1513
U.S. Dept. of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210