



November 17, 2025
Jobs Development Authority
255 N 4TH St.
Grand Forks, ND 58203

RE: GFHive Management LLC monthly report

Members of the Authority,

GFHive Management LLC (GFHive) assumed management of the Hive on November 1, 2025. This report is our first report of activities and reportable actions pursuant to our management agreement.

Tenant Updates:

1. Meadowlark:
 - a. Meadowlark was notified earlier this month that they are in default of their lease obligations.
 - b. GFHive attempted to come to a resolution through a signed letter notifying them of their default and suggesting a course of action to remedy the default. The terms of the letter included vacating all leased space on the 2nd floor of the Hive, becoming current on the unpaid rent, and remaining in the two 1st floor offices. Mr. Tabot signed the letter on behalf of Meadowlark.
 - c. Subsequently, Mr. Talbot informed GFHive that he intends to completely vacate the Hive with all his personnel, furniture and equipment by the end of November. GFHive accepted his decision, and wished Meadowlark well in their future endeavors.
 - d. Meadowlark is approximately \$18,000 in arrears on rent. GFHive is working to ascertain the exact amount, but we believe it to be below \$19,000 total. GFHive recommends that the JDA turn the uncollected amount to a collections agency to try to collect some portion of the rent in arrears.
2. Thread:
 - a. In late October, Thread requested to be let out of all of their lease obligations at the Hive as of 10/31/2025. The City consulted with GFHive, as a courtesy, and GFHive recommended that Thread be let out of their lease obligations.
 - b. Currently, Thread has over \$4,000 in rent in arrears. GFHive is working to ascertain the exact amount owed. More importantly, Thread has a significant amount of equipment stored in their former suite.
 - c. GFHive recognizes that the GF Growth Fund is a creditor to Thread as is Bank of North Dakota and North Dakota Development Fund. In an effort to support the creditors, GFHive has shut off access to the Thread space to anyone by GFHive Personnel.
 - d. GFHive has no immediate prospects for renting the former Thread space and recommends to continue to work with the creditors to sell the equipment but to try to do so in an expedient manner to free the space up with a target goal of having the space available for rent as of Jan 1, 2026.
 - e. GFHive also recommends turning the rent in arrears to a collection agency for collection.
3. New Tenants:
 - a. GFHive is in the process of preparing proposals to four prospective tenants.

- i. Prospective tenant #1 is interested in much of the space being vacated by Meadowlark as early as December 1st.
 - ii. The other three prospective tenants are all interested in offices to support up to three people each.
- 4. Overall Management Report:
 - a. GFHive believes that the termination of Meadowlark and Thread leases along with termination of roughly 12-15 membership agreements represents a material impact to the 2025 gross revenue of the Hive. GFHive is not yet in a position to ascertain the extent of the impact for the following reasons:
 - i. We are still working to develop all the metrics associated with Hive operations.
 - ii. We do not know if any of the rent in arrears is going to be collected.
 - iii. We anticipate but don't have signed agreements with prospective tenants.
 - iv. There are other revenue opportunities from external events that could generate small revenue streams this calendar year.
 - b. GFHive plans to adjust the membership and office lease structure.
 - i. We anticipate minor changes to the actual membership agreement for Hive members to better reflect charging members for premium services offered by the Hive. We anticipate providing the proposed new membership agreement at the next JDA meeting.
 - ii. We do not anticipate any changes to the office lease document, but we do anticipate charging companies / tenants for office space in addition to memberships. Currently, a Hive tenant can secure office space with a certain number of membership agreements.
 - iii. GFHive has hired Johnny Ryan to continue to lead Hive operations and innovation. We have also hired three interns to support the team and anticipate hiring more in the coming weeks.
 - iv. GFHive is still establishing a full operational picture of the Hive. We recognize that, within the next five months, we owe JDA a complete operations manual along with a comprehensive marketing strategy and revenue projection. We are on track to deliver these materials for review in a timely manner and in full alignment with the requirements of the Management Agreement.
 - v. GFHive expects to increase membership costs for all members, increase lease rates for all rented square footage, charge for use of premium spaces, and generate income for JDA from events.