



**NURA MEMORANDUM
#18-11**

DATE: December 12, 2018

TO: NURA Board & Advisors

FROM: Debbie Tuttle, NURA Executive Director

SUBJECT: **Agreements with the Courts, LLC & WTP Holdings, LLC**
N/18-31 - Assignment of the Improvement Reimbursement Agreement with The Courts, LLC & an Extension of the Completion Deadline
N/18-32 - Second Extension of Right of Reverter Agreement with WTP Holdings, LLC
N/18-33 - Consent and Subordination Agreement between NURA & WTP Holdings, LLC

PURPOSE:

The purpose of this memorandum is to provide an overview of the following three resolutions for the Board's consideration and approval (N/18-31, N/18-32 and N/18-33).

BACKGROUND:

The Courts purchased 2.5 acres at 11295 N. Washington from NURA for \$385,000 on March 9, 2018. The company plans to construct a 32,000 square foot sports facility.

The Courts, LLC is closing on its construction loans on December 24, 2018. At that time, The Courts will convey and transfer the property to WTP Holdings, LLC. If the board approves these three attached Agreements, following the closing and recording of the deed with First Bank and the U.S. Small Business Administration, these Agreements will transfer rights over to WTP Holdings, LLC.

Since the November approval of the Improvement Reimbursement Agreement, final construction bids and schedules have been finalized. The construction deadlines have changed, and these resolutions extend the completion dates from November 1, 2019 to April 30, 2020.

N/18-31 - Assignment of the Improvement Reimbursement Agreement with the Courts, LLC and an Extension of the Completion

Resolution N/18-21 was approved on November 2, 2018 for an Improvement Reimbursement Agreement for \$280,000. That Agreement had a deadline for obtaining a Certificate of Occupancy by November 1, 2019. An extension is being requested to amend the deadline to April 30, 2020 due to delays and construction schedules. This Resolution also approves assigning the Improvement Reimbursement Agreement from The Courts to WTP Holdings, LLC. This change needs approval by NURA per Section III(H) of the Agreement.

N/18-32 - Second Extension of Right of Reverter Agreement with WTP Holdings, LLC

On August 8, 2018 (N/18-13) NURA approved an extension to the Right of Reverter Agreement from the original completion date of March 2, 2019 to December 31, 2019. Resolution N/18-32 approves a second extension amending the Right of Reverter Agreement to extend the deadline to April 30, 2020 due to delays and construction schedules.

N/18-33 - Consent and Subordination Agreement between NURA & WTP Holdings, LLC

On March 9, 2018 NURA approved the purchase and sale agreement with The Courts, which was recorded with Adams County via a special warranty deed. The deed contained a reversionary clause giving NURA the right to repurchase the property if The Courts failed to complete the construction on or before March 1, 2019. If N/18-31 and N/18-32 are approved, these deadlines will be extending to April 30, 2020.

Resolution N/18-33 will amend the Agreement so that NURA subordinates the reversionary clause to First Bank and the U.S. Small Business Administration that will be financing the construction loans.

STAFF RECOMMENDATION: It is staff's recommendation to approve Resolutions N/18-31, N/18-32, and N/18-33 related to The Courts and WTP Holdings, LLC for the project located at 11295 Washington Street. If the board approves these three resolutions, they will be delivered to the title company for execution by WTP Holdings, LLC and recorded with the other closing documents.

STAFF REFERENCE:

If you have any questions, please contact Debbie Tuttle at 303.450.8743 or dtuttle@northglenn.org.

A RESOLUTION APPROVING A CONSENT AND SUBORDINATION AGREEMENT BETWEEN NURA AND WTP HOLDINGS, LLC

WHEREAS, NURA conveyed certain real property to The Courts, LLC, (the predecessor-in-interest of WTP Holdings, LLC) via a special warranty deed dated March 9, 2018 and recorded with the Adams County Clerk and Recorder on March 12, 2018 at Reception No. 2018000020256 (the "Deed");

WHEREAS, the Deed contained a reversionary clause giving NURA the right to repurchase the subject property if the Courts, LLC failed to complete construction of its project on the subject property on or before March 1, 2019, which deadline was extended by amendments to April 30, 2020; and

WHEREAS, NURA and WTP Holdings, LLC, desire that NURA subordinate the reversionary clause to certain loans provided to WTP Holdings, LLC by FirstBank and the United States Small Business Association to finance the construction of improvements on the subject property.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTHGLENN URBAN RENEWAL AUTHORITY, THAT:

1. The Consent and Subordination Agreement, attached hereto as **Exhibit A**, is hereby approved and the Chair is authorized to execute the same.

DATED this _____ day of _____, 2018

Rosie Garner
Chair

ATTEST:

APPROVED AS TO FORM

Debbie Tuttle
Executive Director

Jeff Parker
Board Attorney

CONSENT AND SUBORDINATION

WHEREAS, the Northglenn Urban Renewal Authority (“NURA”) conveyed certain real property (the “Property”) to the Courts, L.L.C. (the “Courts”) via a special warranty deed dated March 9, 2018 and recorded with the Adams County Clerk and Recorder on March 12, 2018 at Reception No. 2018000020256 (the “Deed”);

WHEREAS, the Deed contains a reversionary clause giving NURA a right of reverter to obtain ownership of the subject property if the agreed-upon sports complex project is not completed by March 1, 2019 which completion deadline was amended and extended to April 30, 2020 by way of certain Extension of Right of Reverter Agreements entered into by and between NURA and the Courts (collectively and as extended, the “Reversionary Clause”);

WHEREAS, WTP Holdings, LLC as successor of the Property (“Borrower”) is in the process of obtaining two loans from FirstBank (“FirstBank”), a loan in the amount of \$2,398,581 (“FirstBank First Loan”) and a loan in the amount of \$1,317,981 (“FirstBank Second Loan”) and one loan from the United States Small Business Administration (“SBA”) that will refinance the FirstBank Second Loan (“SBA Loan”), all to finance the construction of the sports complex project upon the Property (each of the FirstBank First Loan, FirstBank Second Loan and the SBA Loan are individually hereinafter referred to as a “Loan” and collectively, the “Loans”);

WHEREAS, all of the Loans will be secured by deeds of trust encumbering the Property (collectively, the deeds of trust for the benefit of FirstBank and SBA that secure the Loans, the “Deeds of Trust,” and individually, a “Deed of Trust”);

WHEREAS, to close the Loans and disburse funds to the Borrower for construction of the sports complex, FirstBank and the SBA require that NURA’s rights under the Reversionary Clause be subordinated to the Deeds of Trust; and

WHEREAS, NURA is willing to subordinate its rights under the Reversionary Clause to each Deed of Trust to facilitate the Borrower’s financing for construction of the sports complex.

NOW THEREFORE, NURA, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, consents to the Deeds of Trust and all liens and encumbrances upon the Property by the Borrower to and for the benefit of FirstBank and the SBA. NURA acknowledges and agrees that the transfer of the Property from Courts to the Borrower does not trigger the Reversionary Clause and NURA waives and terminates claims or rights NURA may have to the Property as a result of the transfer to Borrower. Borrower and NURA hereby agree that all of either of their rights or obligations under the Reversionary Clause is subordinate and subject to the lien of each of the Deeds of Trust separately effective upon recordation of such Deed of Trust. Exercise by NURA of any of its rights under the Reversionary Clause will not extinguish any of the duly recorded Deeds of Trust and will be subject to all or any of the Deeds of Trust. Borrower and NURA acknowledge and agree that upon foreclosure or deed in lieu of any of the Deeds of Trust, the Reversionary Clause is automatically terminated and of no further force or effect without any action on the part of either Borrower or NURA; provided, however, within thirty (30) days from the written request, NURA will execute any documentation requested by Lender or Borrower to evidence the termination.

This Consent and Subordination shall apply only to the Deeds of Trust upon the recording of such Deed of Trust with the Adams County Clerk and Recorder.

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Subordination as of the dates set forth in their respective acknowledgments.

NORTHGLENN URBAN RENEWAL AUTHORITY

By: _____
Rosie Garner
Chair

ATTEST:

Debbie Tuttle
Executive Director

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Consent and Subordination was acknowledged before me this ____ day of _____, 2018, by Debbie Tuttle, Executive Director of Northglenn Urban Renewal Authority.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: _____

[S E A L]

Notary Public

IN WITNESS WHEREOF, the parties hereto have executed this Consent and Subordination as of the dates set forth in their respective acknowledgments.

WTP HOLDINGS, LLC

By: _____

Name: _____

Title: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing Consent and Subordination was acknowledged before me this ____ day of _____, 2018, by _____ and _____ of the WTP HOLDINGS, LLC.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: _____

[S E A L]

Notary Public