

ORDINANCE NO. 27

SERIES 2024

A BILL FOR AN ORDINANCE APPROVING A SUBORDINATION AGREEMENT WITH FIRST BANK PERTAINING TO STABLES VILLAGE HOMES LLC FINANCING FOR THE STABLES VILLAGE PROJECT.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO:

**Section 1.** That the Town Council of the Town of Breckenridge hereby approves the Agreement Relating to Development and Subordination attached hereto as **Exhibit A**.

**Section 2.** This ordinance shall be published and become effective as provided by Section 5.9 of the Breckenridge Town Charter.

INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN FULL this 8th day of October, 2024.

This ordinance was published in full on the Town of Breckenridge website on October 10, October 11, October 12, October 13 and October 14, 2024.

A public hearing on this ordinance was held on October 22, 2024.

READ, ADOPTED ON SECOND READING AND ORDERED PUBLISHED IN FULL ON THE TOWN'S WEBSITE this 22nd day of October, 2024. A copy of this Ordinance is available for inspection in the office of the Town Clerk.

ATTEST:

TOWN OF BRECKENRIDGE

\_\_\_\_\_  
Helen Cospolich, CMC, Town Clerk

\_\_\_\_\_  
Kelly Owens, Mayor

APPROVED IN FORM

\_\_\_\_\_  
Town AttorneyDate

This Ordinance was published on the Town of Breckenridge website on October 24, October 25, October 26, October 27 and October 28, 2024. This ordinance shall become effective on November 27, 2024.

After recording  
return to:  
FirstBank  
Attn: Loan Operations  
12345 West Colfax  
Avenue Lakewood,  
CO 80215

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## AGREEMENT RELATING TO DEVELOPMENT AND SUBORDINATION

THIS AGREEMENT RELATING TO DEVELOPMENT AND SUBORDINATION (this "Agreement") dated October , 2024 (the "Effective Date"), is by and among the TOWN OF BRECKENRIDGE, COLORADO, a Colorado home rule municipality (the "Town"), STABLES VILLAGE HOMES LLC, a Colorado limited liability company ("Borrower"), and FIRSTBANK, a Colorado state banking corporation ("Lender" together with Town and Borrower, the "Parties").

### RECITALS

A. On or about May 15, 2023, the Town and Stables Village, LLC, a Colorado limited liability company, as predecessor in interest to Borrower, entered into that certain Stables Village Project Agreement, related to the construction of workforce housing (the "Project") on the real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property") as assigned to Borrower by that certain Assignment of Stables Village Project Agreement with an effective date of September 15, 2023 (the agreement as assigned, the "Project Agreement").

B. The Property is subject to a Master Plan (PL-2023-0034) approved by the Town on April 11, 2023, commonly known as the Stillson Master Plan.

C. In connection with the first phase of funding for the Project ("Phase 1 Project"), the Parties entered into an Agreement Relating to Development and Subordination dated April 17, 2024 ("Phase 1 Agreement"). The Parties hereby wish to enter into a substantially similar agreement for the financing of the Phase 2 Project.

D. On April 18, 2024, the Town conveyed to the Borrower, a portion of the Property (Phase 2 of the Project, which included Phase 2A and Phase 2B per the budget documents and Tracts D, E and H, collectively referred to herein as, "Phase 2 Property") in consideration for the agreements set forth in the Project Agreement and for construction of twenty-four homes comprised of 11 duplexes, and 2 single family homes ("Phase 2 Project").

E. In connection with the conveyance of the Phase 2 Property to Borrower, also on October 10, 2023, the Town and Borrower entered into a Restrictive Housing Covenant and Notice of Lien for Stables Village, Summit County, Colorado recorded with the Clerk and Recorder at Reception No. 1319331 on October 18, 2023 (the "Restrictive Covenant"). The Town and Borrower entered into that certain Public Improvements, Site Work, and Infrastructure

Construction Agreement (Phase 1 Stables Village – Infrastructure) dated August 15, 2023 which relates to the Phase 1 Project and the Phase 2 Project (“Improvement Agreement”).

F. On or about even date herewith, Lender will close a construction loan to Borrower in an original principal amount of approximately Fifteen Million Nine Hundred Eighty-Six Thousand One Hundred Ninety Seven and No/100ths Dollars (\$15,986,197.00) to fund a portion of the costs of the Phase 2 Project (“Loan”). The Loan is secured by, among other things, that certain Deed of Trust dated on or about even date herewith and recorded in the Records on \_\_\_\_\_ at Reception No. \_\_\_\_\_ and Assignment of Leases, Rents, and other Rights dated on or about even date herewith and recorded in the Records on \_\_\_\_\_ at Reception No. \_\_\_\_\_ (collectively, the “Deed of Trust”), encumbering the Phase 2 Property and the Phase 2 Project. The Deed of Trust, together with any and all agreements, documents, writings or instruments which evidence and/or secure the Loan, as the same may be extended, consolidated, amended, modified, supplemented, or restated are collectively referred to herein as the “Loan Documents.”

G. As a condition precedent to closing and advancing the Loan, Lender requires the Parties execute and deliver this Agreement and the Borrower and Town wish to execute and deliver this Agreement. Capitalized terms not defined herein shall have the meanings ascribed in the Loan Documents.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing Recitals which are incorporated herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and to induce Lender to enter into the transactions contemplated by the Loan Documents, Borrower, Lender and the Town agree as follows:

1. Consent to Loan. The Town hereby consents to the Loan and agrees that the Loan meets the conditions of the Project Agreement for an “Encumbrance” as defined in Section 16 of the Project Agreement.

2. Collateral Assignment of Development Rights and Project Agreement. As additional collateral for the Loan, Borrower has collaterally assigned to Lender all of Borrower’s right, title, and interest in and to the Project Agreement and any and all vested development rights under C.R.S. § 24-68-101 *et seq.*, development rights issued, granted, conveyed, or accruing to Borrower in connection with the Phase 2 Project, including, without limitation, all rights, benefits, approvals, variances and exemptions (collectively, with the Project Agreement, the “Development Rights”) and the Borrower has collaterally assigned the Improvement Agreement. The Town, upon demand from Lender as a result of Borrower’s uncured default under the Loan Documents, will recognize and accept Lender as the holder of the Development Rights and the Improvement Agreement for any and all purposes relating to Phase 2 Project as fully as it would recognize and accept Borrower, and the performance of Borrower thereunder. Following a default or an Event of Default under the Loan Documents, without further notice or demand and without the necessity for any action and at Borrower’s sole cost and expense, (i) the Town upon written notice from Lender of the occurrence of a default or an Event of Default, shall be and is hereby authorized by Borrower to allow Lender to perform under the Project Agreement and the Improvement Agreement in accordance with the terms and conditions thereof

without any obligation to determine whether or not such default or Event of Default has in fact occurred or is continuing, (ii) Lender is entitled to exercise all rights of Borrower under the Project Agreement and Improvement Agreement; and (iii) if Lender does so perform under either of the Project Agreement or the Improvement Agreement, Town shall not find a default of the Project Agreement or the Improvement Agreement merely on the basis of Lender assuming Borrower's rights and responsibilities thereunder. Any amounts collected by Borrower or Lender under the Project Agreement or the Improvement Agreement after the occurrence of a default or Event of Default by Borrower under the Loan Documents shall be applied in accordance with the provisions of the Loan Documents.

3. Subordination. Notwithstanding anything to the contrary set forth in the Project Agreement, the reverter obligations of Borrower set forth in Paragraph 13 of the Project Agreement and the termination rights set forth in Section 28 (individual, or collectively, as the context may require, the "Reverter and Termination Provisions") (a) are hereby subordinated to Lender's Deed of Trust, and if Lender shall complete a foreclosure of the lien of the Deed of Trust, or accept a deed in lieu thereof, such Reverter and Termination Provisions automatically terminate and shall be deemed null and void and of no further force or effect, and (b) are subject to the repayment of the Loan in full, until such time as the Loan is paid in full at which time the Lender's Deed of Trust shall be released from the Property. In no event shall the Property be reconveyed by Borrower without payment of the Loan in full. In consideration of the terms in this Agreement, the Parties agree upon Lender or its successors or assigns becoming an owner of the Property whether through foreclosure, deed in lieu thereof, or otherwise, Lender or its successors or assigns is entitled and has development authority from the Town to complete the Phase 2 Project in accordance with all of its customary requirements for developments under the authority of the Town, including issuances of permits, which approval shall not be unreasonably delayed or withheld by the Town, and/or Lender is entitled to sell any part of or the whole Property subject to the Stillson Master Plan and applicable land use guidelines. It being acknowledged by the Town that after the Lender or its successor or assigns is the owner of the Property, Town has no right to withhold, permits, authorizations, or verifications of completeness of the Phase 2 Project for the reason that the Phase 2 Project except the Town has the full right and authority to withhold permits, authorizations or verifications if the Property does not comply with the Town's customary requirements for developments and in accordance with the Stillson Master Plan and applicable land use guidelines.

4. Restrictive Covenant. The Town acknowledges and agrees that the Restrictive Covenant and any Notice of Lien (as defined in and in the form attached to the Restrictive Covenant) between Town and Borrower are hereby irrevocably made and shall be subject and unconditionally subordinate to the Loan Documents, including, without limitation, (A) the liens created by the Deed of Trust and any and all renewals, extensions, modifications, assignments, replacements, or consolidations thereof; (B) all of the terms, covenants and conditions contained in the Loan Documents, including, without limitation, any and all of such advances, interest, expenses, charges and fees that are secured by the Deed of Trust and rights, privileges, and powers of Lender under the Loan Documents and all renewals, extensions, modifications, assignments, replacements, or consolidations thereof; and (C) the liens, terms, covenants and conditions contained in any security or loan documents (including, without limitation, any and all advances, interest, expenses, charges and fees) of any commercial lender who shall hereafter refinance the Loan in an amount equal to or less than all of the amount to pay in full Loan at such time of refinance. Upon Lender's foreclosure of the Deed of Trust or deed in lieu thereof,

the Restrictive Covenant and any Notice of Lien shall automatically terminate and shall be deemed null and void and of no further force or effect.

5. Town Agreements. Notwithstanding any provision in the Project Agreement to the contrary, without prior written approval of the Lender during the Standstill Period, the Town will standstill from (i) proceeding with or assuming any responsibilities of the Borrower under the Project Agreement (except to complete the Public Improvements); (ii) entering the Property without an easement or license approved in writing by Lender which approval will not be unreasonably withheld (except for the purposes of constructing the Public Improvements, or as is customarily required for developments under the authority of the Town for inspections for issuances of permits or verifications of completion of improvements or for authorized governmental functions of the Town); (iii) taking possession of the Project, materials or any equipment relating to the Project; or (iv) terminating the Project Agreement. For purposes of this subsection 5 and otherwise in the Agreement, the "Standstill Period" means from the Effective Date and ending ninety (90) days after Lender's receipt from the Town of written notice describing the Borrower's default or event of default under the Project Agreement ("Town Default Notice") or such longer time as Lender may need if within ninety (90) days of receipt of the Town Default Notice, Lender shall deliver to Town evidence that it has (x) commenced an action for appointment of receiver; (y) commenced foreclosure; or (z) is pursuing a cure for the event of default or default described in the Town Default Notice.

6. Estoppel. The Town and Borrower represent and warrant that all of the following are true:

(a) The "Master Plan" as defined in the Project Agreement has been approved by the Town;

(b) The budget for Phase 2 has been approved by the Town and the Town will be contributing \$6,808,000.00 to the costs of construction for Phase 2 Project which the Town and Borrower agree will be expended in full for costs of the Phase 2 Project before the Borrower is entitled to draw on the Loan;

(c) Neither the Town or Borrower have a right to terminate the Project Agreement pursuant to Section 9 of the Agreement with respect to the Phase 2 Project and if the Project Agreement shall be terminated with respect to any future phase of the Project, the Project Agreement still remains with respect to the Phase 2 Project;

(d) The Town has approved the plans and specifications for the Phase 2 Project and all of the public improvements required for the development of the Phase 2 Project have been approved;

(e) As of the Effective Date, the Project and any and all applications, plans, agreements and other required submittals in connection with the Project comply with all zoning and land use approvals of the Town, including site plan approvals and the site plan has been approved, and there are no conditions remaining outstanding for the Town approval of the site plan;

(f) The Project Agreement is in full force and effect and has not been modified, amended or assigned other than pursuant to this Agreement;

(g) The Improvement Agreement is in full force and effect and have not been modified, amended or assigned other than pursuant to this Agreement;

(h) Neither Town nor Borrower is in default under any of the terms, covenants or provisions of the Project Agreement, and the Town knows of no event or circumstance which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Project Agreement;

(i) Neither Town nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Project Agreement; and

(j) The Town has the full power and authority to enter into this Agreement.

7. No Amendments or Termination. The Town and Borrower agree that the Project Agreement shall not be terminated, amended or modified without the prior written consent of Lender.

8. Notices to Lender and Town. Borrower and the Town, respectively agree to provide Lender with any and all notices delivered between them in connection with the Project and under the Project Agreement.

9. Repayment of Loan.

(a) The Town and the Borrower acknowledge that the Loan Documents require at all times that the Loan proceeds left to be drawn pursuant to the Loan Documents together with Borrower's equity paid into the Phase 2 Project are sufficient to complete construction the Phase 2 Project. If the remaining Loan funds plus Borrower's equity paid into the Phase 2 Project are insufficient to fund the Phase 2 Project, Lender will send notice thereof to Borrower and the Town ("Budget Shortfall Notice"). Upon receipt of the Budget Shortfall Notice, if Borrower shall not fund the shortfall set forth therein, the Town will fund the shortfall, subject to Paragraph 10 of this Agreement.

(b) In the event of default under the Loan which is uncured by the Borrower for ninety (90) days, Town will pay the Loan in full, including without limitation all fees, costs, interest, and principal, subject to Paragraph 10 of this Agreement. Upon receipt of payment of the Loan, Lender will release the lien of the Deed of Trust and this Agreement will terminate. Borrower authorizes and the Lender agrees to accept the payment in full of the Loan from the Town.

10. Annual Appropriation. Any payment of the Loan or other financial obligation of the Town under this Agreement payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available by the Town Council of the Town of Breckenridge, Colorado. If sufficient funds shall not be made available, the Town shall have no financial obligation hereunder. The Town's obligations hereunder shall not constitute a general obligation indebtedness or multiple-year direct or indirect debt or other financial obligation whatsoever within the meaning of the Constitution or laws of the State of Colorado.

11. Further Assurances. So long as the Deed of Trust shall remain a lien upon the Property or any part thereof, the Parties hereto, and their respective successors or assigns, shall execute, acknowledge and deliver, promptly after being requested to do so any and all further instruments in recordable form reasonably requested by the requesting party for the purpose of confirming and carrying out the purpose and intent of the foregoing covenants. Promptly upon repayment in full of the Loan, Lender will release the lien of the Deed of Trust, unless Lender determines in its reasonable discretion that any such repayment of the Loan may be considered a

“preference” as such term is used by applicable bankruptcy law or may otherwise be set aside or subject to return or recovery.

12. Notices. Any notice from Lender to Borrower, or Borrower to Lender, shall be given in the manner set forth in the Loan Documents. Any notice from the Town to Lender, or Lender to the Town, shall be in writing, shall be given by certified mail, return receipt requested, by Federal Express or other nationally recognized overnight delivery service, or delivered by hand, addressed as follows, or at such other address as a party entitled to receive notices hereunder (a “Notice Party”) may notify the other Notice Parties in writing:

If to the Town: Town of Breckenridge  
Attn: Shannon Haynes, Town  
Manager 150 Ski Hill Road  
PO Box 168  
Breckenridge, CO 80424

With a Copy to: Keely A. Ambrose, Esq.  
150 Ski Hill Road  
PO Box 168  
Breckenridge, CO 80424

If to Lender: FirstBank  
Attn: Presley Ilieva  
12345 West Colfax Avenue  
Lakewood, Colorado 80215

With a Copy to: Lewis Roca Rothgerber Christie LLP  
Attn: Lindsay McKae, Esq.  
1601 19<sup>th</sup> Street, Suite  
3000  
Denver, Colorado 80202

Any notice given hereunder if given by certified mail will be deemed received when delivered, or if delivery is refused, when delivery is first attempted in the ordinary course. Any notice sent by hand delivery shall be deemed received when actually received. Any notice sent by Federal Express or any nationally recognized overnight courier service shall be deemed received one business day after having been deposited with such overnight courier service if designated for next business day delivery.

13. Specific Performance and Injunctive Relief. Notwithstanding the availability of any other remedies, the non-defaulting party hereunder shall be entitled to obtain specific performance, mandatory or prohibitory injunctive relief, or other equitable relief requiring any defaulting party to cure any breach by it of the terms of this Agreement or refrain from repeating any breach or default hereunder

14. No Waiver, Remedies. No failure on the part of a party hereto to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of that right or any other right (except as specifically referenced in this Agreement); nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of the right or

the exercise of any other right. All remedies are cumulative and not exclusive of any remedies provided by law or in equity. The failure at any time of the Town, Lender, or Borrower to timely comply with this Agreement shall constitute a default. No waiver of any provision of this Agreement shall be effective against any party hereto unless the waiver is in writing and signed by the party against whom the waiver shall apply and shall be a waiver only with respect to the specific instance involved, nor shall the same establish a course of conduct.

15. Modification of Loan Documents. No renewal or extension of time of payment or modification of the Loan Documents, no release or surrender of security for the payment thereof, no delay in the enforcement of payment thereof and no delay or omission in exercising any right or power under the Loan Documents, shall in any manner impair or adversely affect the rights of Lender under this Agreement. The Town hereby waives any further notice of the creation, existence, extension or renewal of the Loan or of any modification of the Loan or of any other actions or matters of any nature whatsoever in connection with the Loan.

16. Miscellaneous.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties hereto and each of their successors and assigns.

(b) This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

(c) This Agreement may be signed in any number of counterparts, all of which will constitute an original, and all of which when taken together shall constitute one instrument.

(d) Any action concerning this Agreement may be brought in the Colorado District Court for the county in which the Property is located and the Parties hereto hereby agree that all claims in respect of any such action or proceeding may be heard in any of the courts described above.

(e) No provision of this Agreement may be changed, waived, discharged or terminated orally, by telephone or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

(f) If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable and there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.

(g) Headings used in this Agreement are used for reference purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement. The Recitals to this Agreement and all exhibits referenced herein are incorporated herein and made a part of this Agreement.

(h) Parties agree that this Agreement and the Phase 1 Agreement will be recorded in the real property records of Summit County, Colorado ("Records"). Upon the full release of that certain Deed of Trust dated April 17, 2024, and recorded in the Records on April 19, 2024, at Reception No. 1328986 and Assignment of Leases, Rents, and other



Rights dated April 17, 2024, and recorded in the Records on April 19, 2024, at Reception No. 1328987, the Phase 1 Agreement shall be deemed to have terminated and shall be deemed to be released from the Records with no further action required by any party. Upon the full release of the Deed of Trust, the Agreement shall be deemed to have terminated and shall be deemed to be released from the Records with no further action required by any party.

*[Signature Pages Follow]*



IN WITNESS WHEREOF, this Agreement Relating to Development and Subordination is executed as of the date and year set forth above.

**BORROWER:**

**STABLES VILLAGE HOMES LLC,**  
a Colorado limited liability company,

By: \_\_\_\_\_  
Name: Suzanne Marie Allen Sabo  
Title: Manager

STATE OF COLORADO    )  
  )  
ss: COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this    day of September, 2024 by Suzanne Marie Allen Sabo, as Manager of Stables Village Homes LLC, a Colorado limited liability company.

My Commission Expires \_\_\_\_\_.

Witness my hand and official seal.

[ S E A L ]

\_\_\_\_\_  
Notary Public

IN WITNESS WHEREOF, this Agreement Relating to Development and Subordination is executed as of the date and year set forth above.

**LENDER:**

**FIRSTBANK,**  
a Colorado state banking corporation

By: \_\_\_\_\_  
Name: Presley Ilieva  
Title: Senior Vice President

STATE OF COLORADO )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of September, 2024, by Presley Ilieva, as Senior Vice President of FirstBank, a Colorado state banking corporation.

My Commission Expires \_\_\_\_\_.

Witness my hand and official seal.

[ S E A L ]

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**The Property**

Legal Description

TRACTS D, E AND H, STABLES VILLAGE SUBDIVISION AS SHOWN ON PLAT  
RECORDED JULY 10, 2023 UNDER RECEPTION NO. 1313563, COUNTY OF SUMMIT,  
STATE OF COLORADO.