

# CITY OF HIGH POINT

## AGENDA ITEM



**Title:** Subordination Agreement – 203 N. Hoskins Ave.

**From:** JoAnne Carlyle, City Attorney

**Meeting Date:** Monday, September 17, 2018

**Public Hearing:** Not Required

**Advertising Date:**

**Advertised By:**

**Attachments:** Subordination Agreement

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### **Purpose/Background:**

On June 20, 2016, Council authorized the conveyance of 203 N. Hoskins Avenue ("Property") to Habitat for Humanity of High Point, Archdale & Trinity, Inc. ("Habitat"). On September 2, 2016 the City deeded the Property by Quit Claim Deed that contained the usual language including reversionary clause requiring property to be used for public purpose of low to moderate owner-occupied housing. Habitat sold the Property to a qualified buyer on July 12, 2018. The Title company has requested a subordination clause relating to the reversionary language. This subordination would preserve the title company's interests while still providing protection of the public purpose reversionary interest.

### **Budget Impact:**

There is no budget impact.

### **Recommendation:**

Council approve the execution of the Subordination Agreement.

PREPARED BY: Elizabeth M. Koonce, Attorney-at-Law  
MAIL TO: Roberson, Haworth & Reese, P.O. Box 1550, High Point, NC 27261

NORTH CAROLINA

SUBORDINATION AGREEMENT

GUILFORD COUNTY

THIS SUBORDINATION AGREEMENT, entered into this the \_\_\_\_\_ day of August, 2018, by and between CITY OF HIGH POINT, of Guilford County, North Carolina, party of the First Part; and STATE EMPLOYEES CREDIT UNION FOUNDATION, a North Carolina banking association, of North Carolina, Party of the Second Part.

WITNESSETH:

THAT WHEREAS, Party of the First Part reserved unto itself a Restrictive Covenant/Reversionary Clause (hereinafter referred to as "Reversionary Interest") in the property herein described, in that Quitclaim Deed recorded in Book 7851, Page 2341.

WHEREAS, the property herein described was conveyed by General Warranty Deed to CHARLOTTE FURAHA by Deed recorded in Book 8066, Page 2417, Guilford County Registry.

WHEREAS, CHARLOTTE FURAHA. has heretofore executed a Promissory Note in the principal amount of \$75,000.00, secured by a Deed of Trust to ELIZABETH KOONCE, as Trustee for HABITAT FOR HUMANITY OF HIGH POINT, ARCHDALE AND TRINITY, INC., a North Carolina non-profit corporation, which deed of trust is recorded in Book 8066, Page 2423, in the Office of the Register of Deeds of Guilford County, North Carolina, and covers that certain tract or parcel of land lying and being in Guilford County, North Carolina, more particularly described as follows:

BEING ALL OF LOT 2 as shown on the map entitled: Exception Map: Property of Diversified Service, Inc., et al., which Exception Map is recorded in Plat Book 39 Page 73, in the Office of the Register of Deeds of Guilford County, North Carolina. Said Lot 2 is also known as 203 North Hoskins Street, High Point, North Carolina, and designated as Tax Parcel #0190976.

The above described Lot 2 contains all of Lots 105 and 106 of Washington Terrace, Plat Book 6, Page 181, Guilford County Registry, and a part of Hoskins Street closed by the City of High Point on April 21, 1966. See Resolution recorded in Book 2283, Page 73.

**Property Address: 203 N. Hoskins Street, High Point, North Carolina 27260**

WHEREAS, the aforesaid Deed of Trust in favor of HABITAT FOR HUMANITY OF HIGH POINT, ARCHDALE AND TRINITY, INC., has been assigned by Assignment of Note and Deed of Trust without Recourse (hereinafter referred to as "Assignment") from Habitat of Humanity of High Point, Archdale and Trinity, Inc. to Party of the Second Part; said Assignment is recorded in Book 8066, Page 2527, Guilford County Registry.

WHEREAS, the Party of the Second Part has requested and the Party of the First Part has agreed to subordinate the Reversionary Interest contained in Book 7851, Page 2341, Guilford County Registry, in favor of Party of the First Part, to the Deed of Trust recorded in Book 8066, Page 2423, Guilford County Registry, in favor of Habitat for Humanity of High Point, Archdale and Trinity, Inc. and Assigned to Party of the Second Party by Assignment recorded in Book 8066, Page 2527, Guilford County Registry.

NOW, THEREFORE, the Party of the First Part, in consideration of the sum of ONE DOLLAR (\$1.00) to it in hand paid by the Party of the Second Part, the receipt of which is hereby acknowledged, does hereby contract and agree with the Party of the First Part that the Deed of Trust upon the above described property in favor of Habitat for Humanity of High Point, Archdale and Trinity, Inc. which is recorded in Book 8066, at Page 2423, Guilford County Registry, and assigned to Party of the Second Party by Assignment recorded in Book 8066, Page 2527, Guilford County Registry, shall be a first lien upon said lands, superior to the Reversionary Interest now held by the Party of the First Part which is recorded in Book 7851, Page 2341, Guilford County Registry. To carry out said purpose, the Party of the First Part does hereby release, remise and forever quitclaim unto the Party of the Second Part, its title to and lien upon said lands to the extent, but only to the extent, that the Reversionary Interest held by it shall be subordinate to the deed of trust in favor of Habitat for Humanity of High Point, Archdale and Trinity, Inc., which is recorded in Book 8066, at Page 2423, and assigned to Party of the Second Party by Assignment recorded in Book 8066, at Page 2527, Guilford County Registry.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that except for such subordination, the Reversionary Interest now held by the Party of the First Part, and all and singular the terms and conditions thereof, shall be and remain in full force and effect.

IN WITNESS WHEREOF, the Party of the First Part has executed this agreement, as of the day and year first above written.

CITY OF HIGH POINT

BY:\_\_\_\_\_

State of North Carolina – County of \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public of the County and State aforesaid, certify that the following person who is known to me or proved to me on the basis of satisfactory evidence to be the person described, personally appeared before me this day; acknowledging to me that he is \_\_\_\_\_ of City of High Point, and that by authority duly given as Director of the Department, he voluntarily signed the foregoing instrument for the purpose stated therein and in the capacity indicated:

\_\_\_\_\_, City of High Point  
Name and title

Date: \_\_\_\_\_

\_\_\_\_\_, Notary Public  
Notary's Printed or Typed Name

(Official/Notarial Seal)

My commission expires: \_\_\_\_\_