

**PREPARED BY AND RETURN TO:**

Carolyn C. Snipes, of ROBERTS & STEVENS, P.A. (Box #39)

**STATE OF NORTH CAROLINA**

**SUBORDINATION AGREEMENT**

**COUNTY OF BUNCOMBE**

**THIS SUBORDINATION AGREEMENT**, made and entered into this \_\_\_\_ day of July 2018, by and between **BUNCOMBE COUNTY**, a body politic (“Buncombe County”) and **MOUNTAIN HOUSING OPPORTUNITIES, INC.**, a North Carolina limited liability company, (hereinafter “MHO”).

**WITNESSETH:**

**WHEREAS**, MHO has heretofore given Buncombe County as Beneficiary a Note secured by a Deed of Trust to Michael C. Frue, Trustee recorded in Book 5170 at Page 647, Buncombe County Registry (the “Existing Deed of Trust”) upon lands hereinafter described in **Exhibit A** attached hereto and made a part hereof (the “Property”); and

**WHEREAS**, the Property is subject to a Declaration of Condominium recorded in Book \_\_\_\_ at Page \_\_\_\_, which creates two (2) condominiums units. Said units being a unit for commercial purposes (“Commercial Unit 100”) and a unit restricted for residential purposes (Residential Unit 100”);

**WHEREAS** Commercial Unit 100 will be conveyed to EMP Commercial, LLC, a North Carolina limited liability company (“EMP”);

**WHEREAS**, EMP desires to borrow from Carolina Small Business (“Lender”) the sum of One Million Seven Hundred Thousand Dollars (\$1,700,000.00) (the “Loan”), to pay off a Deed of Trust to James P. Ferris, Trustee for Neighborworks Capital Corporation, Beneficiary, securing its loan to said Borrower in the amount of \$1,760,000.00 recorded in Book 5151 at Page 828, amended in Book 5536 at Page 146 and secure the Loan by execution of a new first position Deed of Trust (the "Proposed Deed of Trust") upon Commercial Unit 100 being the property described in **Exhibit B** in favor of Lender;

**WHEREAS**, said EMP can procure the Loan only upon the condition that the Existing Deed of Trust be subordinated to the liens of said Proposed Deed of Trust;

**WHEREAS**, except for the Proposed Deed of Trust and a Deed of Trust to Mountain Housing Opportunities recorded in Book 5170 at Page 671, amended in Book 5506 at Page 1648, and partially assigned in Book 5628 at Page 224, all liens of Deeds of Trust on Commercial Unit 100 will be released of record before, or contemporaneously with, the conveyance of Commercial Unit 100 to EMP; and

**WHEREAS**, Buncombe County has agreed that its lien position shall be no lower than fourth with respect to the Property, and that after execution and recordation of this Agreement, Buncombe County shall have a second lien position with respect to Commercial Unit 100.

**NOW, THEREFORE**, Buncombe County, in consideration of the sum of One Dollar (\$1.00) to them in hand paid, does hereby contract and agree that EMP may execute the Proposed Deed of Trust, and that said Proposed Deed of Trust shall be a lien upon Commercial Unit 100 superior to the Existing Deed of Trust held by Buncombe County; and to carry out said purpose, Buncombe County does hereby release, remise, and forever quitclaim unto EMP, its title to and lien upon the Property to the extent, but to the extent only, that the Existing Deed of Trust now held by Buncombe County shall be subordinate to the Proposed Deed of Trust as set out above.

**BUT IT IS EXPRESSLY UNDERSTOOD AND AGREED** that except for such subordination, the Existing Deed of Trust now held by Buncombe County, and all and singular the terms and conditions thereof, shall be and remain in full force and effect.

**IN WITNESS WHEREOF**, Buncombe County has executed this document, as of the day and year first above written.

Attest:

COUNTY OF BUNCOMBE

\_\_\_\_\_  
County Clerk  
(official seal)

By: \_\_\_\_\_  
George A. Wood, Interim County Manager

EAGLE MARKET PLACE, LLC  
By: Mountain Housing Opportunities, Inc.,  
Managing Member

By: \_\_\_\_\_  
R. Scott Dedman, President

**STATE OF NORTH CAROLINA  
COUNTY OF BUNCOMBE**

I, \_\_\_\_\_, a Notary Public of the County and State aforesaid certify that Lamar Joyner personally came before me this day and acknowledged that he is the County Clerk of County of Buncombe, and that by authority duly given by the corporation, the foregoing instrument was signed in its name by its Interim County Manager and attested by himself as its County Clerk.

Witness my hand and notarial seal this \_\_\_\_ day of July 2018.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

**STATE OF NORTH CAROLINA  
COUNTY OF BUNCOMBE**

I, \_\_\_\_\_, a Notary Public of the County and State aforesaid certify that R. Scott Dedman personally appeared before me this day and acknowledged that he is the President of Mountain Housing Opportunities, Inc., Managing Member of Eagle Market Place, LLC and by the authority given by the corporation, acknowledged the execution of the foregoing instrument on behalf the corporation, as Managing Member of Eagle Market Place, LLC.

Witness my hand and notarial seal this \_\_\_\_ day of July 2018.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

## EXHIBIT A

BEGINNING AT A BOLT FOUND LOCATED AT THE INTERSECTION OF THE WESTERN MARGIN OF SOUTH MARKET STREET AND THE SOUTHERN MARGIN OF EAGLE STREET, SAID POINT OF BEGINNING BEING ALSO THE BEGINNING POINT OF DEED BOOK 2295 PAGE 592, THENCE FROM SAID POINT OF BEGINNING AND RUNNING WITH THE SAID WESTERN MARGIN OF SOUTH MARKET STREET SOUTH 01°16'31" WEST 54.20' TO A BOLT FOUND; THENCE CONTINUING WITH THE SAID MARGIN OF SOUTH MARKET STREET SOUTH 00°44'24" WEST AND PASSING THE FOLLOWING: A 1/2" BENT IRON PIN AT A DISTANCE OF 36.24', A CALCULATED POINT AT A CUMULATIVE DISTANCE OF 38.86' AND A 1/2" IRON PIPE AT A CUMULATIVE DISTANCE OF 80.10' FOR A TOTAL DISTANCE OF 108.86' TO THE SOUTHEAST CORNER OF A ONE STORY BRICK BUILDING; THENCE LEAVING THE SAID WESTERN MARGIN OF SOUTH MARKET STREET AND RUNNING WITH THE SOUTHERN WALL OF THE SAID ONE STORY BRICK BUILDING FOR A PORTION OF THE TOTAL DISTANCE LISTED HEREAFTER AND ALSO RUNNING WITH THE SOUTHERN WALL OF A TWO STORY BRICK BUILDING FOR A PORTION OF THE TOTAL DISTANCE LISTED HEREAFTER AND FINALLY ALSO RUNNING ALONG WITH THE NORTHERN WALL OF A TWO STORY BRICK/STUCCO BUILDING SOUTH 76°39'21" WEST PASSING A MASONRY NAIL FOUND ON THE SURVEY LINE AT A DISTANCE OF 78.02' FOR A TOTAL DISTANCE OF 123.17' TO THE NORTHWEST CORNER OF THE SAID TWO STORY BRICK/STUCCO BUILDING; SAID BUILDING CORNER FURTHER BEING LOCATED ON THE EASTERN MARGIN OF THE 15' ALLEYWAY KNOWN AS WILSON ALLEY; THENCE WITH THE SAID EASTERN MARGIN OF WILSON ALLEY NORTH 10°38'18" WEST 28.86' TO A #6 REBAR FOUND; SAID REBAR BEARING NC GRID COORDINATES (NAD83-2001): N= 689,799.22' E= 944,637.27'; THENCE CONTINUING WITH THE SAID EASTERN MARGIN OF WILSON ALLEY NORTH 10°23'58" WEST 28.85' TO A #4 REBAR WITH MCABEE ID CAP SET; THENCE LEAVING WILSON ALLEY AND RUNNING WITH THE SOUTHERN BOUNDARY OF THE J.A. WILSON BUILDING CONDO OWNERS PROPERTY (RECORDED IN DEED BOOK 2698 PAGE 866) NORTH 76°25'11" EAST 41.00' TO A #4 REBAR WITH MCABEE ID CAP SET; THENCE CONTINUING WITH THE EASTERN BOUNDARY OF THE SAID J.A. WILSON BUILDING CONDO OWNERS PROPERTY NORTH 11°19'49" WEST 99.81' TO A CALCULATED POINT LOCATED IN THE SAID SOUTHERN MARGIN OF EAGLE STREET; SAID CALCULATED POINT BEING LOCATED SOUTH 11°19'49" EAST 0.43' FROM A MASONRY NAIL FOUND; THENCE CONTINUING WITH THE SAID SOUTHERN MARGIN OF EAGLE STREET NORTH 76°25'11" EAST PASSING THE FOLLOWING: A MASONRY NAIL FOUND AT A DISTANCE OF 28.35' AND ANOTHER MASONRY NAIL FOUND AT A CUMULATIVE DISTANCE OF 84.05' FOR A TOTAL DISTANCE OF 156.99' TO THE POINT AND PLACE OF BEGINNING, CONTAINING 0.412 ACRES / 17,929 SQUARE FEET.

And being all of the property shown on survey by J. Barry West, PLS, entitled "Eagle Market Place, LLC" dated October 1, 2013, being Project No. 10794.

AND BEING all of that property described in those deeds recorded in Book 5055 at Pages 446 and 450 and in Book 5151 at Pages 820 and 825, Buncombe County Registry.

## **EXHIBIT B**

Being all of Unit 100 of Eagle Market Place Condominium as described in that Declaration of Condominium for Eagle Market Place Condominium, which Declaration is recorded in Book \_\_\_\_ at Page \_\_\_\_, Buncombe County Registry, reference to which is hereby made for a more particular description. A plat of Eagle Market Place Condominium is recorded in Plat Book \_\_\_\_ at Page \_\_\_\_, Buncombe County Registry. The architect's plans for Eagle Market Place Condominium are recorded in File \_\_\_\_, Buncombe County Registry. Together with an undivided interest in the Common Elements of Eagle Market Place Condominium as set forth in said Declaration.