



**WINTERVILLE TOWN COUNCIL VISION SETTING AGENDA PART A
TUESDAY, JANUARY 28, 2025 – 5:30 PM
WINTERVILLE TOWN HALL ASSEMBLY ROOM**

- I. CALL TO ORDER.**
- II. INVOCATION / BLESSING**
- III. PLEDGE OF ALLEGIANCE.**
- IV. WELCOME.**
- V. APPROVAL OF AGENDA.**
- BREAK FOR DINNER**
- VI. SUBORDINATION AGREEMENT – CHRIST COVENANT CHURCH.**
- VII. COUNCIL VISION SETTING PROCESS/DISCUSSION.**
 - 1. Terri L. Parker, Town Manager/Rebecca Caveness/Winterville Chamber of Commerce.
 - 2. Terri L. Parker, Town Manager/Town Management Team.
- VIII. MAYOR AND COUNCIL COMMENTS.**
- IX. RECESS.**

SPECIAL NOTICE: The meeting is open to the public; however, public comments will not be received. Anyone who needs an interpreter or special accommodations to participate in the meeting should notify the Town Clerk, Don Harvey at (252) 756-2221 ext. 2344 at least forty-eight (48) hours prior to the meeting. (Americans with Disabilities Act (ADA) 1991.)



**Town of Winterville
Town Council
Agenda Abstract**

Item Section: Item for Consideration

Meeting Date: January 28, 2025

Presenter: Anthony Bowers, Assistant Town Manager and Keen Lassiter, Town Attorney

Item to be Considered

Subject: Subordination Agreement – Christ Covenant School.

Action Requested: Approval of Subordination Agreement.

Attachment: Draft Subordination Agreement.

Prepared By: Anthony Bowers, Assistant Town Manager and Keen Lassiter, Town Attorney

Date: 1/24/2025

ABSTRACT ROUTING:

TC: 1/24/2025

TM: 1/24/2025

Final: tjp - 1/24/2025

Supporting Documentation

Christ Covenant School is building an expansion to the School and will be executing a new loan to facilitate the construction. The Council will need to approve the Subordination of the Loan that the Town has with Christ Covenant so that they can move forward with their new loan. The loan will be subordinated to First Bank.

Budgetary Impact: NA.

Recommendation: Staff recommends Council approve said Agreement.

Prepared by and Return to:
Maynard Nexsen PC
800 Green Valley Road, Suite 500
Greensboro, NC 27408

SUBORDINATION AGREEMENT

STATE OF NORTH CAROLINA
COUNTY OF PITT

THIS SUBORDINATION AGREEMENT (“**Subordination Agreement**”) made and entered into as of the ____ day of January, 2025, by the TOWN OF WINTERVILLE, a North Carolina municipality (the “**Town**”) and is made to and for the benefit of FIRST BANK (“**First Bank**”).

WITNESSETH:

WHEREAS, the Town is the holder of that certain Promissory Note in the amount of \$85,000.00 (the “**Town Note**”) from Christ Covenant School, a North Carolina non-profit corporation (“**Borrower**”) which Note is secured by that certain North Carolina Deed of Trust from Borrower for the benefit of the Town dated January 13, 2016 and recorded February 3, 2016, in Book 3403, Page 780, in the Office of the Register of Deeds for Pitt County (the “**Town Mortgage**”) and collectively with the Town Note, the “**Town Loan**”), which covers that real property and improvements located at 746 Worthington Rd., Winterville, Pitt County, North Carolina, which real property is described in the Town Mortgage as the “**Premises**” (“**Property**”); and

WHEREAS, on or about the date hereof, Borrower is entering into a new loan with First Bank, as lender, in the original principal amount of \$5,300,000.00 which loan is evidenced a Promissory Note (the “**First Bank Note**”) which First Bank Note will be secured by that certain Construction Deed of Trust Securing Future Advances from Borrower to Kirsten E. Foyles, Trustee for the benefit of First Bank dated January 16, 2025, and recorded on January ____, 2025, in Book ____ Page ____, in the Office of the Register of Deeds for Pitt County (the “**First Bank Mortgage**”) and collectively with the First Bank Note, the “**First Bank Loan**”); and

WHEREAS, as a condition to making the First Bank Loan, First Bank requires Borrower and the Town to enter into this Subordination Agreement for the purpose of clearly establishing that the First Bank Loan shall be superior to the Town Loan irrespective of the dates of execution, delivery or recording of the Town Loan; and

WHEREAS, the Town has agreed to subordinate the lien of the Town Mortgage to the lien of the First Bank Mortgage.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other valuable consideration and the mutual covenants herein contained, passing among the parties hereto, the receipt of all of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The statements set forth in the recitals of this Subordination Agreement are true and correct and are incorporated herein and made a part hereof.
2. Subordination of Town Loan to First Bank Loan. All right, title and interest of the Town in and to the Property and all privileges, hereditaments, easements and appurtenances, all rents, leases, issues and profits, all awards and payments made as the result of the exercise of the right of eminent domain and all existing and future improvements, if any, granted to the Town under the Town Loan and Town Mortgage shall be and hereby are made subordinate, junior and inferior and postponed in priority, operation and effect to the First Bank Loan including without limitation the First Bank Mortgage, irrespective of the dates of execution, delivery or recording of any of them. Without limiting the generality of the foregoing:

(a) Except as otherwise provided herein, until the First Bank Loan shall have been paid and satisfied in full, the Town shall not receive or collect, directly or indirectly, any amount upon the Town Loan; provided, however, that as long as no Event of Default has occurred and is continuing under the First Bank Loan, or would exist immediately after the making of such payment, Borrower may make regularly scheduled payments of principal and interest on the Town Loan to the Town.

(b) The Town hereby subordinates the Town Mortgage and its lien position and security interest in and on the Property to the First Bank Mortgage and its lien position and security interest in and on the Property, as if the First Bank Mortgage had been recorded prior in time to the Town Mortgage, and to the end that the First Bank Mortgage shall be superior to the Town Mortgage. This priority shall apply regardless of the perfection, non-perfection, cessation of perfection or order of perfection of the parties' respective interests. The Town hereby acknowledges and agrees that the First Bank Mortgage is and shall constitute a first, prior and superior lien on and against the Property, and the Town Mortgage is and shall be subject, subordinate and inferior to the First Bank Mortgage.

(c) The Town further agrees that at any time and from time to time First Bank may make advances, renewals and extensions of the First Bank Loan or any part thereof and may otherwise deal therewith in any manner First Bank may determine in its sole discretion without notice to the Town Mortgage trustee, or the Town.

(d) Except for the subordination set forth herein, the Town Mortgage shall remain in full force and effect.

3. Notice of Default. The Town agrees that it will provide First Bank written notice of the occurrence of default by Borrower under the Town Loan, which notice shall be sent no later than 15 days after the Town has determined that a default has occurred. The Town agrees not to foreclose on the Property or accept a deed in lieu of foreclosure without first providing no less than 60 days prior written notice to First Bank and an opportunity for First Bank to cure any default. The foregoing limitation shall be solely for the benefit of First Bank and shall not be construed to provide Borrower with any additional notice or grace period.
4. Severability. If any term of this Subordination Agreement or any obligation thereunder shall be held to be invalid, illegal, or unenforceable, the remainder of this Subordination Agreement and any other application of such term shall not be affected thereby.
5. Binding Agreement. This Subordination Agreement shall be binding upon, and shall inure to the benefit of, each of the parties hereto and their respective successors and assigns.
6. Miscellaneous. As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term “person” shall include an individual, a corporation, an association, a partnership, a trust, and an organization. The paragraph headings of this Subordination Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof.
7. Notices. All notices, requests, demands and other communications hereunder shall be in writing, shall be effective upon receipt, and shall be delivered by hand, or mailed by registered or certified mail, return receipt requested, first class postage prepaid, Federal Express or other reputable overnight courier service, and in each case, addressed to First Bank, Borrower and/or the Town using the addresses provided for in the First Bank Mortgage and Town Mortgage, respectively. A courtesy copy for notices to First Bank shall be provided to:

Maynard Nexsen PC
c/o Erin Cowan Mosley
800 Green Valley Rd., Suite 500
Greensboro, NC 27408

8. Entire Agreement. This Subordination Agreement constitutes the entire agreement between First Bank and the Town with respect to the matters set forth herein, and any term or condition not expressed in this Subordination Agreement does not constitute a part of the agreement of the parties with respect to such matters.
9. Governing Law; Venue. This Subordination Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina and shall be deemed to be executed, delivered, and accepted in the State of North Carolina. Venue

for any action brought under this Subordination Agreement shall be in any state court in Pitt County, North Carolina, having jurisdiction over the subject matter.

IN WITNESS WHEREOF, the Town has hereto set its hand and seal as of the day and year first above written.

TOWN OF WINTERVILLE

_____ (SEAL)
Richard E. Hines, Mayor

ATTEST:

_____, Town Clerk

STATE OF NORTH CAROLINA)
)
COUNTY OF _____)

I, a Notary Public certify that _____ personally came before me this day and acknowledged that he/she is Town Clerk of the Town of Winterville, North Carolina and that by authority duly given and as the act of the Town of Winterville, North Carolina the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her/him as the Town Clerk.

Witness my hand and official seal, this the ____ day of January, 2025.

Notary Public
My commission expires: _____

(Affix Seal)



**Town of Winterville
Town Council
Agenda Abstract**

Item Section: Old Business

Meeting Date: January 28, 2025

Presenter: Terri L. Parker, Town Manager

Item to be Considered

Subject: Town Vision Setting Meeting.

Action Requested: Discussion and Council Direction as Warranted.

Attachment: Applicable Attachments will be Handed Out at Meeting.

Prepared By: Terri L. Parker, Town Manager

Date: 1/24/2025

ABSTRACT ROUTING:

TC: 1/24/2025

TM: 1/24/2025

Final: tjp - 1/24/2025

Supporting Documentation

Any supporting documentation will be handed out at the Meeting.

Budgetary Impact: TBD.

Recommendation: NA.