

PREPARED BY: City Attorney's Office
300 Sixth Street
Rapid City, SD 57701
(605) 394-4140

Subordination of Real Estate Mortgage

Whereas, City of Rapid City, as Mortgagee, hereinafter referred to as "Subordinating Mortgagee", holds a mortgage executed by Debra Graves, hereinafter referred to as "Owner", dated, June 10, 2009, and recorded on June 16, 2009, in Book 190 of Mortgages on Page 5844 with the Register of Deeds of Pennington County, South Dakota, encumbering the following described property:

Legal Description: E ½ of Lot 16; all of Lot 17, Block 19, Wise Addition, Section 31, T2N, R8E, BHM, Rapid City, Pennington County, South Dakota

Whereas, Owner has executed or is about to execute, a first mortgage and note in the sum of Fifty-one Thousand Two Hundred and no/100 dollars (\$51,200.00), and a second mortgage and note in the sum of Three Thousand Eight Hundred Eighty and no/100 (\$3880.00) to be dated _____, in favor of Bank West Mortgage, its successors and/or assigns, hereinafter referred to a "New Lender", dated _____ and recorded on _____, in Book _____ on Page _____, with the Register of Deeds of Pennington County, payable with interest and upon the terms and conditions described therein, which mortgages have or are to be recorded; and

Whereas, it is a condition precedent to obtaining said loans that New Lender's mortgages shall unconditionally be and remain at all times a lien or charge upon the land above described, prior and superior to Subordinating Mortgagee's mortgage; and

Whereas, New Lender is willing to make said loans provided its mortgages securing the same are a lien or charge upon said land prior and superior to Subordinating Mortgagee's mortgage above described and provided that Subordinating Mortgagee will specifically and unconditionally subordinate and subject its mortgages above described, together with all rights and privileges thereunder, to the liens or mortgages in favor of New Lender; and

Now Therefore, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce New Lender to make the above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the mortgages securing the notes in favor of New Lender, and any renewals and extensions thereof, shall unconditionally be and remain at all times a lien or charge on the land described therein, prior and superior to Subordinating Mortgagee's mortgage above described, and to all rights and privileges of

Subordinating Mortgagee thereunder; and Subordinating Mortgagee's mortgage together with all rights and privileges of Subordinating Mortgagee thereunder is hereby subjected, and made subordinate to the lien or charge of the mortgage in favor of New Lender.

- (2) That New Lender would not make its loans above described without this Subordination of Mortgage.
- (3) That this Subordination of Mortgage shall be the whole and only document with regard to the subjection and subordination of Subordinating Mortgagee's mortgage together with all rights and privileges of Subordinating Mortgagee thereunder to the lien or charge of the mortgages in favor of the New Lender.

Subordinating Mortgagee declares, agrees and acknowledges that:

- (a) It consents to and approves (i) all provisions of the notes and mortgages in favor of New Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements between Owner and New Lender for the disbursement of the proceeds of New Lender's Loans; and
- (b) New Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has New Lender represented that it will see to the application of such proceeds by the person or persons to whom New Lender disburses such proceeds, and any application or use of such proceeds for the purposes other than those provided for in such agreement or agreements, shall not defeat the subordination herein made in whole or in part; and
- (c) It intentionally and unconditionally waives, relinquishes, subjects and subordinates its mortgage above described, together with all rights and privileges of Subordinating Mortgagee thereunder in favor of the lien of the New Lender above referred to, and understands that in reliance upon and in consideration of this waiver, relinquishment, subjection and subordination, specific loans and advances are being and will be made and as part and parcel thereof specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment, subjection or subordination.

In Testimony whereof, the said Subordinating Mortgagee has caused these presents to be executed this ____ day of _____, 2012.

CITY OF RAPID CITY

Mayor

ATTEST:

Pauline Sumption
Finance Officer

