



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

## OFFICE OF THE CITY ATTORNEY

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### MEMORANDUM

TO: Legal & Finance Committee

FROM: Allison Marsland, Assistant City Attorney *AM*

DATE: November 28, 2011

RE: Kenna Eddy Subordination Agreement

The Common Council previously authorized the Mayor and Finance Officer to sign a Subordination of Real Estate Mortgage for Kenna Eddy. Authorization was granted by approval of the consent items at the July 18, 2011, Common Council meeting. In the original agreement, the City agreed to subordinate its mortgage to a new mortgage in the amount of \$54,800.00.

The finalization of the loan documents took place after the subordination agreement was approved by the City. The actual amount of the new loan is \$54,592.00. At the time the new loan closing was scheduled, there was not sufficient time to place on an agenda a subordination agreement reflecting the correct loan amount.

To prevent holding up Ms. Eddy's loan closing, the City Attorney's Office advised Community Resources that a subordination agreement reflecting the correct loan amount should be signed and sent to the lender, with the understanding that a request would be made for the Common Council to ratify the execution of the subordination agreement with the updated loan amount.

**Staff recommendation is for the Common Council to ratify by motion and approval the Mayor and Finance Officer action of signing the Kenna Eddy subordination agreement as amended, which reflected a decreased loan total of \$54,592.00, reduced from the original loan total of \$54,800.00.**