

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

SUBORDINATION OF REAL ESTATE MORTGAGE

WHEREAS, the City of Rapid City as Mortgagee, ("Creditor"), holds a mortgage executed by Kenna Eddy, ("Borrower"), dated December 14, 2005, and recorded on December 23, 2005, in Book 153 of Mortgages on Page 633, with the Register of Deeds of Pennington County, South Dakota, encumbering the following described real property:

Lot A of Lot 9, Block 6, Schamber Subdivision, NW1/4NE1/4 Section 9, T1N, R7E, BHM, Rapid City, Pennington County, South Dakota

WHEREAS, Borrower has executed or is about to execute a mortgage and note ("New Mortgage") in the sum of Fifty-four Thousand Eight Hundred and no/100 dollars (\$54,800.00), to be dated _____, in favor of Suntrust Mortgage, Inc., its successors and/or assigns, ("Lender"), dated _____ and recorded on _____, in Book _____ on Page _____, with the Register of Deeds of Pennington County, South Dakota, payable with interest and upon the terms and conditions described therein, which New Mortgage has or is to be recorded; and

WHEREAS, the real property above described ("Property") offered by Borrower as security to Lender is currently subject to the prior lien described above in favor of Creditor; and

WHEREAS, Lender requires as a condition precedent to execution of the New Mortgage that Lender's mortgage shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to Creditor's interest in the Property; and

WHEREAS, Creditor is willing to specifically and unconditionally subordinate and subject its mortgage above described, together with all rights and privileges thereunder, to the New Mortgage in favor of Lender.

NOW THEREFORE, in consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

- (1) That the New Mortgage securing the note in favor of Lender, and any renewals and extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Property, prior and superior to Creditor's mortgage described above, and to all rights and privileges of Creditor thereunder; and Creditor's mortgage together with all rights and privileges of Creditor thereunder is hereby subjected, and made subordinate to the lien or charge of the New Mortgage in favor of Lender.
- (2) That this Subordination of Mortgage shall be the whole and only document with regard to the subjection and subordination of Creditor's mortgage together with all rights and privileges of Creditor thereunder to the lien or charge of the New Mortgage in favor of the Lender.

Creditor declares, agrees and acknowledges that:

- (a) It consents to (i) all provisions of the above referenced note and New Mortgage in favor of Lender, and (ii) all agreements, including but not limited to any loan or escrow agreements between Borrower and Lender for the disbursement of the proceeds of the New Mortgage; and
- (b) In making disbursements pursuant to the New Mortgage, Lender is under no obligation or duty to ensure the application or use of such proceeds is in conformance with the purposes set forth in the New Mortgage agreement, and any such non-conforming use of New Mortgage proceeds in whole or in part shall not defeat the subordination herein made; and
- (c) Creditor intentionally and unconditionally subjects and subordinates its above described mortgage, together with all rights and privileges of Creditor thereunder in favor of the New Mortgage entered into by the Lender, and understands that in reliance upon and in consideration of this subjection and subordination, specific loans and advances are being and/or will be made to Borrower.

Dated this ____ day of July, 2011.

Sam Kooiker
Mayor of the City of Rapid City

ATTEST:

Pauline Sumption
Finance Officer

State of South Dakota)
 ss.
County of Pennington)

On this the ____ day of _____, 2011, before me, the undersigned officers, personally appeared Sam Kooiker and Pauline Sumption, who acknowledged themselves to be the Mayor and Finance Officer, respectively, of the City of Rapid City, a municipal corporation, and that they, as such Mayor and Finance Officer, being authorized so to do, executed the foregoing Subordination or Real Estate Mortgage for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Officer.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

(seal)

Notary Public, South Dakota
My Commission Expires: _____