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

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF RAPID CITY AND NEIGHBORHOOD HOUSING SERVICES OF THE BLACK HILLS, INC., dba NEIGHBORWORKS DAKOTA HOME RESOURCES, RELATING TO TRANSFER OF REAL PROPERTY GENERALLY KNOWN AS 820 LEMMON AVENUE, RAPID CITY, SOUTH DAKOTA

This Memorandum of Understanding ("MOU") is made and entered into by and between the City of Rapid City, a South Dakota municipal corporation, located at 300 Sixth Street, Rapid City, South Dakota 57701 (the "City"), and Neighborhood Housing Services of the Black Hills, Inc., dba NeighborWorks Dakota Home Resources, a South Dakota Nonprofit Corporation, located at 795 Main Street, Deadwood, South Dakota 57732 ("NeighborWorks").

WHEREAS**,** the City owns certain real property, legally described as follows:

> Lots 25 and 26 of Block 4, North Rapid Subdivision located in Section 36, T2N, R7E, BHM, Rapid City, Pennington County, South Dakota; subject to covenants, declarations, restrictions, reservations, rights-of-way, and easements of record, if any

and generally known as 820 Lemmon Avenue, Rapid City, South Dakota (the "Property"); and

WHEREAS, it is the intent of the City that the Property be transferred to NeighborWorks for the purpose of continuing its "Neighborhood of Choice" project in the Lemmon Avenue area of the City of Rapid City, South Dakota; and

WHEREAS, it is the intent of NeighborWorks to rehabilitate the Property in order to bring it into such a state that it may sold, transferred, leased, or otherwise conveyed as affordable housing; and

WHEREAS, the City shall require that any and all improvements made to the Property by NeighborWorks are in conformance with federal, state, and City laws, rules, regulations, and ordinances, including those pertaining to flood plain requirements; and

WHEREAS, the Property shall be deemed suitable for occupancy only if the Property is deemed by the City to be in compliance with the foregoing; and

WHEREAS, the parties desire to enter into this MOU to reduce their mutual agreements to writing.

NOW, THEREFORE, it is agreed as follows:

1. Recitals. The recitals set forth above constitute an integral part of this MOU and are incorporated herein by this reference as if fully set forth herein as agreements of the parties.

2. Recording. The parties agree that this MOU is recordable, and either party may record it at the Office of the Pennington County Register of Deeds, Rapid City, South Dakota.

3. Transfer of Interest. It is contemplated that within thirty (30) days of the execution of this MOU, the City via quitclaim deed will transfer to NeighborWorks the above-described real property, referred to in this MOU as the "Property."

4. Covenant. NeighborWorks agrees that once it obtains ownership of the Property in fee simple, NeighborWorks will rehabilitate the Property in continuance of its Neighborhood of Choice project in the Lemmon Avenue area of the City of Rapid City, South Dakota. NeighborWorks agrees that in doing so, a covenant running with the land will require any and all rehabilitation and/or development of the Property to conform with federal, state, and City laws, rules, regulations, and ordinances, including those pertaining to flood plain requirements.

5. Consideration. The parties agree that this MOU and the contemplated transfer of the Property are for each party's mutual benefit. Both parties stand to benefit from the

contemplated continuation of the Neighborhood of Choice project, and both parties stand to benefit from the Property's conformance with federal, state, and City laws, rules, regulations, and ordinances, including those pertaining to flood plain requirements.

6. Effective Date. This MOU shall be effective upon execution by both parties.

7. Time of Essence. Time is of the essence of this MOU.

8. Amendments. This MOU may only be amended by a written document duly executed by all parties.

9. Entire Agreement. This MOU constitutes the entire agreement between the parties, and supersedes all prior negotiations, agreements and understandings, whether oral or written.

10. Counterparts. This MOU may be executed in counterparts; each such counterpart shall be deemed an original and when taken together with other signed counterparts, shall constitute one MOU.

11. Headings. The headings and numbering of the different paragraphs of this MOU are inserted for convenience only and are not to control or affect the meaning, construction or effect of each provision.

[THIS SPACE INTENTIONALLY LEFT BLANK]

Dated this ___ day of _____, 2012.

CITY OF RAPID CITY:

_____
Mayor

ATTEST:

_____
Finance Officer

(SEAL)

STATE OF SOUTH DAKOTA)
)ss.
COUNTY OF PENNINGTON)

On this the _____ day of _____, 2012, 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 instrument 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: _____

NEIGHBORHOOD HOUSING SERVICES
OF THE BLACK HILLS, INC.,
dba NEIGHBORWORKS DAKOTA
HOME RESOURCES:

_____

By: _____

Its: _____

STATE OF SOUTH DAKOTA)
)ss.
COUNTY OF PENNINGTON)

On this the _____ day of _____, 2012, before me the undersigned officer, personally appeared _____, who acknowledged her/himself to be the _____ of Neighborhood Housing Services of the Black Hills, Inc., dba NeighborWorks Dakota Home Resources, a South Dakota nonprofit corporation of Deadwood, South Dakota, and that as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Neighborhood Housing Services of the Black Hills, Inc., dba NeighborWorks Dakota Home Resources, of Deadwood as _____.

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

(SEAL)

_____
Notary Public, South Dakota
My Commission Expires: _____