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GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
SL CITY RECORDER  
BY: EHB, DEPUTY - WI 4 P.

71-5-050843

### DECLARATION OF PROPERTY RESTRICTION

This DECLARATION OF PROPERTY RESTRICTION (the "Property Restriction") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2004 between **SALT LAKE CITY CORPORATION**, a municipal corporation of the State of Utah ("City") and **The Sarah Daft Home**, a Utah nonprofit corporation ("Subgrantee").

### RECITALS

A. City and Subgrantee are parties to that certain Grant Agreement (the "Agreement") dated \_\_\_\_\_, 2004. All capitalized terms used herein without definition shall have the meaning set forth in the Agreement.

B. One goal of the City reflected in the Agreement is to ensure the use of the real property (including the beneficiaries of such use) which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000 is not changed until five years after the closeout of the grant from which the assistance to the property was provided. Regulations outlining these requirements are listed in the Code of Federal Regulations at 24 CFR 570.505.

C. Pursuant to the Agreement and as a condition to execution of the Agreement by City, Subgrantee has agreed to execute this Declaration of Property Restriction against the property known by the street address of 737 South 1300 East, Salt Lake City, Utah. The Property is more particularly described on Exhibit "A" attached hereto and incorporated herein.

D. Subgrantee has further agreed that this Property Restriction shall be recorded as a first position encumbrance against the Property in order to assure the existence of use restrictions on the Property for the five-year term required by the Agreement.

### AGREEMENT

NOW, THEREFORE, in consideration of the terms and conditions hereby agreed to and as set forth in the Agreement, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. The above Recitals are incorporated herein as part of this Agreement.
2. Property Restriction. The standards in this section apply to real property within the Subgrantee/recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. These standards shall apply from the date the CDBG funds are first spent for the property until five years after the closeout of the grant from which the assistance to the property was provided.
  - a. A Subgrantee/recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the

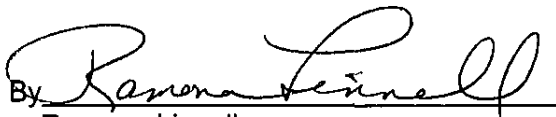
acquisition or improvement was made unless the Subgrantee/recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:

- i. The new use of such property qualifies as meeting one of the national objectives in §570.208 (formerly §570.901 and is not a building for the general conduct of government; or
    - ii. The requirements in paragraph (b) of this section are met.
  - b. If the Subgrantee/recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the Subgrantee/recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditure of non-CDBG funds for acquisition of, and improvements to, the property.
  - c. If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in §570.504(b)(4) or (5), as applicable, shall apply to the use of funds reimbursed.
  - d. Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.
3. Term. This Property Restriction is effective immediately upon recordation and thereafter shall remain in place and in full force and effect for a period of no less than five (5) years from the date of closeout of the grant from which assistance to the property was provided (the "Date"). At any time after the Date, Subgrantee/recipient or its successor, may record a release of this Property Restriction. The Property Restriction shall remain in effect until recordation of such release.
4. Enforcement. This Property Restriction is specifically enforceable by City.

IN WITNESS WHEREOF, the Parties have executed this Declaration as of the day and year first above written.

Subgrantee:

The Sarah Daft Home


By   
Ramona Linnell  
Executive Director

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: SS.

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Paul N.

 **NOTARY PUBLIC**  
**PAUL MINER**  
1285 East 3900 South  
Salt Lake City, UT 84124  
My Commission Expires: 05-23-2006  
State of Utah

**EXHIBIT "A"**

Sidwell # 16-09-102-005-0000

N 95 FT OF LOT 3 & ALL LOT 4 BLK 8 PLAT F SLC SUR

Sidwell #: 16-09-102-007-0000

E 1 RD OF LOT 2 BLK 8 PLAT F SLC SUR TOGETHER WITH THAT  
PORTION OF VACATED STREET ABUTTING ON S

Also known as: 737 South 1300 East