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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
FAMILY SUPPORT CENTER
777 W CENTER STREET
MIDVALE UT 84047
BY: VLR, DEPUTY - WI 4 P.

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (Declaration) dated as of November 13, 2008, by The Family Support Center (Recipient), its successors and assigns, is given to the United States Department of Housing and Urban Development (HUD).

RECITALS

WHEREAS, the Recipient submitted an application for a Supportive Housing Grant to HUD dated as of <u>April 20, 2007</u>; and was awarded said Grant by HUD in the amount of \$193,124; and

WHEREAS, the Recipient entered into a Supportive Housing Grant Agreement (the "Agreement") with HUD for Project Number <u>UT01B700002</u> dated as of <u>Sept. 8</u>, 2008; and

WHEREAS, pursuant to the Agreement, the Recipient is obligated to (acquire) (construct) (rehabilitate) and operate a supportive housing project on property described in Exhibit A hereto (the "Property"), which is to be maintained and operated as supportive housing as defined by the Agreement; and

WHEREAS, the McKinney-Vento Homeless Assistance Act, 42 USC §§ 11381 et seq. ("ACT") imposes use and repayment requirements on projects receiving acquisition, rehabilitation and new construction funding; and

WHEREAS, the Recipient is required by the Agreement to cause to be executed an instrument in recordable form which obligates the Recipient its successors and assigns, to operate and maintain the supportive housing in accordance with the Agreement, the Act, and HUD regulations as provided for in the Agreement; and

WHEREAS, the Recipient under the Declaration intends, declares and covenants that the restrictive covenants set forth herein shall be and are covenants running with the Property for the term described herein, are binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Recipient,

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Recipient declares as follows:

- 1. The Recipient, its successors or assigns, shall operate the supportive housing and provide supportive services throughout a period of twenty (20) years commencing from the date of initial occupancy or the provision of initial services, in accordance with the terms of the Agreement, the ACT, HUD regulations, and all applicable federal, state and local laws.
- 2. If, pursuant to a request from the Recipient, HUD determines that the project is no longer needed for use as supportive housing, HUD may authorize the Recipient, its successors or assigns, to convert the use of the project for the direct benefit of very low-income persons. Upon expiration of the period during which the Recipient is obligated to operate the Property in accordance with the Agreement, this Declaration shall terminate and shall no longer be effective.
- 3. The Recipient agrees, that if the project ceases to be used as supportive housing within ten (10) years after the project is placed in service, the Recipient, its successors or assigns, shall be obligated to repay HUD one hundred percent (100%) of any assistance received for acquisition, rehabilitation and new construction under the Agreement. If such project is used as supportive housing for more than ten (10) years, HUD shall reduce the percentage of the amount required to be repaid by ten (10) percentage points for each year in excess of ten (10) that the project is used as supportive housing.
- 4. HUD, acting by and through a duly authorized official, may approve such action as may be necessary to allow the transfer, conveyance, assignment, leasing, mortgaging, or encumbering of the Property or to accomplish the acts described above.
- 5. This Declaration and the covenants set forth herein regulating and restricting the use and occupancy of the Property (i) shall be and are covenants running with the Property, encumbering the Property for the term of this Declaration, and binding upon the Recipient's successors in title and all subsequent owners of the Property, (ii) are not merely personal covenants of the Recipient, and (iii) shall bind the Recipient and its respective successors and assigns during the term of this Declaration.
- 6. Any and all requirements of the laws of the State to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the land. For the term of this Declaration, each and every contract, deed, or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Declaration, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property or portion thereof provides that such conveyance is subject to this Declaration.

7. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

IN WITNESS WHEREOF, the Recipient has caused this Agreement to be signed by its duly authorized representative, as of the day and year first above written.

RECIPIENT

By Bonnie L. Poten

STATE OF UTAH)
COUNTY OF SALT LAKE)

On this 3rd day of <u>December</u>, 2008, before me, a notary public, personally appeared <u>Bonnie Peters</u>, the <u>Executive Director</u>, of the <u>Family Support Center</u>, a <u>nonprofit corporation</u>, named in the foregoing instrument and acknowledged said instrument on behalf of the <u>Family Support Center</u>.



Notary Public

EXHIBIT A

TO

DECLARATION OF RESTRICTIVE COVENANTS PROPERTY

LEGAL DESCRIPTION

Lot 18, Tiffany Town Subdivision, according to the Official Plat thereof, on file and of record in the Office of the Salt Lake County Recorder.