

SAMPLE - CDBG USE RESTRICTION

Use Covenant

In reference to the property ("Property") conveyed by the Deed between [REDACTED] participating in the federally-assisted acquisition project (the "Grantor"), and the Town of Lyons, Colorado, (the "Grantee" or the "Town"), its successors and assigns:

Recitals

- A. CDBG-DR funds have been allocated by the United States Department of Housing and Urban Development to the State of Colorado. The State has, in turn, allocated a portion of funds to the Town for acquisition of real property and flood buyouts (the "Buyout Program").
- B. The Buyout Program provides a process for the Town to acquire interests in property, including the purchase of property in the floodplain, to demolish and remove any structures on such property, and to maintain the use of the Property as open space in perpetuity.
- C. The Property is located in the Town of Lyons, Colorado.
- D. The Grantee is required to restrict the use of the land in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices pursuant to 78 Fed. Reg. 14,329 (March 5, 2013) (the "Program Requirements").

Agreement

Pursuant to the Program Requirements, the following restrictions shall apply to the Property described in the attached deed and acquired by the Grantee:

1. Compatible uses. The Property shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices.
2. Structures. No new structures or improvements shall be erected on the Property other than:
 - a. A public facility that is open on all sides and functionally related to a designated open space or recreational use;
 - b. A public rest room;
 - c. A flood control structure; or
 - d. A structure that the local floodplain manager approves in writing before the commencement of the construction of the structure.

[Signature Page to Follow]