

WHEN RECORDED RETURN TO:
COBB COUNTY CDBG PROGRAM OFFICE
192 ANDERSON STREET, STE 150
MARIETTA, GA 30060

NOTE TO CLERK:
CROSS REFERENCE
DEED BOOK ____, PAGE _____

SPACE ABOVE THE LINE FOR RECORDERS USE

ACKNOWLEDGEMENT OF FIDUCIARY INTEREST IN THE PROPERTY(S)
AND/OR STRUCTURE(S) FOR WHICH COBB COUNTY PROVIDED
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS PURSUANT TO THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REGULATIONS
REFERENCED AT 24 C.F.R. §570.201 (A) AND 24 C.F.R. §570.503(B)(7).

_____ as owner of the subject-property hereby acknowledges this property
is bound pursuant to the CDBG Program regulations referenced at 24 CFR Part 570 and
the property described below is subject to an acknowledgement of fiduciary interest in the
property(s)/structure(s) and or Change-of-Use provisions as monitored by the COBB
COUNTY CDBG PROGRAM OFFICE:

PROJECT NAME: _____

PROPERTY ADDRESS: _____

ORIGINAL RECIPIENT: _____

TOTAL FUNDS PROVIDED: \$ _____

_____ as Owner of the subject-property further acknowledges and agrees to be
bound by the CDBG Program Change-of-Use provisions that apply to this property unless
formally released by the Cobb County BOC pursuant to the provisions of 24 C.F.R.
§570.503(b)(7) as described in Exhibit A. All interested parties are advised to contact the
CDBG Program Office for additional details.

Cobb County CDBG Program Office
Attn: CDBG Program Real Property Management
192 Anderson Street, Suite 150
Marietta, Georgia 30060
(770) 528-1455

ACKNOWLEDGED, this _____ day of _____, 20_____.

NAME OF ORGANIZATION

By: _____

Title: _____

EXHIBIT A
REAL PROPERTY / NON-REAL PROPERTY [NON-EXPENDABLE]
CONTINUED USE REQUIREMENTS

THE FOLLOWING STANDARDS SHALL APPLY TO ALL REAL PROPERTY/*NON-REAL PROPERTY* (WITHIN THE CONTROL OF THE SUBRECIPIENT) WHICH IS ACQUIRED OR IMPROVED, IN WHOLE OR IN PART, USING CDBG FUNDS. THE STANDARDS ARE:

A. CHANGE IN REAL PROPERTY - OWNERSHIP:

1. SALE OF PROPERTY:

THE SUBRECIPIENT MAY SELL THE PROPERTY ACQUIRED OR IMPROVED WITH CDBG ASSISTANCE AT ANY TIME. IF THE SUBRECIPIENT SELLS THE PROPERTY THAT CONTINUES TO USE THE PROPERTY FOR AN ELIGIBLE ACTIVITY THAT MEETS A CDBG NATIONAL OBJECTIVE, THE SUBRECIPIENT/OWNER WILL NOT BE REQUIRED TO REIMBURSE THE COUNTY FOR THE ORIGINAL GRANT AMOUNT AWARDED TO THE SUBRECIPIENT/OWNER.

2. TRANSFER OF PROPERTY:

IF THE SUBRECIPIENT TRANSFERS OWNERSHIP [TITLE] TO ANOTHER ENTITY THAT *DOES NOT UTILIZE THE PROPERTY FOR AN ELIGIBLE ACTIVITY THAT MEETS A CDBG NATIONAL OBJECTIVE, THE SUBRECIPIENT/OWNER WILL BE REQUIRED TO REIMBURSE THE COUNTY THE FAIR MARKET VALUE (FMV) OF THE PROPERTY, LESS ANY PORTION OF THE VALUE ATTRIBUTABLE TO EXPENDITURES OF NON-CDBG FUNDS FOR THE ACQUISITION OF AND IMPROVEMENTS TO THE PROPERTY.* PRIOR TO SUCH TRANSFER OF CDBG-ASSISTED PROPERTY, THE OWNER/SUBRECIPIENT SHALL NOTIFY THE COUNTY IN WRITING OF ITS INTENT TO TRANSFER OWNERSHIP OF THE PROPERTY AND SHALL DETERMINE THE FAIR MARKET VALUE (FMV) OF THE PROPERTY BY OBTAINING AT LEAST ONE REVIEW APPRAISAL COMPLETED BY AN APPRAISER WHO IS CURRENTLY LICENSED BY THE STATE OF GEORGIA.

IF THE SUBRECIPIENT/OWNER SELLS OR TRANSFERS OWNERSHIP [TITLE] TO THE PROPERTY AT A POINT IN TIME DURING THE FIVE [5] YEARS, TWENTY PERCENT (20%) FOR EACH YEAR WILL BE FORGIVEN OVER A FIVE YEAR PERIOD WITH NO PAYMENTS REQUIRED, PROVIDED THE PROPERTY CONTINUES TO MAINTAINED IN ACCORDANCE WITH THE PROGRAM REQUIREMENTS, SUCH AS RETENTION OF OWNERSHIP, OCCUPANCY BY TENANT, MAINTENANCE OF THE FAÇADE, INSURANCE, AND PAYMENT OF ALL PROPERTY TAXES DUE. AFTER THE FIVE YEAR PERIOD, THE SUBRECIPIENT/OWNER WILL NOT BE REQUIRED TO REPAY THE COUNTY.

3. CHANGE-IN-USE OF PROPERTY:

THE SUBRECIPIENT MAY CHANGE-THE-USE OF THE PROPERTY AT ANY TIME PROVIDED IT COMPLIES WITH THE FOLLOWING STIPULATIONS:

- (a) IF THE SUBRECIPIENT PROPOSES TO CHANGE THE USE OF THE PROPERTY TO AN ACTIVITY ***THAT MEETS*** A CDBG NATIONAL OBJECTIVE AND IS AN ELIGIBLE CDBG ACTIVITY, THE COUNTY WILL ***NOT*** REQUIRE THE SUBRECIPIENT TO REPAY FUNDS TO THE COUNTY'S CDBG PROGRAM.

HOWEVER, PRIOR TO SUCH CHANGE IN USE, THE SUBRECIPIENT SHALL NOTIFY THE COUNTY IN WRITING OF ITS INTENT TO CHANGE THE USE OF THE PROPERTY TO PERMIT THE COUNTY TO NOTIFY AFFECTED CITIZENS WITH REASONABLE NOTICE AND OPPORTUNITY TO

COMMENT ON THE PROPOSED CHANGE IN USE, AS REQUIRED BY 24 CFR 570.505.

- (B) IF THE SUBRECIPIENT PROPOSES TO CHANGE THE USE OF PROPERTY TO AN ACTIVITY THAT DOES NOT MEET A CDBG NATIONAL OBJECTIVE OR IS NOT AN ELIGIBLE ACTIVITY, THE COUNTY WILL REQUIRE THE SUBRECIPIENT TO REIMBURSE THE COUNTY'S CDBG PROGRAM THE FAIR MARKET SHARE OF THE PROPERTY AS ADJUSTED FOR NON-CDBG FUNDS.

HOWEVER, PRIOR TO SUCH CHANGE IN USE, THE SUBRECIPIENT SHALL NOTIFY THE COUNTY IN WRITING OF ITS INTENT TO CHANGE THE USE OF THE PROPERTY AND SHALL DETERMINE THE FAIR MARKET VALUE OF THE PROPERTY BY OBTAINING AT LEAST ONE APPRAISAL AND AT LEAST ONE REVIEW APPRAISAL OF THE PROPERTY PERFORMED BY SEPARATE APPRAISERS WHO ARE LICENSED BY THE STATE OF GEORGIA.

- (c) IF THE SUBRECIPIENT PROPOSES TO CHANGE THE USE OF THE PROPERTY AT A POINT-IN-TIME AFTER THE FIVE [5] YEAR PERIOD, THE COUNTY WILL NOT REQUIRE THE SUBRECIPIENT TO REIMBURSE THE CDBG PROGRAM.

B. ADDITIONAL REQUIREMENTS

1. THE SUBRECIPIENT SHALL INFORM THE COUNTY, IN WRITING, 30 CALENDAR DAYS PRIOR TO ANY MODIFICATION OR CHANGE IN THE USE OF REAL PROPERTY AT THE TIME OF ACQUISITION OR IMPROVEMENTS, INCLUDING DISPOSITION.

2. ANY PROGRAM INCOME GENERATED FROM THE DISPOSITION OR TRANSFER OF PROPERTY PRIOR TO OR SUBSEQUENT TO THE CLOSEOUT, CHANGE OF STATUS OR TERMINATION OF THE SUBRECIPIENT AGREEMENT BETWEEN THE COUNTY AND THE SUBRECIPIENT SHALL BE REPAYED TO THE COUNTY AT THE TIME OF DISPOSITION OR TRANSFER OF THE PROPERTY.

3. A LEASE AGREEMENT, IN A FORMAT PRESCRIBED BY THE COUNTY, MUST BE EXECUTED BETWEEN THE COUNTY AND THE SUBRECIPIENT FOR ANY COUNTY CDBG-ASSISTED SUBRECIPIENT ACTIVITY WHICH IS TO BE CARRIED OUT WHOLLY, OR IN PART, ON COUNTY-OWNED REAL PROPERTY. SAID LEASE AGREEMENT MUST CONTAIN, AT A MINIMUM, THE FOLLOWING ITEMS AND ANY OTHER ITEMS DETERMINED BY THE COUNTY TO BE APPLICABLE TO THE SPECIFIC LEASE:

- (A). THE BEGINNING AND ENDING DATES OF THE LEASE (AT LEAST 15 YEARS TO BE ELIGIBLE FOR CDBG FUNDING ASSISTANCE (APPLICABLE FOR NEW ACQUISITION ACTIVITIES ONLY).)
- (B). IDENTIFICATION OF THE PARTIES TO THE LEASE; I.E., THE LESSOR SHALL BE THE COUNTY AND THE LESSEE SHALL BE THE SUBRECIPIENT.
- (C). IDENTIFICATION OF THE PRECISE LAND PARCEL(S) AND/OR STRUCTURE(S) WHICH CONSTITUTE THE SUBJECT OF THE LEASE.
- (D). IDENTIFICATION OF THE CDBG-ELIGIBLE USE OF THE REAL PROPERTY(S) AND/OR STRUCTURE(S).

- (E). A TERMINATION STATEMENT ACCEPTABLE TO THE COUNTY AND THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
 - (F). THE LEASE MUST CONTAIN A REGULATORY COMPLIANCE STATEMENT INDICATING THAT THE TERMS ARE IN CONFORMANCE WITH ALL APPLICABLE FEDERAL, STATE, AND COBB COUNTY RULES, REGULATIONS, AND REQUIREMENTS.
 - (G).THE LEASE MUST CONTAIN A MAINTENANCE OF PROPERTY STATEMENT INDICATING THAT THE PROPERTY(S) AND/OR STRUCTURE(S) WHICH IS THE SUBJECT OF THE LEASE AGREEMENT WILL BE MAINTAINED IN CONFORMANCE WITH ALL APPLICABLE FEDERAL, STATE, AND COBB COUNTY RULES, REGULATIONS, AND REQUIREMENTS.
 - (H). THE LEASE MUST CONTAIN A NON-ASSIGNABILITY CLAUSE INDICATING THAT THE LEASE MAY NOT BE ASSIGNED TO ANY OTHER PARTY(S) WITHOUT PRIOR WRITTEN APPROVAL BY THE COUNTY AND SUBSEQUENT EXECUTION OF AN AMENDMENT TO THE LEASE AND TO THIS SUBRECIPIENT AGREEMENT.
 - (I). THE LEASE MUST CONTAIN AN INSURANCE CERTIFICATION STATEMENT INDICATING THAT THE LESSEE WILL MAINTAIN APPROPRIATE TYPES OF INSURANCE, AS SPECIFIED IN THE LEASE, ON THE PROPERTY(S) AND/OR STRUCTURE(S), WHICH IS THE SUBJECT OF THE LEASE.
 - (J). THE LEASE MUST CONTAIN AN INDEMNIFICATION STATEMENT, AS SPECIFIED BY THE COUNTY.
 - (K).THE LEASE MUST CONTAIN A STATEMENT AS TO GOVERNANCE, PERFORMANCE, AND ENFORCEMENT UNDER THE LAWS OF THE STATE OF GEORGIA.
 - (L).THE LEASE MAY CONTAIN SPECIAL CONDITIONS UNIQUE TO THE SPECIFIC LESSOR/LESSEE CIRCUMSTANCES AND/OR UNIQUE TO THE SPECIFIC PROPERTY(S) AND/OR STRUCTURE(S).
- C. IF THE SUBRECIPIENT WISHES TO CARRY OUT ITS CDBG-ASSISTED ACTIVITY ON REAL PROPERTY(S) AND/OR IN A STRUCTURE(S) WHICH IS OWNED NEITHER BY THE SUBRECIPIENT NOR BY THE COUNTY, A LONG-TERM LEASE (MINIMUM 15 YEARS) MUST BE EXECUTED WHICH MEETS THE STANDARDS SPECIFIED ABOVE IN SECTION (A) HOWEVER, PRIOR TO EXECUTION OF SAID LEASE, THE COUNTY MUST APPROVE THE FORM AND CONTENT OF THE LEASE AGREEMENT TO INSURE ITS COMPLIANCE WITH THE TERMS OF THE AGREEMENT.
- D. PRIVATE NON-PROFIT SUBRECIPIENT ORGANIZATIONS MUST ALSO EXECUTE A REAL PROPERTY USE DOCUMENT(S) WITH THE COUNTY, IF REQUIRED BY THE COUNTY. SUCH A DOCUMENT(S) PROVIDES THE COUNTY WITH A MECHANISM TO ENSURE ITS FIDUCIARY INTEREST IN THE PROPERTY(S) AND/OR STRUCTURE(S) FOR WHICH THE COUNTY PROVIDED CDBG FUNDS TO THE PRIVATE NON-PROFIT ORGANIZATION.
- E. IN THE EVENT OF THE DISSOLUTION OR CHANGE IN STATUS OF THE PRIVATE NON-PROFIT ORGANIZATION OR CHANGE IN SCOPE OF THE CDBG-ASSISTED ACTIVITY ~

RESULTING IN THE CDBG-ASSISTED ACTIVITY BECOMING AN INELIGIBLE CDBG ACTIVITY, AS DEFINED BY CDBG RULES AND REGULATIONS APPLICABLE AT THE TIME OF SUCH DISSOLUTION OR CHANGE IN STATUS ~ THE COUNTY SHALL, AT ITS OPTION, EXERCISE ITS RIGHT TO OBTAIN ITS APPROPRIATE SHARE OF THE VALUE OF THE CDBG-ASSISTED PROPERTY, AS PERMITTED BY THE RULES AND REGULATIONS GOVERNING THE CDBG PROGRAM AT THE TIME OF SUCH AN OCCURRENCE.