

DECLARATION OF COVENANTS FOR MODERATELY PRICED DWELLING UNITS

This Declaration of Covenants for Moderately Priced Dwelling Units is made this _____ day of _____, 2012, by _____ ("Declarant").

Whereas, the Developer owns property located at in the City of Annapolis, which Property is described in a deed dated _____ recorded among the land records of Anne Arundel County, Maryland, in liber _____, page _____ ("Property");

Whereas, the Declarant has applied to the City for approval to construct Moderately Priced Dwelling Units within the Property;

Whereas, [Chapter 20.30](#) of the Code of the City of Annapolis governs Moderately Priced Dwelling Units ("MPDU");

Whereas, the Declarant is required to enter into this Declaration of Covenants for Moderately Priced Dwelling Units ("Declaration") as part of the process required by [Chapter 20.30](#) of the Code of the City of Annapolis.

Now, therefore, the Declarant hereby declares that all of the Moderately Priced Dwelling Units within the Property shall be held, sold, and conveyed subject to the following covenants, conditions, and restrictions:

ARTICLE I

1. The MPDUs which are the subject of this Declaration are indicated in Schedule A of this Declaration.

ARTICLE II

1. For a period of 10 years beginning on the date of recordation of the deed from the Declarant to the initial purchaser of an MPDU, or such other occupancy period as established by any circumstance set forth in [Chapter 20.30](#) of the Code of the City of Annapolis, or any overriding law, no MPDU or any existing or subsequently constructed improvements associated with any MPDU shall be sold or the mortgage or deed of trust note refinanced for an amount in excess of the maximum sales price established in accordance with [Section 20.30.110](#) of the Code of the City of Annapolis.
2. The resale price calculation for all MPDUs shall be made in accordance with the change in the median household income as calculated by the U.S. Department of Housing and Urban Development for the Baltimore Metropolitan Area.
3. If an MPDU is sold during the first 10 year occupancy period, the provisions contained in this Declaration shall be effective for the 10 year occupancy period from the date of the subsequent fee simple transfer of the MPDU.
4. Any MPDU offered for resale during an occupancy period shall comply with [Section 20.30.140](#) of the Code of the City of Annapolis.

ARTICLE III

1. The Purchaser of any MPDU shall occupy the MPDU as his or her primary residence during the 10 year occupancy period.
2. The Purchaser of an MPDU, except for the City of Annapolis Department of Planning and Zoning or other housing development agency or nonprofit corporation approved by the City of Annapolis, shall not lease or rent an MPDU to other parties for a period of 10 years from the original date of purchase of an MPDU.
3. The City of Annapolis may in writing waive the provisions of Article III to allow the temporary rental of an MPDU for good and sufficient cause.
4. With the prior written approval of the City of Annapolis, an MPDU may be leased for a temporary period of time to be determined by the City of Annapolis and in accordance with policies or regulations established by the City of Annapolis.
5. In the event the City of Annapolis approves a temporary rental of an MPDU, the current 10 year occupancy period governing the Owner of the leased MPDU shall be extended for a time equal to the length of time the MPDU is leased.

ARTICLE IV

1. The Declarant hereby irrevocably assigns, transfers, and conveys unto City of Annapolis all its right, title, interest, or obligation to enforce and maintain in full force and effect, the terms, conditions, and requirements of this Declaration.

ARTICLE V

1. The Declarant or the City of Annapolis, without the requirement of obtaining the consent of the Declarant, may seek to enforce or restrain a violation or attempted violation of any covenant or restriction of this Declaration by a proceeding, at law or in equity, against any person or persons violating or attempting to violate, intentionally or otherwise, any covenant or restriction of this Declaration, or may seek to recover damages or monies, or to proceed against the Property or any MPDU in the enforcement of any lien or obligation created by or resulting from this Declaration.

ARTICLE VI

1. This Declaration shall be recorded among the land records of Anne Arundel County, Maryland.
2. The original deed of conveyance from the Declarant for each MPDU, and all subsequent Deeds or assignments of Deeds for each MPDU by subsequent owners, shall contain conspicuous language specifically indicating that the MPDU is subject to this Declaration and [Chapter 20.30](#) of the Code of the City of Annapolis, and shall reference the date of recordation of this Declaration and the corresponding liber and page number of the recorded Declaration.
3. A contract for the sale of an MPDU shall disclose in the contract of sale the resale price restrictions and controls on a sale of an MPDU and that the MPDU is subject to [Chapter 20.30](#) of the Code of the City of Annapolis.

ARTICLE VII

1. Without the prior written consent of City of Annapolis, this Declaration may not be amended or modified, assigned or released, except by the expiration of the applicable occupancy period stated in Article II, or any extension of the applicable occupancy period pursuant to Article IV, and receipt by the City of Annapolis Department of Finance of the proper payment to the Homeownership Assistance Trust Fund.

ARTICLE VIII

1. If any default of this Declaration occurs and is continuing, the City of Annapolis may seek specific performance of this Declaration, an injunction against any violation of this Declaration, or for such other relief at law or equity as may be appropriate.
2. This Declaration shall be construed for all purposes in accordance with the laws of the State of Maryland.
3. The venue for any actions pursuant to this Declaration shall be the courts of Anne Arundel County, Maryland.
4. The Declarant waives trial by jury in any action brought pursuant to this Declaration.
5. If, upon or after the occurrence of any default, the City of Annapolis incurs expenses on its behalf or the behalf of others for the enforcement or performance or observance of any term of this Declaration, the City of Annapolis shall be reimbursed upon demand by the Declarant or other person or entity responsible for the default.

ARTICLE IX

1. The Declarant shall indemnify, defend and hold the City of Annapolis, its Mayor, City Council members, employees, contractors and other agents and representatives harmless from all liability that may result from the Declarant's breach of this Declaration or its failure to conform to the requirements of Chapter 20.30 of the Code of the City of Annapolis, or its failure to comply with any other law, regulation or rule that governs the construction, occupancy, sale or lease of any MPDU.

ARTICLE X

1. This Declaration shall run with the Property and each MPDU and is binding on each MPDU, the Owner of each MPDU, and on the Declarant, and their successors and assigns.

Witness the signature and seal of the Declarant.

Witness:

Declarant:

_____ By: _____

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, to wit:

I HEREBY CERTIFY that on this _____ day of _____, 2012, before me, the subscriber, personally appeared _____, known to me or satisfactorily proven to be the person who has signed this Declaration, and he/she has signed this Declaration in my presence and acknowledged that he has done so on behalf of the Declarant and that he/she is authorized to do so and to bind the Declarant thereby, and that this Declaration is his/her free and voluntary act and the free and voluntary act of the Declarant made for the purposes stated in this Declaration.

WITNESS my signature and Notary seal this _____ day of _____, 2012.

Notary Public _____ My Commission Expires: _____

EXHIBIT A

Lot	Block	Street Address