



DECLARATION OF COVENANTS FOR MODERATELY PRICED DWELLING UNITS

This Declaration of Covenants for Moderately Priced Dwelling Units ("Declaration") is made this _____ day of _____, 201__, by _____ ("Declarant").

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

Whereas, the Declarant has applied to the City for approval to construct Moderately Priced Dwelling Units ("MPDU") on the Property; and

Whereas, [Chapter 20.30](#) of the Code of the City of Annapolis ("Code"), as may be amended, governs and defines MPDUs; and

Whereas, the Declarant is required to enter into this Declaration as part of the process required by [Chapter 20.30](#) of the Code, as may be amended.

Now, Therefore, the Declarant hereby declares that all of the MPDUs on the Property shall be held, sold, leased, rented, and conveyed subject to the following covenants, conditions, and restrictions:

ARTICLE I – MPDUs

1. The MPDUs that are the subject of this Declaration are indicated in **Exhibit A** of this Declaration, attached hereto and incorporated herein.

ARTICLE II – OCCUPANCY PERIOD IF MPDUs RENTED OR LEASED

2. For a period of twenty (20) years beginning on the initial date of rental from the Declarant to the initial lessee of an MPDU ("Rental Occupancy Period"), or such other occupancy period established by [Chapter 20.30](#) of the Code, as may be amended, or any overriding law, that MPDU shall not be rented or leased for an amount in excess of the maximum rental price established in accordance with [Chapter 20.30](#) of the Code, as may be amended. The rents for the MPDUs during Rental Occupancy Period have been set in accordance with [Chapter 20.30](#) of the Code, as many be amended, and are subject to an adjustment based on the Fair Market Rents determined by the U. S. Department of Housing and Urban Development annually.

ARTICLE III – OCCUPANCY PERIOD IF MPDUs SOLD; TEMPORARY RENTAL

3. The initial purchaser of any MPDU on the Property shall occupy the MPDU as his or her primary residence during a ten (10) year occupancy period from the original date of purchase of that MPDU from the Declarant ("Purchaser Occupancy Period"), or such other occupancy period established by [Chapter 20.30](#) of the Code, as may be amended, or any overriding law.
4. The initial purchaser of an MPDU on the Property, except for the City Department of Planning and Zoning or other housing development agency or nonprofit corporation approved in writing by the City, shall not lease or rent that MPDU to any other parties during the Purchaser Occupancy Period. The City may in writing waive the provisions of this Article III to allow the temporary rental of an MPDU on the Property by the initial purchaser for good and

sufficient cause, and for a temporary period of time to be determined by the City, in its sole discretion, and in accordance with all policies and regulations established by the City.

5. In the event the City approves a temporary rental of an MPDU on the Property by an initial purchaser, the current Purchaser Occupancy Period governing the initial purchaser shall be extended for a time equal to the length of time that the MPDU is leased.

ARTICLE IV – RESALE OF MPDU BY INITIAL PURCHASER

6. During a Purchaser Occupancy Period, a MPDU and any existing or subsequently constructed improvements associated with that MPDU shall not be sold by an initial purchaser except as permitted by the Code, or the mortgage or deed of trust note refinanced by an initial purchaser, for an amount in excess of the maximum sales price established in accordance with [Section 20.30.110](#) of the Code, as may be amended.
7. Any MPDU offered for resale by an initial purchaser during the Purchaser Occupancy Period shall comply with [Section 20.30.140](#) of the Code, as may be amended, and this Article IV.
8. The resale price calculation for a MPDU sold by the initial purchaser during the Purchaser Occupancy Period 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.
9. If an MPDU is permitted to be sold by the initial purchaser during the Purchaser Occupancy Period, the provisions contained in this Declaration shall be effective for another ten (10) year occupancy period starting from the date of the subsequent fee simple transfer of that MPDU.

ARTICLE V – ENFORCEMENT OF DECLARATION

10. The Declarant, without further action or consent required of the Declarant, hereby irrevocably grants, assigns, transfers, and conveys unto the City all its right, title, interest, or obligation to enforce and maintain in full force and effect, the terms, conditions, and requirements of this Declaration, to institute any proceeding in law or equity for the collection of such sums as may be in excess of those allowed by law, or to enjoin any violation or attempted violation of this Declaration or the provisions of [Chapter 20.30](#) of the Code, as may be amended.
11. The Declarant or the City, 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 – RECORDATION; DISCLOSURE OF CONTRACT

12. This Declaration shall be recorded among the land records of Anne Arundel County, Maryland at the Declarant's expense.
13. During the term of this Declaration, any sales contract, any deed of conveyance by the Declarant or its assigns or successors, any subsequent deed or transfer, or an assignment of a deed of conveyance by any successor subsequent owner of an MPDU shall contain conspicuous language specifically reciting that the MPDU is subject to this Declaration and the requirements of [Chapter 20.30](#) of the Code, as amended, and shall reference the date of recordation of this Declaration among the land records of Anne Arundel County, including the liber and folio/page.
14. 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 that MPDU and that the MPDU is expressly subject to this Declaration and [Chapter 20.30](#) of the Code, as may be amended.

ARTICLE VII – DEFAULT/BREACH

15. If any default or breach of this Declaration occurs, the City 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.
16. If, upon or after the occurrence of any default or breach, the City 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 shall be reimbursed upon demand by the Declarant or other person or entity responsible for the default or breach within thirty (30) calendar days of invoicing.
17. No waiver by the City of a specific breach or default of this Declaration shall be enforceable unless the waiver is in writing and signed by a person with authority to make the waiver, and any such waiver shall not constitute a waiver of any other or subsequent breach or default of this Declaration of the same or similar or different nature. No failure by the City to exercise, and no delay in exercising, any right or remedy permitted by law or pursuant to this Declaration shall operate as a waiver of such right or remedy.
18. Upon any default or breach of this Declaration by the Declarant, the City shall have authority to issue stop work orders, suspend or revoke any or all building, grading, use and occupancy permits, and any other permits or approvals issued to the Declarant in connection with the Property or any MPDU, and to deny the issuance of all subsequent permits or approvals, or suspend or revoke subsequent permits or approvals issued in connection with the Property or any MPDU, and invoke any other enforcement measures authorized by [Chapter 20.30](#) of the Code, as may be amended, any applicable regulations of the City's Department of Planning and Zoning, and any other application laws, regulations or rules.

ARTICLE VIII – BINDING

19. This Declaration shall run with the Property and each MPDU, and shall be binding on each MPDU, the purchaser or lessee of each MPDU and on the Declarant, and their respective successors and assigns.

ARTICLE IX – MISCELLANEOUS

20. The Declarant shall indemnify, defend and hold the City, its elected officials, appointees, directors, employees, 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, as may be amended, or its failure to comply with any other law, regulation or rule that governs the construction, occupancy, sale or lease of any MPDU.
21. This Declaration shall survive the execution and delivery of all deeds by which the Declarant transfers title to the Property or to any MPDU within and/or on the Property, and to all leases by which the Declarant rents any MPDU within the Property, and shall not merge therein.
22. All notices required of the parties shall be sent to _____
at _____
on behalf of the Declarant and to the Department at 145 Gorman Street, 3rd Floor, Annapolis, Maryland 21401 on behalf of the City. Except for any notice required to be given by law in another manner, the parties shall give notice to each other for any matters having to do with this Declaration by sending such notice by regular or certified mail or by delivering it in person to the address each has designated above, or such other address as they may designate to the other. The parties may mutually agree that e-mail or fax notice is an acceptable alternative.
23. Nothing contained in this Declaration shall be construed to constitute the Declarant as an agent, representative or employee of the City. Nor shall anything contained in this Declaration shall be construed in any manner to create any relationship between the Declarant and the City other than what is expressly specified herein, and the Declarant and the City shall not be considered partners or co-venturers for any purpose on account of this Declaration.

- 24. This Declaration shall be construed for all purposes in accordance with the laws of the State of Maryland. The venue for any actions pursuant to this Declaration shall be the courts of Anne Arundel County, Maryland. The parties waive trial by jury in any action brought pursuant to this Declaration.
- 25. This Declaration, the "Agreement to Build Moderately Priced Dwelling Units", and the "Sales Offering Agreement for Moderately Priced Dwelling Units", all executed with the City, set forth the entire agreement between the parties relative to the subject matter hereof. No representation, promise or condition, whether oral or written, not incorporated herein shall be binding upon either party to this Declaration. This Declaration shall not be waived, amended or modified except in writing and signed by the authorized representative(s) of the parties.

Witness the signature and seal of the Declarant.

Witness:

Declarant:

_____ By: _____

Name: _____

STATE OF MARYLAND, ANNE ARUNDEL COUNTY, to wit:

I HEREBY CERTIFY that on this _____ day of _____, 201____, 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 _____, 201____.

Notary Public _____ My Commission Expires: _____

EXHIBIT A

Lot	Block	Street Address