

DECLARATION OF WORKFORCE HOUSING COVENANTS, CONDITIONS AND RESTRICTIONS

Homeownership

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS ("Declaration") made this ____ day of _____, 20____ by _____, its successors and assigns (herein, the "Declarant"), Anne Arundel County, Maryland (herein, the "County"), and Arundel Community Development Services, Inc. (herein, "ACDS").

WHEREAS, Declarant is the owner of certain real property located in Anne Arundel County, which is more particularly described and depicted on Exhibit A and Exhibit B attached hereto and incorporated by reference herein (the "Property"); and

WHEREAS, pursuant to §18-10-175 of the Anne Arundel County Code (2005, as amended) (the "County Code"), the County has established a Workforce Housing Conditional Use ("Workforce Housing Conditional Use") which requires that at least forty percent (40%) of the for-sale units in a Workforce Housing project must be occupied by households whose incomes do not exceed one-hundred percent (100%) of the area median income adjusted for household size for the Baltimore-Columbia-Towson MD Metropolitan Statistical Area, as defined and published annually by the United States Department of Housing and Urban Development ("AMI"); and

WHEREAS, Declarant proposes to develop a for-sale community on the Property pursuant to the Workforce Housing Conditional Use known as _____ (the "Project"), consisting of ____ units, of which ____ units will be available to households whose incomes do not exceed one hundred percent (100%) of the AMI (the "Workforce Housing Units"). This Declaration is intended to set forth the Declarant's agreement regarding how the Workforce Housing Conditional Use requirements will be satisfied and pursuant to which the dwelling units to be constructed upon the Property will be maintained as Workforce Housing; and

WHEREAS, the lots designated by the Declarant to be developed and constructed as Workforce Housing Units subject to the restrictions herein are more particularly described on Exhibit B attached hereto and incorporated herein by reference; and

WHEREAS, this Declaration shall apply to and be enforceable by the County or its designee, including ACDS, against Declarant, its successors and assigns, and all current and future owners of the Property or Workforce Housing Units during the term of this Declaration, and shall restrict the sale, resale, and use of the Workforce Housing Units as provided herein.

NOW THEREFORE, Declarant does hereby publish and declare that the Property shall be held, conveyed, encumbered, used, occupied and transferred, subject to the following covenants, conditions, restrictions and obligations, all of which are declared to be in the furtherance of a common plan for the improvement, enjoyment and use of the Property, and all of which shall run with the land and shall be binding on any person or entity acquiring or

owning any interest in the Property, their personal representatives, heirs, successors and assigns for the term stated herein.

I. DEFINITIONS

1. *ACDS* shall mean Arundel Community Development Services, Inc., a Maryland nonprofit corporation created by the County to oversee and manage the County's housing and community development activities, and its successors.

2. *Declarant* shall mean the Declarant as identified herein and all successors and assigns of the Declarant.

3. *Eligible Household* shall mean a household whose income does not exceed one hundred percent (100%) of AMI and who has a current certificate demonstrating evidence of completion of the ACDS Homeownership Counseling Program.

4. *Maximum Sales Price* shall be defined semi-annually by ACDS on or about June 1 and December 1 through a formula defined and published by ACDS. The Maximum Sales Price of a Workforce Housing Unit on the original sale shall be certified as correct by ACDS.

5. *Maximum Resale Price* shall mean the original sales price adjusted on an annual two percent (2%) fixed multiplier. The Maximum Resale Price of a Workforce Housing Unit must be certified as correct by ACDS.

II. COVENANTS RUNNING WITH THE LAND

The Declarant declares that the Property shall be held, owned, transferred, developed, rehabilitated, improved, built up, occupied, or otherwise used, subject to the covenants, conditions and restrictions set forth in this Declaration. The Property may be subject to additional restrictions imposed by other lenders or other parties and, in the event of any conflict between the restrictions imposed by this Declaration and any additional restrictions imposed, the more restrictive conditions shall prevail. During the term of this Declaration, as set forth in Section III below, this Declaration shall be deemed a covenant running with the land and shall pass to and be binding upon all heirs, assigns and successors in title to the Property.

This Declaration shall be recorded among the Land Records of Anne Arundel County prior to the conveyance of any Workforce Housing Unit. Any deed conveying a Workforce Housing Unit during the duration of this Declaration shall contain conspicuous language reciting that the unit is subject to this Declaration and include the date and recording reference of this Declaration.

III. DURATION; RELEASE

- A. The covenants, conditions and restrictions set forth in this Declaration shall continue and remain in full force and effect at all times with respect to the Property and the Workforce Housing Units for ten (10) years beginning on the original date of sale of

each Workforce Housing Unit.

- B. The Property may be released from the restrictions of this Declaration at any time if the Anne Arundel County Office of Planning and Zoning verifies in writing that all permits, plan applications and approvals related to the Project have expired without completion, have been terminated, or are otherwise void. Release of this Declaration shall be effective upon the recordation among the Land Records of Anne Arundel County of a release that includes a copy of the written verification from the Office of Planning and Zoning.

IV. RESTRICTED SALE OF THE PROPERTY

This Declaration restricts the sale and re-sale of the Workforce Housing Units to an Eligible Household at the original Maximum Sales Price and the Maximum Resale Price.

V. MINIMUM PROPERTY STANDARDS

If any Workforce Housing Unit is sold during the duration of this Declaration after the initial sale by the Declarant, the Workforce Housing Unit must meet the following minimum property standards as confirmed by ACDS: (i) the residence must be free of water infiltration and the roof age must be within its life rating; (ii) the HVAC, plumbing, and electrical systems must be operational and in good condition; (iii) all appliances must be operational and in good condition; and (iv) the interior paint and floor coverings must be in good condition.

VI. OCCUPANCY

During the term of this Declaration, the Workforce Housing Units shall be occupied by Eligible Households as their primary residence and may not be rented to another household or individual.

VII. BUILDING PERMITS

Declarant shall notify ACDS at the time of application for a building permit for a dwelling unit on any lot designated as a Workforce Housing Unit.

VIII. SUBORDINATION

A mortgagee or other secured party who has initiated foreclosure proceedings on a debt secured by a mortgage or deed of trust on the Property or a Workforce Housing Unit shall notify ACDS in writing at least thirty (30) days prior to the date of the foreclosure sale. If the Property or a Workforce Housing Unit is sold at a foreclosure sale (including a transfer by deed in lieu of foreclosure) by the secured party, the County and ACDS shall cooperate with the secured party and sign the necessary documentation to terminate these covenants as to the Property or the Workforce Housing Unit and record such termination among the Land Records.

The County reserves the right to make a claim against any surplus proceeds for payment of any charges or fees payable upon default as provided in Article IX(A) of this Declaration.

IX. ENFORCEMENT

The rights hereby granted include the right of the County, or its designee, including ACDS, to enforce this Declaration against the Declarant, or any successors in title, independently by appropriate legal proceedings and to obtain injunction and other appropriate relief against any violations and shall be in addition to, and not in limitation of, any other rights and remedies available to the County or the Declarant.

- A. Without limitation of any other rights or remedies of the County, in the event of any initial residential occupancy of the Workforce Housing Units in violation of the provisions of this Declaration, the County shall be entitled to the following remedies, after notice and an opportunity to cure within forty-five (45) days, which remedies shall be cumulative and not mutually exclusive:
 1. Damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Household; and
 2. If the Property, or any part of it, received a full or partial waiver of any County charges or fees, including impact fees, utility fees, utility connection charges, or other exempted fees or charges, as a result of including the Workforce Housing Units, the County is entitled to recoupment and payment of any such charges in full, in the amount that would have been due at the time the development was approved, as if the Property did not include Workforce Housing Units, which charges shall be a lien upon any Workforce Housing Unit in violation and all other Workforce Housing Units still owned by the Declarant in the full amount of the charges and fees waived, plus annual interest to accrue at the rate for overdue property taxes as set forth in § 4-1-103 of the County Code, all of which shall be collectable and enforceable in the same manner as property taxes in accordance with §1-8-101 of the County Code.
- B. Declarant grants the County or its designee, including ACDS, the right to enter upon the Property upon reasonable advance notice for the purpose of enforcing the restrictions herein contained or for taking all actions with respect to the Property and the Workforce Housing Units, which the County may determine to be necessary or appropriate, to prevent, remedy or abate any violation of this Declaration, including by court order.
- C. In addition to the foregoing, in the event of a violation of the provisions of this Declaration, the County may take appropriate enforcement action against the Declarant, including, without limitation, legal action to compel Declarant to comply with the requirements of this Declaration. The Declarant shall pay all fees and expenses including legal fees of the County in the event the County prevails in such legal action.

X. SEVERABILITY

If any provision of this Declaration is held invalid, the remainder of this Declaration shall not be affected thereby, and all other parts of this Declaration shall nevertheless be in full force and effect.

XI. WAIVER

One or more waivers by the County of any covenants or conditions or of any breach of same shall not be construed as a waiver of any subsequent breach of the same or other covenant or condition; and the consent and approval of the County to any act by Declarant requiring the County's consent or approval shall not be deemed to be a waiver and shall still render necessary the County's consent or approval to any subsequent or similar act by Declarant.

XII. GOVERNING LAW FORUM

This Declaration shall be construed according to the laws of the State of Maryland without regard to those principles governing choice or conflicts of law. Any litigation arising from the application, interpretation or enforcement of rights under this Declaration shall be brought in the State courts located in Anne Arundel County, which shall have subject matter and personal jurisdiction, and, to the extent permitted by law; the parties waive removal of any such action to the federal courts.

XIII. NOTICE

Any notice required to be delivered under this Declaration shall be delivered to the parties by email and USPS mail according to the following contact information:

Declarant:

ACDS: Arundel Community Development Services, Inc.
2666 Riva Road, Suite 210
Annapolis, MD 21401
Attn: Erin Karpewicz
ekarpewicz@acdsinc.org

County: Anne Arundel County Office of Law
2660 Riva Road, 4th Floor
Annapolis, MD 21401
Attn: County Attorney
gregory.swain@aacounty.org

XIV. TIME OF ESSENCE

Time is of the essence in this Declaration.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have signed, sealed and delivered this Declaration as of the date first written above.

ATTEST:

DECLARANT:

By: _____

Name: _____

Title: _____

State of _____, _____ County, ss:

I HEREBY CERTIFY, that on this ____ day of _____, 20____, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared **[Name and Title]**, of **[Organization]**, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged to me that he has the full authority to execute and in fact executed, said Declaration for the purposes herein contained, and further acknowledged the foregoing Declaration to be the act of said entity.

AS WITNESS: My hand and Notarial seal.

Notary Public

My commission expires: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ATTEST:

ARUNDEL COMMUNITY DEVELOPMENT
SERVICES, INC.

_____(Seal)
Erin Karpewicz, Chief Executive Officer

State of Maryland, Anne Arundel County, ss:

I HEREBY CERTIFY, that on this ____ day of _____, 20__, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Erin Karpewicz, Chief Executive Officer of Arundel Community Development Services, Inc., known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged to me that she has full authority to execute and in fact executed, said Declaration for the purposes herein contained, and further acknowledged the foregoing Declaration, to be the act of said entity.

AS WITNESS: My hand and Notarial seal.

Notary Public _____

My commission expires: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ANNE ARUNDEL COUNTY, MARYLAND

Christine M. Anderson
Chief Administrative Officer

State of Maryland, Anne Arundel County, ss:

I HEREBY CERTIFY, that on this ____ day of _____, 20____, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared Christine M. Anderson, Chief Administrative Officer for Anne Arundel County, Maryland, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged to me that she has the full authority to execute and in fact executed, said Declaration for the purposes herein contained, and further acknowledged the foregoing Declaration to be the act of said entity.

AS WITNESS: My hand and Notarial seal.

Notary Public _____

My commission expires: _____

APPROVED FOR FORM
AND LEGAL SUFFICIENCY:

By: _____
Gregory J. Swain, County Attorney

Date _____

EXHIBIT A

Property Description

EXHIBIT B

Workforce Housing Units