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When Recorded Return to:  
Howard County Office of Law  
3450 Court House Drive  
Ellicott City, Maryland 21043

Development: Chapelgate Woods  
Lot or Unit Numbers: See Exhibit A

LR - Government  
Instrument - 13 0.00  
Agency Name: Howard  
County  
Instrument List:  
Declaration  
Describe Other: US Home  
LLC  
Ref: 14

**Howard County, Maryland**  
**Moderate Income Housing Unit Program in CEF-M District**  
**(For Sale Dwelling Units)**

**MODERATE INCOME HOUSING UNIT**  
**DECLARATION OF COVENANTS AND RESTRICTIONS**

=====  
Total: 235.00  
08/08/2022 08:38  
CC13-610  
#16491457 CC0503 -  
Howard Co Ellicott  
City/CC05.03.03 -  
Register 03

THIS MODERATE INCOME HOUSING UNIT DECLARATION OF COVENANTS AND RESTRICTIONS (this "Declaration") is made as of the Declaration Date (as herein defined) by U.S. HOME, LLC, having an address of 7035 Albert Einstein Drive, Suite 200, Columbia, Maryland 21046 (the "Declarant") for the benefit of **HOWARD COUNTY, MARYLAND** (the "County").

**RECITALS**

N/C  
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TR  
A. The Declarant proposes to develop a fee simple residential development in accordance with §121.0 of the Howard County Zoning Regulations on certain land located in Howard County, Maryland, and more specifically described in Final Subdivision Plan F-21-011 (the "Development").

B. Pursuant to §121.0.E of the Zoning Regulations, the Declarant is required to include moderate income housing units in the Development in accordance with procedures established by the County. In accordance with §13.400 et seq. of the Howard County Code (the "Act"), the Declarant has entered into a Moderate Income Housing Unit Agreement with the County (the "MIHU Agreement") by which the Declarant agrees to provide in the Development the requisite number of moderate income housing units, to construct the units in accordance with the minimum specifications prescribed by the County, and to the extent practicable to construct the units so that each phase of the development contains its proportionate share of moderate income housing units. In accordance with the Zoning Regulations, the Declarant is required to designate at least 10% of the units as MIHUs in accordance with the procedures in the Act.

C. Additionally, pursuant to the Act and the MIHU Agreement, the developer of a mixed use development in which moderate income housing units are proposed must subject each lot or condominium unit designated for a moderate income housing unit to certain covenants and restrictions which, among other things, prohibit the sale or rental of the lot or unit except to an eligible purchaser or designee in accordance with the requirements of the Act.

D. In order to meet the requirements of the Zoning Regulations, and in compliance with the Act and the MIHU Agreement, the Declarant hereby subjects the MIHU Properties (as herein defined) to these Restrictive Covenants.

**I. DEFINITIONS.**

1.1. The following words have the meanings indicated:

(a) "Act" means §13.400 et seq. of the Howard County Code, entitled "Moderate Income Housing Units," as amended from time to time.

(b) "Commission" means the Howard County Housing Commission, a public housing authority of the State of Maryland.

(c) "County" means Howard County, Maryland.

(d) "County Executive" means the county executive of Howard County, Maryland.

(e) "Declarant" includes the successors and assigns of the Declarant.

(f) "Declaration Date" means the date upon which the Declarant has executed this Declaration, as indicated by the date below the Declarant's signature on the signature page.

(g) "Department" means the County's Department of Housing and Community Development.

(h) "Designee" means the Commission, a nonprofit corporation, or a quasi-public housing development organization designated by the Department as eligible to operate and maintain moderate income housing units on a long-term basis.

(i) "Development" means the mixed-use development in which the MIHU Properties are located.

(j) "Eligible Purchaser" means an individual who meets the income and other qualifications to purchase a moderate income housing unit under §13.406 of the Act, who has been issued a certificate of eligibility by the Department.

(k) "Initial Sale" means the first sale of a MIHU Property for use as a primary residence.

(l) "MIHU Properties" means the all of the lots or parcels of real property owned in fee simple by the Declarant located in Howard County, Maryland and more particularly described in Exhibit "A" attached hereto, and all improvements thereon, upon which the Declarant has agreed to provide moderate income housing units.

(m) "MIHU Property" means any of the lots or condominium units which together

comprise the MIHU Properties, including the moderate income housing unit.

(n) "Owner" means the Declarant and all subsequent owners of an interest in the MIHU Properties.

(o) "Priority Period" means the 120-day period during which a MIHU Property must be offered for sale through the Department to an Eligible Purchaser or Designee, commencing on the date designated in paragraph 3.3 or 4.3 below, as applicable.

(p) "Restrictive Covenants" means the covenants and restrictions contained in this Declaration.

(q) "Subsequent Sale" means any sale of a MIHU Property after the Initial Sale for use as a primary residence.

## II. GENERAL RESTRICTIONS

2.1. **Covenants Running with the Land**. Declarant declares that each MIHU Property shall be owned, leased, or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied, or otherwise used subject to the covenants and restrictions set forth herein. The Restrictive Covenants shall run with the MIHU Property and every part of it for all purposes and shall be binding upon Declarant and all property owners, tenants, licensees, occupants, and their successors in interest with respect to the MIHU Property and shall inure to the benefit of Declarant and Howard County and their respective successors and assigns.

2.2. **Sale of MIHU Property**. A MIHU Property may not be offered for sale except in accordance with these Restrictive Covenants.

## III. INITIAL SALE

3.1. **Offer to Eligible Purchaser**. Until the expiration of the Priority Period, a MIHU Property may be offered for Initial Sale only through the Department to an Eligible Purchaser or a Designee.

3.2. **Initial Sale Price**. During the Priority Period, the sales price for a MIHU Property may not exceed the initial sales price for the MIHU Property established by the Department in accordance with §13.403 of the Act.

3.3. **Notice of Offering**. The Owner will notify the Department in advance that a MIHU Property will be offered for Initial Sale. The notice will state the date on which the 120-day Priority Period will begin, which will be no earlier than 15 days after the notice is sent. The notice shall include:

- (a) The location of the MIHU Property, including a vicinity map and a copy of

the subdivision plat or approved site development plan for the Development;

(b) A description of the dwelling unit to be constructed and the amenities to be offered;

(c) A recommended initial sales price, in conformance with the criteria set forth in §13.403 of the Act;

(d) Information regarding any mortgage financing available to buyers; and

(e) Such other information as required by the Department.

3.4. **Incomplete Notice.** If the Department determines that the notice of offering is incomplete, the Department will notify the Owner within 5 business days of receipt of the notice. The Owner must submit a complete notice before the Priority Period may begin.

3.5. **Notification of Eligible Purchaser and Initial Sales Price.** Within the 120-day Priority Period, the Department will furnish the Owner with:

(a) the name of a ready, willing and able Eligible Purchaser for the MIHU Property, and

(b) the Department's determination of the Initial Sales Price for the MIHU Property.

3.6. **Negotiation of Sales Contract.**

(a) The Owner must make a good faith effort to enter into a contract with the Eligible Purchaser within the 120-day Priority Period.

(b) The contract must allow the Eligible Purchaser at least 60 days from the date of the notice of offering identified in paragraph 3.3 above to obtain a bona fide financing commitment in an amount sufficient to enable the individual to purchase the MIHU Property.

(c) The contract must require the Owner to make a good faith effort to complete construction of the dwelling unit within the time set forth in the Eligible Purchaser's financing commitment. The contract must further provide that if the Owner fails to make a good faith effort to complete construction of the dwelling unit within the time set forth in the Eligible Purchaser's financing commitment, the settlement date shall be extended until 10 days after the date construction is actually completed.

(d) If the Eligible Purchaser fails to enter into a contract or fails to comply with the conditions of the financing commitment, the Department may, within the Priority Period, substitute another Eligible Purchaser.

3.7. **Settlement.**

(a) Settlement on the sale of the MIHU Property will occur after completion of the construction of the dwelling unit. For purposes of this paragraph, the dwelling unit shall be deemed complete on the date that a use and occupancy permit for the unit is issued by the Howard County Department of Inspections, Licenses and Permits.

(b) The Owner must notify the Eligible Purchaser at least 10 days prior to the settlement date. The Owner must make a good faith effort to settle with the Eligible Purchaser within the time set forth in the Owner's notice.

(c) The Eligible Purchaser must have settled on the MIHU Property within 2 business days of the settlement date, unless extended by the parties. If the Eligible Purchaser fails to settle on the property within 2 business days of the agreed upon settlement date, the Owner will notify the Department and offer to extend the Priority Period for 60 days from the agreed upon settlement date. The Department shall accept or reject the offer within 5 business days of receipt of the notice. If the Department accepts the offer to extend the Priority Period, the Department will pay to the Owner the Owner's reasonable and actual carrying costs, such as interest, insurance, taxes, utilities, homeowner or condominium association fees, and maintenance costs for the dwelling unit for the period of the extension. The Department will notify eligible households and designees of the availability of the moderate income housing unit in accordance with the Act.

3.8. **Sale After Priority Period.**

(1) Subject to paragraph (2) below, the Owner may offer the MIHU Property for sale to the general public without restriction as to price if:

(a) The Priority Period and any extension has expired and an Eligible Purchaser has not signed a purchase contract;

(b) An Eligible Purchaser has signed a contract but has not settled on the MIHU Property by the settlement date and the Department has not accepted the Owner's extension offer under paragraph 3.7(c) above.

(2) If the MIHU Property is offered for sale to the general public without restriction as to price, the Owner will pay to the County an amount equal to 50% of the difference between:

(a) The sale price of the MIHU Property, less a 7% reduction for the Owner's cost of sale, and less the Owner's reasonable and actual carrying costs from the end of the Priority period, if applicable; and

- (b) The price established for the MIHU Property by the Department.

#### IV. SUBSEQUENT SALE

41. **Offer to Eligible Purchaser.** Until the expiration of the Priority Period, a MIHU Property may be offered for any Subsequent Sale only through the Department to an Eligible Purchaser or a Designee.

42. **Subsequent Sale Price.** Except as provide in paragraph 5.1, during the Priority Period, the sales price for a MIHU Property may not exceed the sales price for the MIHU Property established by the Department in accordance with §13.403 of the Act.

43. **Notice of Offering.** The Owner will notify the Department in advance that the MIHU Property will be offered for Subsequent Sale. The notice will state the date on which the 120-day Priority Period will begin, which will be no earlier than 15 days after the notice is sent. The notice shall include:

- (a) The location of the MIHU Property, including a vicinity map for the Development;
- (b) A description of the dwelling unit and the amenities to be offered;
- (c) A recommended sales price, in conformance with the criteria set forth in §13.403 of the Act;
- (d) Information regarding any mortgage financing available to buyers; and
- (e) Such other information as required by the Department.

44. **Incomplete Notice.** If the Department determines that the notice of offering is incomplete, the Department will notify the Owner within 5 business days of receipt of the notice. The Owner must submit a complete notice before the Priority Period may begin.

45. **Notification of Eligible Purchaser and Subsequent Sales Price.** Within the 120-day Priority Period, the Department will furnish the Owner with:

- (a) the name of a ready, willing and able Eligible Purchaser for the MIHU Property, and
- (b) the Department's determination of the Subsequent Sales Price for the MIHU Property.

46. **Negotiation of Sales Contract.**

(a) The Owner must make a good faith effort to enter into a contract with the Eligible Purchaser within the 120-day Priority Period.

(b) The contract must allow the Eligible Purchaser at least 60 days from the date of the notice of offering identified in paragraph 4.3 above to obtain a bona fide financing commitment in an amount sufficient to enable the individual to purchase the MIHU Property.

(c) If the Eligible Purchaser fails to enter into a contract or fails to comply with the conditions of the financing commitment, the Department may, within the Priority Period, substitute another Eligible Purchaser.

47. **Settlement.**

(a) Settlement on the sale of the MIHU Property will occur within a reasonable time as provided in the contract. The Owner must notify the Eligible Purchaser at least 10 days prior to the settlement date. The Owner must make a good faith effort to settle with the Eligible Purchaser within the time set forth in the Owner's notice.

(b) The Eligible Purchaser must have settled on the MIHU Property within 2 business days of the settlement date, unless extended by the parties. If the Eligible Purchaser fails to settle on the property within 2 business days of the agreed upon settlement date, the Owner will notify the Department and offer to extend the Priority Period for 60 days from the agreed upon settlement date. The Department shall accept or reject the offer within 5 business days of receipt of the notice. If the Department accepts the offer to extend the Priority Period, the Department will pay to the Owner the Owner's reasonable and actual carrying costs, such as interest, insurance, taxes, utilities, homeowner association fees, and maintenance costs for the dwelling unit for the period of the extension. The Department will notify eligible households and designees of the availability of the moderate income housing unit in accordance with the Act.

48. **Sale After Priority Period.**

(1) Subject to paragraph (2) below, the Owner may offer the MIHU Property for sale to the general public without restriction as to price if:

(a) The Priority Period and any extension has expired and an Eligible Purchaser has not signed a purchase contract;

(b) An Eligible Purchaser has signed a contract but has not settled on the MIHU Property by the settlement date and the Department has not accepted the Owner's extension offer under paragraph 3.7(c) above.



(2) If the MIHU Property is offered for sale to the general public without restriction as to price, the Owner will pay to the County an amount equal to 50% of the difference between:

(a) The actual sale price of the MIHU Property, less a 7% reduction for the Owner's cost of sale, and less the Owner's reasonable and actual carrying costs from the end of the Priority Period, if applicable; and

(b) The price established for the MIHU Property by the Department.

## V. MORTGAGE LIENS; DEED COVENANT

5.1 **Mortgage Liens.** An Owner may not encumber any MIHU Property with any mortgage lien or liens from which the aggregate outstanding balance exceeds the sales price for the MIHU Property established by the Department in accordance with §13.403 of the Act, unless otherwise approved in writing by the Department.

52 **Deed Covenant.** Any deed conveying title to an MIHU Property must contain a provision in substantially the following form:

"This Deed is subject to certain covenants and restrictions contained in a Moderate Income Housing Unit Declaration of Covenant and Restrictions recorded among the Land Records of Howard County, Maryland, which covenants and restrictions (a) run with the property in perpetuity, (b) require that the property be the purchaser's principal place of residence and may be transferred **only** in accordance with Section 13.400 et. seq. of the Howard County Code, as amended from time to time, and the provisions of the Declaration, and (c) that the property may not be mortgaged for more than the MIHU sales price established by the Department. **Such provision shall set forth the liber and folio assigned to this Declaration of Covenants and Restrictions.**"

## VI. MISCELLANEOUS

6.1 **Sale to Designee.** With respect to any MIHU Property sold to a Designee, this Declaration and the Restrictive Covenants shall terminate and have no further force or effect, provided the Designee has entered into a written agreement with the Department governing the resale of a co-ownership interest in the MIHU Property in accordance with §13.407(j) of the Act.

### 62 **Foreclosure.**

(a) Before a MIHU Property is sold in foreclosure proceedings or other judicial sale, the person authorized to make the sale shall notify the Department by certified mail of the time, place, and terms of the sale. The notice shall be sent not later than 10 days before the date of the sale.



(b) If the MIHU Property is sold in foreclosure proceedings or other judicial sale, this Declaration and the Restrictive Covenants shall terminate and the County Executive shall execute a release of the Declaration if:

(1) Notice was received under paragraph (a) above; and

(2) All proceeds of the sale of the MIHU Property in excess of the sales price established for the MIHU Property by the Department at the time of the foreclosure, less the reasonable and actual costs and fees of foreclosure, are paid to the County.

(c) The County Executive may vary or waive the restrictions on the resale price for the MIHU Property when sold at foreclosure sale if the restrictions conflict with the requirements of a federal or state housing program that affords eligible households the opportunity to buy or rent a moderate income housing unit.

**63. Termination and Modification.**

(a) This Declaration, or any provision of it, or any of the Restrictive Covenants, may be terminated, extended, modified, or amended in whole or in part if the County Executive determines in writing that:

(1) the termination, extension, modification or amendment is consistent with the Act; and

(2) the application of the Declaration, provision, or Restrictive Covenant to any MIHU Property would be contrary to the public interest.

(b) Any termination, extension, modification or amendment shall be in writing and shall be effective only after approval by the County Executive and recordation among the Land Records of Howard County, Maryland.

**64. Legal Action upon Violation.** Violation of these Restrictive Covenants may be enjoined, restrained or otherwise remedied by appropriate legal or equitable proceedings. Proceedings restraining violation of these Restrictive Covenants may be brought at any time that such violation appears reasonably likely to occur. In the event of proceedings brought by Howard County to enforce or restrain any of these Restrictive Covenants, or to determine the rights or duties of any person under this Declaration, Howard County, if it prevails in such proceedings, may recover reasonable attorneys' fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceedings.

**65. Enforceability.** The Restrictive Covenants shall bind Declarant and its heirs, successors and assigns, and shall inure to the benefit of and be enforceable by Howard County and its successors and assigns. The failure of Howard County to enforce any of the Restrictive Covenants shall not be deemed a waiver of the right to enforce them thereafter. There shall be no

waiver of any of the Restrictive Covenants except in accordance with paragraph 6.2(c) or paragraph 6.3 above.

66. **Grantee's Covenants.** Each grantee accepting a deed, lease or other instrument conveying any interest in a MIHU Property, whether or not it incorporates or refers to this Declaration, covenants for itself, and its heirs, successors and assigns to observe, perform and be bound by the Restrictive Covenants and, unless otherwise specifically permitted by the County, to incorporate them by reference in any instrument of conveyance.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the Declarant has signed and delivered this Declaration of Covenants and Restrictions as of the Declaration Date.

WITNESS/ATTEST:

DECLARANT: U.S. HOME, LLC

By: Lennar Corporation, Sole Member

BA Miki

By: Mark Anderson (SEAL)  
Mark Anderson, Vice President

Date: 3/31/22

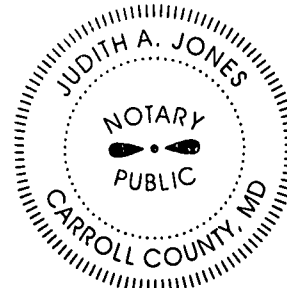
STATE OF Maryland : COUNTY OF Carroll : TO WIT:

I HEREBY CERTIFY that on this 31 day of March, 2022, before me, the subscriber, a Notary Public of the State of Maryland and for the County aforesaid, personally appeared Mark Anderson of U. S. Home, LLC, and he acknowledged that he executed the foregoing Declaration for the purposes therein contained, and he further acknowledged the same to be the act of the Declarant.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Judith A. Jones  
Notary Public

My Commission Expires: 02/20/2023



I CERTIFY THAT:

- (a) I am an attorney admitted to practice before the Court of Appeals of Maryland; and
- (b) I prepared or supervised the preparation of the foregoing Declaration of Covenants and Restrictions.

Constance A. Tucker  
Constance A. Tucker, Principal Counsel

**EXHIBIT A**

MIHU Properties Description

**BEING KNOWN AND DESIGNATED** as Lot Nos. 21, 24, 26, 29, 39, 40, 50, 52, 72, 75, 76, 79, 81, 84, 86, 90, 95, 98, 101, 120 and 122 on the plat entitled "*PLAT OF SUBDIVISION CHAPELGATE WOODS LOTS 1 – 134 AND OPEN SPACE LOTS 135, 136 & 137 AND NON-BUILDABLE BULK PARCEL E, A RE-SUBDIVISION OF NON-BUILDABLE BULK PARCEL B 'CHAPELGATE' PLATS*" THRU " and recorded among the Land Records of Howard County Maryland as Plat Nos. 26141-26152.