

# County Council Of Howard County, Maryland

2010 Legislative Session

Legislative Day No. 10

## Resolution No. 120 -2010

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION approving the terms and conditions of a Payment in Lieu of Taxes Agreement by and between Harper House Limited Partnership, a Maryland limited partnership, and Howard County, Maryland for a multi-family rental housing development known as Harper House Apartments.

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Introduced and read first time \_\_\_\_\_, 2010.

By order \_\_\_\_\_  
Stephen LeGendre, Administrator

Read for a second time at a public hearing on \_\_\_\_\_, 2010.

By order \_\_\_\_\_  
Stephen LeGendre, Administrator

This Resolution was read the third time and was Adopted\_\_\_, Adopted with amendments\_\_\_, Failed\_\_\_, Withdrawn\_\_\_, by the County Council on \_\_\_\_\_, 2010.

Certified By \_\_\_\_\_  
Stephen LeGendre, Administrator

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment

1           **WHEREAS**, Harper House Limited Partnership (the “Partnership”) proposes to  
2 redevelop and operate a 100-unit multi-family rental development for low and moderate income  
3 households known as “Harper House Apartments” and located on Cedar Lane in Columbia,  
4 Howard County, Maryland (the “Project”); and  
5

6           **WHEREAS**, the Partnership has applied to the Community Development  
7 Administration, an agency of the Division of Finance of the Department of Housing and  
8 Community Development of the State of Maryland for (i) tax exempt bonds in the approximate  
9 amount of \$8,505,000, (ii) a Maryland Housing Rehabilitation Loan in the approximate amount  
10 of \$900,000, and (iii) a 4% low-income housing tax credit reservation that will contribute equity  
11 in the approximate amount of \$3,930,00, (collectively, the “State financing”) to fund a portion of  
12 the acquisition and renovation costs of the Project; and  
13

14           **WHEREAS**, pursuant to the State financing programs, the Project will provide housing  
15 for low and moderate income households; and  
16

17           **WHEREAS**, the Partnership has requested that the County permit the Partnership to  
18 make payments in lieu of taxes pursuant to Section 7-505 of the Tax-Property Article of the  
19 Annotated Code of Maryland; and  
20

21           **WHEREAS**, the Partnership has demonstrated to the County that an agreement for  
22 payments in lieu of taxes is necessary to make the Project economically feasible; and  
23

24           **WHEREAS**, in order to induce the Partnership to provide affordable housing in Howard  
25 County, it is in the interest of the County to accept payments in lieu of County real property  
26 taxes subject to the terms and conditions of the Payment in Lieu of Taxes Agreement attached to  
27 this Resolution as “Exhibit 1”.

28  
29           **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,  
30 Maryland this \_\_\_\_ day of \_\_\_\_\_, 2010, that:

- 1 (1) In accordance with Section 7-505 of the Tax-Property Article of the Annotated Code of  
2 Maryland, the County shall accept payments in lieu of County real property taxes for the  
3 Harper House Apartments rental housing development subject to the terms and  
4 conditions of the Payment in Lieu of Taxes Agreement attached to this Resolution as  
5 “Exhibit 1”.
- 6 (2) The County Executive is hereby authorized to execute and deliver the Agreement in the  
7 name and on behalf of the County in substantially the form attached hereto as “Exhibit  
8 1”.
- 9 (3) The County Executive, prior to execution and delivery of the Agreement, may make such  
10 changes or modifications to the Agreement as he deems appropriate in order to  
11 accomplish the purpose of the transactions authorized by this Resolution, provided that  
12 such changes or modifications shall be within the scope of the transactions authorized by  
13 this Resolution; and the execution of the Agreement by the County Executive shall be  
14 conclusive evidence of the approval by the County Executive of all changes or  
15 modifications to the Agreement, and the Agreement shall thereupon become binding  
16 upon the County in accordance with its terms.

Project: Harper House

## PAYMENT IN LIEU OF TAXES AGREEMENT

**THIS AGREEMENT** (this "Agreement") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2010, by and between Harper House Limited Partnership, a Maryland limited partnership (the "Partnership") and **HOWARD COUNTY, MARYLAND**, a body corporate and politic of the State of Maryland (the "County").

### RECITALS

A. The Partnership proposes to acquire, refinance, and rehabilitate a 100-unit multi-family rental housing development known as "Harper House Apartments" (the "Project") located at 5495 Cedar Lane, Columbia, Maryland, which real property is more particularly described on Exhibit "A" attached hereto (the "Property").

B. The Partnership has applied to the Community Development Administration, a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland ("CDA") for a tax-exempt bond loan in the approximate amount of \$8,505,000 (the "Bond Loan"), and to the Department of Housing and Community Development of the State of Maryland ("DHCD") for a Maryland Housing Rehabilitation Loan (the "DHCD Loan") in the approximate amount of \$900,000, and for equity from the sale of Federal Low Income Housing Tax Credits in the approximate amount of \$3,930,000 (the "Tax Credits") and is receiving financing from the Seller of the Property as well as deferring a portion of the Partnership's developer's fee to fund a portion of the acquisition and rehabilitation costs of the Project. Under the State programs, the Project will provide housing for low and moderate income persons. Also, under the government programs and this Agreement, the Project will operate on a limited distribution basis.

C. The Partnership has requested that the County permit the Partnership to make payments in lieu of County real property taxes pursuant to Section 7-505 of the Tax-Property Article of the Annotated Code of Maryland (the "Act"). The Act provides, among other things, that real property may be exempt from County property tax if:

(1) the real property is owned or leased by a person engaged in constructing or operating housing structures or projects;

(2) the real property is used for a housing structure or project that is constructed under a federal, State, or local government program that funds construction;

(3) the structures and facilities of the real property are governmentally-controlled as to rents, charges, rates of return, and methods of operation so that the real property operates on a nonprofit or limited distribution basis; and

(4) the owner and the governing body of the county where the real property is located agree that the owner shall pay a negotiated amount in lieu of the applicable county property tax.

D. In order to induce the Partnership to provide housing for low and moderate income persons, the County agrees to accept payments in lieu of County real property taxes, subject to the terms and conditions of this Agreement.

E. The County Council of Howard County, Maryland has approved this Agreement by resolution, a copy of which is attached hereto as Exhibit "B".

**NOW, THEREFORE**, in consideration of the premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partnership and the County agree as follows:

1. Definitions. In this Agreement the term:

(a) "Distribution" means any withdrawal or taking of cash or any assets of the Project, excluding payment for reasonable expenses incident to the operation and maintenance of the Project. Such expenses shall include a reasonable property management fee and a reasonable guaranteed distribution to the limited partner as an investor services fee.

(b) "Gross Rental Income" means the total of all charges paid by all tenants of the Project, less the cost of all utilities paid by the Partnership.

(c) "Household of Low Income" means a household whose annual income meets the requirements of the federal Low Income Housing Tax Credit program, 26 USC 42(g)(1)(B), which requires, among other things, that the initial annual income of an eligible household is sixty percent (60%) or less of the median income as set from time to time by the United States Department of Housing and Urban Development for Section 8 Programs in the Baltimore Metropolitan Statistical Area.

(d) "Initial Closing" means the date of the initial closing of the Bond Loan.

(e) "Residual Receipts" means any cash remaining at the end of a calendar year after deducting from Surplus Cash:

(i) the Payment required by Section 5(b) of this Agreement; and

(ii) any Distributions, the aggregate of which do not exceed 10% of the Partnership's equity investment in the Project, as determined by the County.

(f) "Surplus Cash" means any cash remaining at the end of a calendar year after the payment of:

(i) the Payment required by Section 5(a) of this Agreement;

(ii) all reasonable and actual operating costs and expenses of the Project including

reasonable property management fees and a reasonable guaranteed distribution to the limited partner as an investor services fee; and

(iii) all payments required under any mortgage on the Property or other loan approved by the County, including payments under the Bond Loan or other State financing, deferred developer fee and Seller Take Back Loan.

2. Acceptance of Payments. For the term of this Agreement, the Partnership shall make, and the County shall accept, annual payments in lieu of all County real property taxes due on the Property (the "Payments"). The Property shall be exempt from County real property taxes in accordance with the Act so long as this Agreement is in effect.

3. Conditions Precedent. This Agreement shall not take effect unless and until each of the following conditions precedent have been fulfilled:

(a) Title. The Partnership shall have taken fee simple and/or leasehold title to the Property;

(b) Financing. The Partnership shall have received the Bond Loan, DHCD Loan, and Tax Credits for the acquisition and rehabilitation of the Project; and

(c) PILOT Low Income Covenants. The Partnership shall have executed and recorded covenants on the Property, in substantially the form attached hereto as Exhibit "C," that require the Partnership and all subsequent owners of the Property to offer for rent not less than one hundred (100) of the rental units in the Project to Households of Low Income for a period of not less than forty-one (41) years from the date of Initial Closing (the "PILOT Low Income Covenants").

4. Effective Date. This Agreement shall take effect when each of the conditions precedent set forth in Section 3 are fulfilled (the "Effective Date"); provided, however, that if all of the conditions precedent are not fulfilled by December 31, 2010, this Agreement shall be null and void.

5. Amount of Payments. Each Payment made under this Agreement shall be in an amount calculated as follows:

(a) Minimum Payment. The Partnership shall pay to the County an amount equal to (i) four percent (4%) of the Project's Gross Rental Income for the preceding calendar year, less (ii) the amount of County fire tax, front-foot benefit assessment charge, ad valorem charge, and, if applicable, Middle Patuxent Drainage Area Supplemental Ad Valorem Charge (the "County Assessments") paid by the Borrower for the Project for the current taxable year.

(b) Payment from Surplus Cash. To the extent funds are available from Surplus Cash, the Partnership shall pay to the County an additional four percent (4%) of the Project's Gross Rental Income.

(c) Payment from Residual Receipts. To the extent funds are available from Residual

Receipts, and as approved by the Department of Housing and Urban Development (“HUD”), the Partnership shall pay to the County an amount which, when added to the Payments made under (a) and (b), equals (i) the County real property taxes which would have been paid for the current taxable year, if the Project were not exempt from taxation, plus (ii) the County Assessments paid by the Partnership for the Project for the current taxable year.

(d) Total Payment. Notwithstanding anything to the contrary under this Agreement, at no time shall the Payment exceed the aggregate of (i) County real property taxes which would have been paid for the current taxable year, if the Project were not exempt from taxation, plus (ii) the County Assessments paid by the Partnership for the Project for the current taxable year.

6. Time and Place Payments Due. Each Payment shall be made by May 1 of each year for the prior calendar year. Payments shall be made to the Director of Finance, 3430 Courthouse Drive, Ellicott City, Maryland 21043. Payments of the County Assessments shall be made at the time and in the manner provided by law.

7. Penalties for Late Payment. The Partnership shall be subject to the following penalties for late payments:

(a) 1% per month or part of a month during the period May 2 to June 30 following the due date; and

(b) 1 1/2% per month or part of a month on or after July 1 following the due date.

8. Penalties for Failure to Pay. At the option of the County, if any Payment is due and unpaid on or after July 1 following the due date, this Agreement may be terminated and all County real property taxes for the preceding taxable year shall be immediately due and payable.

9. Reports and Records.

(a) By no later than March 31 of each year, the Partnership shall submit to the County, in a form acceptable to the County, a report of the Project's income and expenses for the preceding calendar year, including an itemized breakdown of Gross Rental Income, Surplus Cash, and Residual Receipts.

(b) The Partnership shall submit such other reports as the County may reasonably require in order to verify the Partnership's compliance with this Agreement.

(c) The Partnership shall permit the County or any of its authorized agents to inspect the records of the Project in order to verify the Partnership's compliance with this Agreement.

10. Representations and Warranties.

(a) The Partnership represents and warrants to the County that it is eligible in all respects to enter in this Agreement to make payments in lieu of taxes under the Act.

(b) The Partnership covenants and agrees that it will do all things necessary to remain eligible to make payments in lieu of taxes in accordance with the Act.

11. Term of Agreement. This Agreement shall remain in effect until the earlier to occur of:

- (a) the repayment of all principal and interest due under the Bond Loan;
- (b) the repayment of all principal and interest due under the DHCD Loan;
- (c) the foreclosure, or the making of a deed in lieu of foreclosure, of any portion of the Property;
- (d) any default under the PILOT Low Income Covenants following the receipt of notice and lapse of any applicable cure periods; or
- (e) any default under this Agreement following the receipt of notice and lapse of any applicable cure periods.

12. Sale; Liens; Partnership Interests. During the term of this Agreement, the Partnership shall not, without the prior written consent of the County:

- (a) sell or transfer any portion of the Property except as permitted under Section 42(i)(7) of the Internal Revenue Code;
- (b) permit any liens or encumbrances against the Property except as required by the financings described in this Agreement; or
- (c) Permit any general partner to sell, assign or otherwise transfer any partnership interest in the Partnership, other than the initial sale of limited partnership interests for tax credit purposes or any transfer of the limited partner's interest to an affiliate.

13. State Taxes. The Partnership acknowledges and agrees that it shall pay all State real property taxes.

14. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, all successors and assigns of the Partnership.

15. Entire Agreement. This Agreement represents the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the Partnership and the County, by their duly authorized representatives have signed this Agreement as of the date first written above.

WITNESS/ATTEST:

**Harper House Limited Partnership**

By: EHC Harper House, LLC, its General Partner

By: Enterprise Housing Corporation, its Managing Member

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
Name: Marsha Grayson  
Title: Secretary-Treasurer

ATTEST:

**HOWARD COUNTY, MARYLAND**

\_\_\_\_\_  
Lonnie Robbins  
Chief Administrative Officer

By: \_\_\_\_\_ (SEAL)  
Ken Ulman  
County Executive

APPROVED for Form and Legal Sufficiency: this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

APPROVED by Department of Finance:

\_\_\_\_\_  
Margaret Ann Nolan  
County Solicitor

\_\_\_\_\_  
Sharon F. Greisz, Director

- Exhibit A: Property Description
- Exhibit B: Council Resolution No. \_\_-2010
- Exhibit C: Form of PILOT Covenants

**EXHIBIT A**

**BEING KNOWN AND DESIGNATED** as Lot 1, as shown on a Plat entitled, "Columbia, Village of Harper's Choice, Lots 1, 2, and 3, Section 3, Area 4, Sheet 1 of 1", which Plat is recorded among the Plat Records of Howard County, Maryland in Plat Book No. 15, page 30.

## EXHIBIT C

### DECLARATION OF PILOT COVENANTS AND RESTRICTIONS

**THIS DECLARATION OF PILOT COVENANTS AND RESTRICTIONS** (this “Declaration”) is made as of the Effective Date, as defined herein, by **HARPER HOUSE LIMITED PARTNERSHIP** (the “Declarant”), having an address at 312 N. Martin Luther King Jr. Blvd, 3<sup>rd</sup> Floor, Baltimore, MD 21201, for the benefit of Howard County, Maryland, a body corporate politic of the State of Maryland (the “County”).

#### 1. DEFINITIONS

The following words have the meanings indicated:

(1) “Annual Income” means gross income received during the previous 12 months from all sources, including wages, investment income, social security, retirement, disability, and unemployment insurance, less:

(a) unusual or temporary income items; and

(b) unusual expenses of a long-term nature, such as extraordinary medical, physical or mental rehabilitation expenses or special education expenses.

(2) “County” means Howard County, Maryland.

(3) “Declarant” includes the successors and assigns of the Declarant.

(4) “DHCD” means the Department of Housing and Community Development of the State of Maryland, and shall be deemed to include the Community Development Administration (“CDA”), the Maryland Housing Fund (“MHF”), and any other affiliated agency providing financing to the Project, their successors and assigns.

(5) “DHCD Regulatory Agreement” means any (i) regulatory agreement between the Declarant and DHCD, which agreement is recorded among the Land Records of Howard County, Maryland prior to this Declaration, and (ii) regulatory agreement between the Declarant and CDA, which agreement is recorded among the Land Records of Howard County, Maryland prior to this Declaration.

(6) “Effective Date” means the date upon which the Declarant has executed this Declaration, as indicated by the date beside the Declarant’s signature on the signature page.

(7) “Eligible Household” means a Household of Low Income.

(8) "Household" means an individual or group of individuals who permanently reside in the same dwelling unit.

(9) "Household of Low Income" means a household whose annual income as of the date of initial occupancy of a unit meets the requirements of the federal Low Income Housing Tax Credit program, 26 USC 42(g)(1)(B) which requires, among other things, that the initial annual income of an Eligible Household is sixty percent (60%) or less of the median income as set from time to time by the United States Department of Housing and Urban Development for Section 8 Programs in the Baltimore Metropolitan Statistical Area, adjusted for family size..

(10) "Imputed Income Limitation" means the income limitation which would apply under section 5 of this Declaration to a Household occupying a Low Income Unit if the number of individuals in the Household were as follows:

(i) in the case of a unit that does not have a separate bedroom, one (1) individual;

(ii) in the case of a unit that has one (1) or more separate bedrooms, 1.5 individuals for each separate bedroom.

(11) "Low Income Unit" means a dwelling unit available for rent to Households of Low Income.

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

(13) "Project" means the 100-unit rental housing project known as "Harper House Apartments" located on the Property.

(14) "Property" means that certain parcel of real property owned in fee simple by the Declarant located in Howard County, Maryland and more particularly described in Exhibit A attached hereto.

(15) "Restricted Unit" means a Low Income Unit.

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

## II. EXPLANATORY STATEMENT

A. The Declarant proposes to acquire, refinance and rehabilitate a 100-unit multi-family rental housing development known as Harper House Apartments (the "Project") located at 5495 Cedar Lane, Columbia, Maryland (the "Property"). The Project will be rehabilitated in accordance with all State, local and federal regulations.

B. Declarant has entered into a Payment in Lieu of Taxes Agreement with the County dated as of \_\_\_\_\_ (the "PILOT") by which the County agrees to accept payments in lieu of County real property taxes in order to assist the Declarant to construct the Project on the Property. The PILOT requires the Declarant to subject the Property to certain covenants and restrictions which, among other things, require the owner of the Property to rent a certain portion of the units in the Project to Households of Low Income. In order to qualify for the PILOT, the Declarant hereby subjects the Property to these Restrictive Covenants.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency are hereby acknowledged, the Declarant declares as follows:

1. Covenants Running with the Land. Declarant declares that the 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 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 Property and shall inure to the benefit of Declarant and Howard County and their respective successors and assigns.

2. Rental Requirement. All of the dwelling units in the Project shall be rented or available for rental on a continuous basis to the general public.

3. Low Income Occupancy Requirement. No less than one hundred (100) of the dwelling units in the Project shall be rented to, or held vacant for, Households of Low Income.

4. Increase in Eligible Household's Income. If during the occupancy of a Restricted Unit an Eligible Household's annual income rises above one hundred forty percent (140%) of the income limit for the unit, the Declarant shall rent the next available unit to a Household of Low Income until a least one hundred (100) of the units in the Project are rented to, or held vacant for, Households of Low Income.

5. Unit Rents. The Gross Rent, paid by a household, for a Restricted Unit shall not exceed thirty percent (30%) of the Imputed Income Limitation applicable to such unit.

6. Income Certification; Leases.

(a) Before leasing a Restricted Unit, the Declarant shall obtain a certification from the Household on a form approved by the County that the Household's Annual Income is within the income limits established for the unit.

(b) In a manner prescribed or approved by the County, the Declarant shall obtain written evidence to verify the Household's Annual Income as stated on the certification provided by the Household and shall retain this evidence in its files for a period of three years from the date of the Household's occupancy of the unit.

(c) The County acknowledges that the form of certification of income and manner of verification approved by DHCD pursuant to the DHCD Regulatory Agreement shall be acceptable to the County for the purpose of paragraphs (a) and (b) above.

(d) Annually from every Eligible Household, and when reasonably requested by the County from selected Eligible Households, the Declarant shall obtain and verify recertification of income from each Eligible Household.

(e) The Declarant shall require all Eligible Households to execute a written lease in a form acceptable to the County and in conformance to applicable State and local laws. The term of the lease may not be less than nor more than one year. The County acknowledges that the lease approved by DHCD pursuant to the DHCD Regulatory Agreement shall be acceptable to the County. The Declarant shall not make any material change in the form of the lease, other than as required by statute, law or regulation, without the prior written consent of the County.

(f) Among eligible applicants, the Declarant may establish a preference for applicants working in Howard County.

#### 7. Reports and Inspections.

(A) By April 1 of each year, the Declarant shall submit to the County a certification evidencing that the Declarant has complied with the requirements of these Restrictive Covenants.

(B) The Declarant shall permit the County, or any of its agents or employees, to inspect the Project's records annually and at all other reasonable times and places, including but not limited to, applications for occupancy, leases, and the register for applicants and occupants, to verify the information on the reports submitted by the Declarant in compliance with this Section 7, and to inspect the physical condition of all Restricted Units, subject to the terms of the Eligible Household's lease, on an annual basis, or more often, as deemed necessary by the County, to assure the Restricted Units continue to meet the County's requirements as safe, decent and sanitary housing.

(C) To the extent they contain the same information required by this Section 7, the County shall accept copies of certifications, documents and reports provided by the Declarant to DHCD pursuant to the DHCD Regulatory Agreement.

#### 8. Marketing.

(A) The Declarant shall submit to the County for its approval a marketing plan for the rental of Restricted Units. The County may at any time require the Declarant to revise the marketing plan to attract Eligible Households consistent with the requirements of this Section 8. The Declarant shall implement any plan or requirement that the County reasonably requires.

(B) The Declarant agrees in its marketing of the Project:

(1) To display the "Fair Housing" logo poster in the rental office of the Project in a conspicuous location.

(2) To ensure that any radio, television, or newspaper advertisements, and any signs, pamphlets, or brochures used contain appropriate equal opportunity statements.

(3) To accept tenants without geographic restrictions, except that preference may be given to applicants working in Howard County.

(4) To forward copies of all written advertisements and transcripts of radio/television advertisements to the County during initial rent-up.

9. DHCD Restrictions. The County and the Declarant acknowledge and agree that the use, occupancy, and possession of the Project by the Declarant shall also be subject to terms, conditions, and restrictions of the DHCD Regulatory Agreement.

10. Duration. Unless earlier terminated in accordance with other provisions herein, the Restrictive Covenants shall continue and remain in full force and effect for a period of forty-one (41) years from the date of this Declaration.

11. Termination and Modification.

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

(1) the termination, extension, modification or amendment is consistent with the purposes of the PILOT; and

(2) the application of the Declaration, provision, or Restrictive Covenant to the Project 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.

12. Legal Action upon Violation.

(A) 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.

13. 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 Section 11 above.

14. Grantee's Covenants. Each grantee accepting a deed, lease or other instrument conveying any interest in the 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.

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

**ATTEST:**

**DECLARANT:**

**HARPER HOUSE LIMITED PARTNERSHIP**

By: EHC Harper House, LLC, its General Partner

By: Enterprise Housing Corporation, its Managing Member

\_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

Name: Marsha Grayson

Title: Secretary – Treasurer

Date: \_\_\_\_\_

**STATE OF MARYLAND: COUNTY OF \_\_\_\_\_: TO WIT:**

**I HEREBY CERTIFY** that on this \_\_\_\_\_ day of \_\_\_\_\_, 2010, before me, a Notary Public for the State and County described above, personally appeared \_\_\_\_\_, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the \_\_\_\_\_ of Enterprise Housing Corporation; Managing Member of \_\_\_\_\_, LLC, General Partner of Harper House Limited Partnership, to execute, and has executed, such instrument on its behalf for the purposes set forth in it, and that such execution is its act and deed.

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

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**I CERTIFY THAT:**

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

\_\_\_\_\_  
Constance P. Tucker