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**CITY OF ROCKVILLE, MARYLAND  
MODERATELY PRICED DWELLING UNITS  
HOMEOWNERSHIP PROGRAM AGREEMENT**

**Phase III  
Flats at Northside Condominium Units**

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This **MODERATELY PRICED DWELLING UNITS HOMEOWNERSHIP PROGRAM AGREEMENT** (this “**Agreement**”) is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_ 2026 (the “**Effective Date**”) by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body corporate and municipal corporation of the State of Maryland (the “**Mayor and Council**”) and **PULTE HOME COMPANY, LLC**, a Michigan limited liability company, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033 and qualified to do business in the State of Maryland (the “**Owner**”). Individually, the Mayor and Council and the Owner may each be referred to hereinafter as the “**Party**,” or collectively as the “**Parties**.”

**RECITALS**

- A. **WHEREAS**, on January 13, 2020, EYA Development LLC, a Maryland limited liability company (the “**Original Site Plan Applicant**”) submitted Level 2 Site Plan Application #2020-00399 (“**STP #2020-00399**”) to the City of Rockville Department of Community Planning and Development Services (“**CPDS**”) on behalf of the Northside Condo Real Property Sellers (defined below), and on August 11, 2021, the Planning Commission for the City of Rockville (the “**Planning Commission**”) approved STP #2020-00399 to allow for (i) the demolition of an existing office building (ii) the construction of a 4-story parking garage with 376 spaces to serve the existing Lifetime Fitness health club, and (iii) the construction of approximately 99 townhomes, 96 multifamily residential units, and 213 multifamily senior housing residential units (collectively, the “**Potomac Woods Multi-Use Development Project**”), on an approximately 13.15 acre site, identified as Part of Lot 23, Block A, Wheel of Fortune Subdivision at 11511 Fortune Terrace (the “**Potomac Woods Multi-Use Development Real Property**”), subject to certain conditions, including a condition that the Original Site Plan Applicant submit for review and approval by the Planning Commission a final record plat application to resubdivide the Potomac Woods Multi-Use Development Real Property into new record lots for the Potomac Woods Multi-Use Development Project (the “**Final Record Plat Condition**”), which final record plat must be approved and recorded prior to the issuance of building permits for the Potomac Woods Multi-Use Development Project; and
- B. **WHEREAS**, in order to comply with the Final Record Plat Condition, on April 11, 2022, Marsol Fortune Terrace, LLC, a Maryland limited liability company (the “**Marsol**”) submitted Final Record Plat application PLT #2022-00599 (“**PLT #2022-00599**”) to CPDS on behalf of the Northside Condo Real Property Sellers (defined below), and on October 19, 2022, the Planning Commission approved PLT #2022-00599 to allow for the resubdivision of the Potomac Woods Multi-Use Development Real Property and create, among other things, Lot 127 in Block A, being a resubdivision of part of Lot 23, Wheel of

Fortune Subdivision, as described on **Exhibit A** and attached hereto (the “**Phase III Northside Condominium Real Property**”), in order to facilitate the transfer of ownership of the Phase III Northside Condominium Real Property to the Owner and accommodate the construction of one (1) five (5) story condominium building on Lot 127 which building will contain a total of forty-eight (48) residential condominium units; and

- C. **WHEREAS**, on January 24, 2025, CPDS approved a Minor Site Plan Amendment STP #2025-00497 (“**STP #2025-00497**”) as an amendment to STP #2020-00399 to allow for the construction of building on Lot 127, the Phase III Northside Condominium Real Property, which will contain a total of forty-eight (48) residential condominium units, amend open and public use space areas, add parking spaces, and redesign utilities and stormwater management; and
- D. **WHEREAS**, the Owner was formed and organized as a Michigan limited liability company for the purpose of, among other things, acquiring the fee simple title to the Phase III Northside Condominium Real Property and developing, financing, constructing, owning and selling forty-eight (48) residential condominium units (the “**Phase III Flats at Northside Condominium Units**”) constructed on the Phase III Northside Condominium Real Property; and
- E. **WHEREAS**, on April 1, 2026, in order to facilitate the implementation of a portion of STP #2020-00399, the Owner acquired the fee ownership interest in the Phase III Northside Condominium Real Property from the Marsol, Dafink Fortune Terrace LLC, a Maryland limited liability company (“**Dafink**”), Sufink Fortune Terrace LLC, a Maryland limited liability company (“**Sufink**”), Solfam Fortune Terrace LLC, a Maryland limited liability company (“**Solfam**”), Fortune Terrace Investment LLC, a Maryland limited liability company (“**FTI**”), and Tash Development, LLC, a Delaware limited liability company (“**Tash**”)(Marsol, Dafink, Sufink, Solfam, FTI and Tash jointly referred to as the “**Northside Condo Real Property Sellers**”) by virtue of that certain Special Warranty Deed dated April 1, 2026, and recorded on April 6, 2026, in Book 70331, at Page 80, among the Montgomery County land records; and;
- F. **WHEREAS**, (i) Lot 125 in Block A, Wheel of Fortune Subdivision (the “**Phase 1 Northside Condominium Real Property**”), (ii) Lot 126 in Block A, Wheel of Fortune Subdivision (the “**Phase II Northside Condominium Real Property**”); (iii) the Phase III Northside Condominium Real Property, and (iv) Lots 23A through 23E in Block A, Wheel of Fortune Subdivision (the “**Northside Townhomes Real Property**”) will be developed as a residential community (the “**Northside Residential Development**”) consisting of, among other things, forty-seven (47) multi-family residential condominium units to be developed and constructed on the Phase 1 Northside Condominium Real Property, the forty-eight (48) multi-family residential condominium units to be developed and constructed on the Phase II Northside Condominium Real Property, the Phase III Northside Flats at Northside Condominium Units, and approximately ninety-nine (99) residential

townhome units to be developed and constructed on the Northside Townhomes Real Property, as well as public use space, private open space, and private alleys; and

- G. WHEREAS**, pursuant to Chapter 13.5 of the Rockville City Code (the “**MPDU Ordinance**”) and the associated City of Rockville, Maryland Moderately Priced Housing Regulations (the “**MPDU Regulations**”), a minimum of fifteen percent (15%) of the residential units constructed in the Northside Residential Development are required to be designated as moderately priced dwelling units (“**Moderately Priced Dwelling Units**” or “**MPDUs**”), which must be reserved for sale to Eligible Households (as defined below) (the “**Rockville Affordable Housing Contribution Requirement**”); and
- H. WHEREAS**, pursuant to the MPDU Ordinance and the terms of this Agreement, the Owner shall designate, administer, and sell seven (7) Phase III Flats at Northside Condominium Units as Moderately Priced Dwelling Units (the “**Phase III MPDU Condominium Units**”), of which **(i)** two (2) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below fifty percent (50%) of the Area Median Income, **(ii)** two (2) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below sixty percent (60%) of the Area Median Income, and **(iii)** three (3) shall be reserved for sale to and occupancy by Eligible Households with annual incomes at or below eighty percent (80%) of the Area Median Income; and
- I. WHEREAS**, pursuant to that certain Assignment and Assumption of Development Approvals, dated April 1, 2026, by and between the Northside Condo Real Property Sellers and the Owner, the Northside Condo Real Property Sellers transferred and assigned to the Owner all of their respective rights and obligations under the development approvals for the Phase III Northside Condominium Real Property, including PLT #2022-00599 and STP #2020-00399; and
- J. WHEREAS**, as required by the MPDU Ordinance, **(i)** in order to obtain a building permit for all or portions of the Phase III Northside Condominium Real Property and the Phase III Flats at Northside Condominium Units, the Owner is required to submit to the CPDS a fully executed copy of this Agreement that has been approved by the Mayor and Council and the City Attorney, and **(ii)** the Owner is required to execute certain documents in order to evidence compliance with the Rockville Affordable Housing Contribution Requirement and, pursuant thereto, the Owner’s execution of this Agreement and the MPDU Restrictive Covenants (as defined below) shall evidence such compliance, as more particularly set forth below.

**NOW, THEREFORE, IN CONSIDERATION** of the foregoing and the covenants and agreements of the Parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party hereto, the Parties hereby agree as follows:

**ARTICLE I  
INCORPORATION OF RECITALS; DEFINITIONS; AND EXHIBITS**

**Section 1.01. Incorporation of Recitals.** The foregoing recitals above are an integral part of this Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement. Accordingly, the foregoing recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

**Section 1.02. Specific Definitions.** In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it in this Section, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

**“Area Median Income”** or **“AMI”** means the median income for the Washington, DC-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, adjusted for Household Size, as published from time to time by HUD pursuant to Section 4 of the United States Housing Act of 1937.

**“Construction Staging Plan”** shall have the meaning described in Section 2.03(a),

**“CPDS”** shall have the meaning described in Recital A.

**“Dafink”** shall have the meaning described in Recital E.

**“DHCD”** means the City of Rockville Department of Housing and Community Development.

**“Director”** means the Director of the City of Rockville Department of Housing and Community Development.

**“Eligible Household”** means a person or household whose annual gross income qualifies the person or household to participate in the Mayor and Council’s moderately priced dwelling unit (MPDU) homeownership program, as determined by the City Manager or his authorized designee.

**“Eligibility List”** means the list, maintained by DHCD in accordance with the MPDU Ordinance, of Eligible Households who are seeking to purchase moderately priced dwelling units in the City of Rockville pursuant to the Mayor and Council’s moderately priced dwelling unit (MPDU) homeownership program.

**“FTI”** shall have the meaning described in Recital E.

**“Household Size”** means the actual number of persons in the Eligible Household.

**“Housing Agency”** means Rockville Housing Enterprises, the successor entity to the Housing Authority of the City of Rockville, or such other agency or organization as the Mayor and Council may designate.

“**HUD**” means the United States Department of Housing and Urban Development.

“**Marsol**” shall have the meaning described in Recital E.

“**Moderately Priced Dwelling Units**” or “**MPDUs**” shall have the meaning described in Recital F.

“**MPDU Ordinance**” shall have the meaning described in Recital G.

“**MPDU Regulations**” shall have the meaning described in Recital G.

“**MPDU Restrictive Covenants**” means that certain Deed of Declaration of Restrictive Covenants and Conditions for the Mayor and Council of Rockville’s Moderately Priced Dwelling Unit (MPDU) Homeownership Program, to be recorded among the Montgomery County, Maryland land records (the “**Land Records**”) by the Owner for the benefit of the Mayor and Council and its MPDU Home Ownership Program, containing covenants, conditions and restrictions regarding the ownership, operation, use, sale and occupancy of each Phase III MPDU Condominium Unit during the Phase III MPDU Condominium Unit Compliance Control Period, substantially in the form attached hereto as **Exhibit C**.

“**Northside Condo Real Property Sellers**” shall have the meaning described in the Recital E.

“**Northside Residential Development**” shall have the meaning described in Recital F.

“**Northside Townhomes Real Property**” shall have the meaning described in Recital F.

“**Owner**” means Pulte Home Company, LLC, a Michigan limited liability company, qualified to do business in the State of Maryland, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033, and its successors and approved assigns.

“**Phase III Flats at Northside Condominium Units**” shall have the meaning described in Recital D.

“**Phase III MPDU Condominium Unit Compliance Control Period**” means the thirty (30) year period commencing upon the date of the first sale and settlement of each Phase III MPDU Condominium Unit and terminating thirty (30) years later at 11:59 p.m., during which time the Owner covenants and agrees for itself, its successors, or its assigns, that each Phase III MPDU Condominium Unit shall be conveyed subject to the MPDU Restrictive Covenants and Article II of this Agreement.

“**Phase III MPDU Condominium Units**” shall have the meaning described in Recital H.

“**Phase III Northside Condominium Real Property**” shall have the meaning described in Recital B.

**“Phase I Northside Condominium Real Property”** shall have the meaning described in Recital F.

**“Phase II Northside Condominium Real Property”** shall have the meaning described in Recital F.

**“Planning Commission”** shall have the meaning described in Recital A.

**“PLT #2022-00599”** shall have the meaning described in Recital B.

**“Potomac Woods Multi-Use Development Project”** shall have the meaning described in Recital A.

**“Potomac Woods Multi-Use Development Real Property”** shall have the meaning described in Recital A.

**“Priority Eligibility List”** means that certain list, maintained by DHCD, of Eligible Households who are seeking to purchase moderately priced dwelling units in the City of Rockville pursuant to the Mayor and Council’s moderately priced dwelling unit homeownership program, that includes: (i) persons in an Eligible Households that live or work within the corporate boundaries of the City of Rockville, (ii) Eligible Households that are headed by a person or persons over the age of fifty-five, or (iii) Eligible Households that are seeking to purchase an MPDU with 3 or more bedrooms.

**“Priority Marketing Period”** means the ninety (90) day period, as determined by DHCD, during which time only Eligible Households who are listed on the Priority Eligibility List may contract to purchase MPDUs listed in an Offering Notice.

**“Rockville Affordable Housing Contribution Requirement”** shall have the meaning described in Recital G.

**“Solfam”** shall have the meaning described in Recital E.

**“Sufink”** shall have the meaning described in Recital E.

**“STP #2020-00399”** shall have the meaning described in Recital A.

**“Tash”** shall have the meaning described in Recital E.

**“Term”** means from the Effective Date through the date of the closing of the sale of the last Phase III MPDU Condominium Unit, during which time the Owner covenants and agrees for itself, its successors or its assigns under this Agreement, to comply with each restriction and covenant set forth in the MPDU Restrictive Covenants and this Agreement.

**Section 1.03. General.** Any capitalized term to which a meaning is expressly given in this Agreement shall have the meaning assigned to it hereunder, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders.

**Section 1.04. Exhibits.** The following Exhibits are attached to this Agreement and are fully incorporated into this Agreement by this reference as if fully set forth herein:

- |           |  |
|-----------|--|
| Exhibit A | Legal Description of the Phase III Northside Condominium Real Property |
| Exhibit B | Intentionally Omitted  |
| Exhibit C | Form of MPDU Restrictive Covenants                                     |
| Exhibit D | Construction Staging Plan  |

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**ARTICLE II  
ROCKVILLE AFFORDABLE HOUSING CONTRIBUTION COVENANTS**

**Section 2.01. General Covenant.** In accordance with the MPDU Ordinance, the Owner hereby covenants and agrees for itself, its successors, and its assigns, to comply with each restriction and covenant set forth in the MPDU Restrictive Covenants and this Article II for the duration of the Term.

**Section 2.02. Affordable Housing Contribution Requirement – Designation of MPDUs.**

(a) Intentionally Omitted.

(b) Phase III MPDU Condominium Units. The Owner covenants and agrees to comply with the Rockville Affordable Housing Contribution Requirement and the MPDU Ordinance by designating the following eight (8) residential condominium units on the Phase III Northside Condominium Real Property as Moderately Priced Dwelling Units solely for sale to and occupancy by Eligible Households pursuant to the terms of this Agreement and the MPDU Restrictive Covenants:

Address	Unit Number	Tax ID Number	Eligible Household Maximum Income	Number Of BRs/ BAs	Approx. NET Sq Ft	Initial Maximum Sale Price
1. 1101 Fortune Terrace	106	TBD	60% AMI	2BR/2BA	1,566 sf	\$251,000
2. 1101 Fortune Terrace	107	TBD	50% AMI	1BR/1BA	1,177 sf	\$162,500
3. 1101 Fortune Terrace	206	TBD	80% AMI	2BR/2BA	1,566 sf	\$272,500
4. 1101 Fortune Terrace	207	TBD	50% AMI	1BR/1BA	1,177 sf	\$162,500
5. 1101 Fortune Terrace	306	TBD	80% AMI	2BR/2BA	1,566 sf	\$272,500
6. 1101 Fortune Terrace	307	TBD	60% AMI	1BR/1BA	1,177 sf	\$195,000
7. 1101 Fortune Terrace	407	TBD	80% AMI	1BR/1BA	1,177 sf	\$212,000

(c) Intentionally Omitted.

**Section 2.03. Construction and Occupancy of the Phase III MPDU Condominium Units.**

(a) Construction Staging. In accordance with the MPDU Ordinance, and pursuant to that certain plan for staging construction of the Phase III Flats at Northside Condominium Units (the “**Construction Staging Plan**”), attached hereto as **Exhibit D**, the Owner covenants and agrees to construct, or cause to be constructed, the Phase III MPDU Condominium Units contemporaneously with or before the market-rate Phase III Flats at Northside Condominium Units, as provided for in the Construction Staging Plan.

(b) The Owner covenants and agrees that each Phase III MPDU Condominium Unit constructed shall be comparable in infrastructure, construction quality, and exterior design to market-rate units constructed on the Phase III Northside Condominium Real Property. Interior features and finishes must be durable, of good quality, and consistent with contemporary standards for new housing and comparable in quality to the market-rate units constructed on the Phase III Northside Condominium Real Property.

(c) The Owner covenants and agrees that each Phase III MPDU Condominium Unit constructed shall comply with all applicable local, state, and federal laws, statutes, ordinances, and regulations necessary to permit occupancy of the Phase III MPDU Condominium Unit.

(d) The Owner covenants and agrees that, upon completion of construction and prior to the occupancy of each Phase III MPDU Condominium Unit, the City Manager or his authorized designee shall have the right to perform on-site inspections during normal business hours after reasonable prior written notice to the Owner in order to confirm compliance with the terms of this Agreement. The Owner shall cooperate with any such inspection.

(e) The Owner covenants and agrees to submit a fully executed and recorded copy of the MPDU Restrictive Covenants to the City of Rockville Department of Community Planning and Development Services – Division of Inspection Services prior to obtaining a certificate of occupancy for the Phase III MPDU Condominium Units.

**Section 2.04. Offering of Phase III MPDU Condominium Units.**

(a) Offerings. The Owner covenants and agrees to offer the Phase III MPDU Condominium Units for sale to Eligible Households in accordance with the MPDU Ordinance and the terms of this Agreement.

(b) Offering Notice. The Owner covenants and agrees that prior to offering any Phase III MPDU Condominium Unit for sale, the Owner shall provide the DHCD Director with the following:

- i. An “**Offering Notice**” that shall include the following information:
  - A. The number of Phase III MPDU Condominium Units being offered for sale;
  - B. The bedroom mix of the Phase III MPDU Condominium Units being offered for sale;
  - C. The floor area for each Phase III MPDU Condominium Unit type being offered for sale;
  - D. A description of the amenities offered in each Phase III MPDU Condominium Unit being offered for sale;

- E. A statement of the availability of Phase III MPDU Condominium Units for sale, including information regarding any mortgage financing available to potential buyers;
  - F. The date on which the Owner will be ready to begin marketing the Phase III MPDU Condominium Units listed in the Offering Notice for sale to Eligible Households;
- ii. A vicinity map of the area where the Phase III MPDU Condominium Units that will be offered are located; and
  - iii. A fully executed copy of the approved development, subdivision or site plan, as applicable, for the Northside Residential Development; and
  - iv. Such additional information or documents as the DHCD Director may reasonably require.
- (c) Acceptance of Offering Notice. In accordance with the MPDU Ordinance, upon acceptance by the DHCD Director of a complete Offering Notice, the DHCD Director shall:
- i. notify the Housing Agency that it has an option to purchase up to 33 and 1/3% of the Phase III MPDU Condominium Units listed in the Offering Notice (In order to exercise its option, the Housing Agency must submit to the Owner, within twenty-one (21) calendar days of receipt of the notification from the DHCD Director, a notice of intent to exercise its option to purchase specific Phase III MPDU Condominium Units); and
  - ii. notify the Owner (A) as to when the Priority Marketing Period will begin for the available Phase III MPDU Condominium Units listed in the Offering Notice, and (B) as to whether the Owner will be required to offer the available Phase III MPDU Condominium Units listed in the Offering Notice to Eligible Households pursuant to a lottery or by another method that will assure that Eligible Households will have an equitable opportunity to purchase the available Phase III MPDU Condominium Units not otherwise purchased by the Housing Agency.

**Section 2.05. Initial Sale of Phase III MPDU Condominium Units.**

- (a) Sale – Eligible Households on the Priority Eligibility List.
  - i. During the ninety (90) day Priority Marketing Period, all of the Phase III MPDU Condominium Units listed in the Offering Notice (excluding those units that the Housing Agency will purchase pursuant to its option) shall be exclusively offered for sale to Eligible Households selected from the Priority Eligibility List, in accordance with DHCD’s notification, marketing, and selection procedures. The Owner shall make a good faith effort to enter into purchase contracts with Eligible Households selected from the Priority Eligibility List during the Priority Marketing Period.

ii. Intentionally Omitted.

(b) Sale – Eligible Households on the Eligibility List. If any of the Phase III MPDU Condominium Units listed in the Offering Notice remain unsold after the Priority Marketing Period, then all of the remaining unsold Phase III MPDU Condominium Units listed in the Offering Notice shall be offered for sale to Eligible Households selected from the Eligibility List, in accordance with DHCD’s notification, marketing, and selection procedures.

(c) Agreement of Sale. A final executed copy of the agreement of sale for each Phase III MPDU Condominium Unit must be delivered to the DHCD Director no later than thirty (30) days prior to settlement. The agreement of sale for each Phase III MPDU Condominium Unit must include a notice provision which fully and completely discloses the resale price restrictions and controls established in this Agreement.

(d) Notification, Marketing, and Selection Procedures. The Owner covenants and agrees to comply with all notification, marketing, and selection procedures established by the DHCD Director in order to assure Eligible Households an equitable opportunity to purchase available Phase III MPDU Condominium Units listed in the Offering Notice.

#### **Section 2.06. Maximum Sale Price Restrictions.**

(a) In accordance with the MPDU Ordinance, the Owner covenants and agrees that the Phase III MPDU Condominium Units shall not be sold by the Owner at prices that exceed the initial maximum sale prices established by the Mayor and Council, as listed in Section 2.02(b).

(b) The Owner covenants and agrees that the owners of the Phase III MPDU Condominium Units shall have full access to all amenities provided to owners of the market-rate Phase III Flats at Northside Condominium Units, if any, subject to the rules, regulations and conditions governing the use of these facilities for all owners as reasonably established by the Owner, its agent, or a home owners association created for the Northside Residential Development (“HOA”). For the duration of the Phase III MPDU Condominium Unit Compliance Control Period, each owner of a Phase III MPDU Condominium Unit shall pay no more than fifty percent (50%) of the regular monthly HOA assessment fees and the condominium fees charged to owners of the market-rate Phase III Flats at Northside Condominium Units. The fifty percent (50%) cap on regular monthly HOA assessments for each owner of a Phase III MPDU Condominium Unit will not apply to special HOA assessments charged to such owner.

#### **Section 2.07. Buyer Certification.**

(a) In accordance with the MPDU Ordinance, every buyer of a Phase III MPDU Condominium Unit shall certify on a certificate prescribed by the City Manager (the “**Certificate of Eligibility**”) that such buyer will be purchasing the Phase III MPDU Condominium Unit under the Mayor and Council of Rockville’s MPDU Homeownership Program for such buyer’s own use, or as the primary residence of the buyer’s family. A copy of each Certificate of Eligibility must be provided to the DHCD Director and must be maintained on file with DHCD.

(b) The Owner covenants and agrees that it shall not sell any Phase III MPDU Condominium Units without first obtaining the buyer's Certificate of Eligibility.

**Section 2.08. Required Deed Language.**

(a) The Owner covenants and agrees that each deed from the Owner to the initial purchaser of a Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit being conveyed is subject to the MPDU Restrictive Covenants, and that all future deeds transferring the Phase III MPDU Condominium Unit being conveyed shall be subject to the MPDU Restrictive Covenants for the duration of the Phase III MPDU Condominium Unit Compliance Control Period:

*THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK \_\_\_\_\_, PAGE \_\_\_\_\_ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

(b) Intentionally Omitted.

(c) The Owner covenants and agrees that during the Term, the Owner shall submit to the DHCD Director a copy each fully executed purchase agreement and, upon closing of the sale of each Phase III MPDU Condominium Unit, the closing statement and a copy of the recorded deed. Further, the Owner covenants and agrees to provide any additional information reasonably requested by the DHCD Director. The City Manager or his written designee shall have the right to examine and make copies of all books, records or other documents of the Owner which pertain to the Phase III MPDU Condominium Units.

**Section 2.09. Intentionally Omitted.**

**Section 2.10. Term of this Agreement.** The Parties hereby declare their express intent that the covenants and restrictions set forth in this Article II shall bind the Owner during the Term. Upon the expiration of the Term (*i.e.*, the closing date of the sale of the last Phase III MPDU Condominium Unit, subject to the terms of this Agreement), the Owner shall have no further obligation under this Article II. Every contract, deed or other instrument hereafter executed covering Phase III MPDU Condominium Units during the Term, shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument.

**Section 2.11. Restrictive Covenants to Run with the Land.** The Owner covenants and agrees to record in the Land Records the MPDU Restrictive Covenants, substantially in the form attached hereto as **Exhibit C**. The Mayor and Council and the Owner hereby declare their express

intent that the MPDU Restrictive Covenants shall run with the land and shall bind all successors in title to each of the Phase III MPDU Condominium Units. All deeds to purchasers of the Phase III MPDU Condominium Units shall state that the real property which is encumbered by such deed is subject to the MPDU Restrictive Covenants for the duration of the Phase III MPDU Condominium Unit Compliance Period as set forth in Section 2.08(a) above. The City Manager (or his authorized designee) shall administer, implement, and enforce the requirements of the MPDU Restrictive Covenants for every Phase III MPDU Condominium Unit. After the initial sale of all of the Phase III MPDU Condominium Units by the Owner, the Owner shall have no obligation to administer, implement or enforce the MPDU Restrictive Covenants.

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**ARTICLE III  
REPRESENTATIONS AND WARRANTIES OF THE OWNER**

The Owner hereby (i) makes the following representations and warranties to the Mayor and Council, as of the Effective Date, (ii) covenant that until the expiration or earlier termination of this Agreement, upon learning of any fact or condition which would cause any of the warranties and representations in this Agreement not to be true in any material respect, the Owner shall promptly give written notice of such fact or condition to the City Manager or his written designee, and (iii) acknowledge that the Mayor and Council shall rely upon the Owner's representations made herein notwithstanding any investigation made by or on behalf of the Mayor and Council:

**Section 3.01. Organization.**

(a) Intentionally Omitted.

(b) The Owner is duly organized, validly existing and in good standing under the laws of the State of Michigan, is duly qualified to do business under the laws of the State of Maryland and has the power and authority to own the Phase III Northside Condominium Real Property and carry on its business as now being conducted.

(c) Intentionally Omitted.

**Section 3.02. Authority of the Owner.** The Owner has full power and authority to execute and deliver this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

**Section 3.03. Authority of Persons Executing Documents.** This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Owner, and all actions required under the Owner's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

**Section 3.04. Valid Binding Agreements.** This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed, and delivered constitute, legal, valid, and binding obligations of the Owner enforceable against the Owner in accordance with their respective terms, subject to laws affecting creditors rights and principles of equity.

**Section 3.05. No Breach of Law or Agreement.** To the knowledge of the Owner, neither the execution nor delivery of this Agreement nor any other documents or instruments executed

and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Owner, or any provision of the organizational documents of the Owner, or will materially conflict with or constitute a material breach of or a material default under any agreement to which the Owner is a Party, or will result in the creation or imposition of any lien upon assets or property of the Owner.

**Section 3.06. Pending Proceedings.** To the knowledge of the Owner, the Owner is not in default in any material respect under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Owner, threatened against or affecting the Owner or the Phase III Northside Condominium Real Property, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to the Owner, materially affect the Owner's obligations under this Agreement.

**Section 3.07. Title to Land.** At the time of recordation of the MPDU Restrictive Covenants, the Owner shall have good and marketable fee title to the Phase III Northside Condominium Real Property, subject to any ground leases, mortgages, deeds of trusts, easements, rights of way, and other encumbrances, none of which interferes with the use and intended use of the Phase III Northside Condominium Real Property or the MPDU Restrictive Covenants.

**ARTICLE IV  
MISCELLANEOUS PROVISIONS**

**Section 4.01. Notices, Demands, and Communications Between the Parties.** Formal notices, demands, and communications between the Owner and Mayor and Council shall be given either by (a) personal service, (b) delivery by reputable overnight document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, addressed to:

**To the Mayor and Council:** Mayor and Council of Rockville  
c/o Office of the City Clerk  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Sara Taylor-Ferrell, City Clerk / Director of  
Council Operations

*With copies to:*

Office of the City Attorney  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Cynthia Walters, Acting City Attorney

Office of the City Manager  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Jeff Mihelich, City Manager

Department of Housing and Community Development  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Ryan Trout, Director

**To the Owner:** Pulte Home Company, LLC  
4000 Legato Road, Suite 900  
Fairfax, Virginia 22033  
Attn: Christopher Spahr

*With copies to:*

Pulte Home Company, LLC  
4000 Legato Road, Suite 900  
Fairfax, Virginia 22033  
Attn: Sheila Novak

Notices personally delivered shall be deemed effective upon receipt or refusal thereof. Notices given by a reputable overnight document delivery service shall be deemed effective one

(1) business day after delivery by such service. Notices mailed shall be deemed effective on the third (3<sup>rd</sup>) business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate in writing. As used herein, “business day” means a day other than Saturday, Sunday, or a federal holiday, state holiday in the State of Maryland, or a city holiday in the City of Rockville, Maryland

**Section 4.02. Relationship of Parties.** The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the Parties and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to this Agreement.

**Section 4.03. Interpretation.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Agreement.

**Section 4.04. Indemnification.** The Owner shall indemnify, defend and hold the Mayor and Council and its respective officers, employees, agents, successors and assigns harmless from and against: (a) any and all claims, liabilities and losses whatsoever (together with any expenses directly related thereto, including but not limited to, damages, court costs and reasonable attorneys’ fees) occurring to or resulting from any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, (b) any and all claims, liabilities and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Owner’s performance of this Agreement, including but not limited to any such claims, liabilities or losses which occur on the Phase III Northside Condominium Real Property, and (c) such claims, liabilities, or losses which arise out of the renovation, construction and operation of the Phase III Northside Condominium Real Property. “Owner’s performance” includes Owner’s action or inaction and the action or inaction of the Owner’s officers, employees, agents, contractors, and subcontractors. This indemnification and hold harmless obligation shall not extend to any claim arising solely out of the gross negligence or willful misconduct of the Mayor and Council and its respective employees and agents. The provision of this Section 4.04 shall survive the expiration of the Phase III MPDU Condominium Unit Compliance Control Period.

**Section 4.05. Non-Liability of Officials, Employees and Agents.** No member of the Mayor and Council or any of its respective officers, employees, successors or agents shall be personally liable to the Owner in the event of any default or breach by the Mayor and Council or for any amount which may become due to the Owner or its respective successors or assigns or on any obligation under the terms of this Agreement.

**Section 4.06. No Third-Party Beneficiaries.** No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.

**Section 4.07. Parties Bound.** Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land shall bind the Owner and its respective successors and assigns for the entire Term, and the benefit hereof shall inure to the benefit of the Mayor and Council and its successors and assigns.

**Section 4.08. Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. In the event that all or any portion of this Agreement is found to be unenforceable, this Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Agreement or that portion which is found to be unenforceable.

**Section 4.09. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland. The Parties consent to the jurisdiction and venue of the Circuit Court for Montgomery County, Maryland.

**Section 4.10. Liability of the Mayor and Council.** The Mayor and Council, by the acceptance and performance of this Agreement does not assume any liability (other than to the Owner pursuant to the terms hereof), and the Owner hereby releases the Mayor and Council and any of its individual agents or employees from any such liability, and no claim shall be made by the Owner upon the Mayor and Council or such employees or agents for or on account of any matter or thing.

**Section 4.11. Exhibits.** All Exhibits referred to in this Agreement are by such references fully incorporated herein.

**Section 4.12. Entire Agreement, Waivers and Amendments.** This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the Rockville Affordable Housing Contribution Requirement. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties.

**Section 4.13. Time of the Essence.** Time is of the essence in the performance of this Agreement.

**Section 4.14. Language Construction.** The language of each and all paragraphs, terms and/or provisions of this Agreement, shall in all cases and for any and all purposes, and in any way and all circumstances whatsoever, be construed as a whole, according to its fair meaning, and not for or against any Party and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

**Section 4.15. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be original, and such counterparts shall constitute one and the same instrument.

**Section 4.16. No Waiver of Sovereign Immunity by Mayor and Council.** Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by the Mayor and Council pursuant to this Agreement nor any document which arises out of this Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the City of Rockville's elected and appointed officials, officers, and employees.

**Section 4.17. Violation.** Any breach, default, or violation of or under this Agreement by the Owner that is not cured within a reasonable period of time after written notice by the City Manager shall also be considered a violation of the MPDU Ordinance.

(Signature pages to follow)

**IN WITNESS WHEREOF**, the Mayor and Council and the Owner have each executed, or caused to be duly executed, this Moderately Priced Dwelling Units Program Agreement – For Sale Units under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives thereunto duly authorized) as of the day and year first written above.

**MAYOR AND COUNCIL**

**Approved as to form:**

**THE MAYOR AND COUNCIL OF  
ROCKVILLE**, a body corporate and municipal  
corporation of the State of Maryland

\_\_\_\_\_  
Cynthia Walters, Acting City Attorney

By: \_\_\_\_\_  
Jeff Mihelich, City Manager

**Attest:**

\_\_\_\_\_  
Sara Taylor-Ferrell, City Clerk /  
Director of Council Operations

**OWNER**

**Pulte Home Company, LLC**, a Michigan limited liability company.

By: \_\_\_\_\_  
Christopher Spahr, Division Vice President  
of Land Planning and Development

**ACKNOWLEDGMENT**

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

On this the \_\_\_ day of \_\_\_\_\_ 2026, before me, personally appeared Christopher Spahr, who acknowledged himself to be the Division Vice President of Land Planning and Development of Pulte Home Company, LLC, a Michigan limited liability company and named as Owner in the above instrument, and that he, as Division Vice President of Land Planning and Development, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Pulte Home Company, LLC, a Michigan limited liability company by him as the Division Vice President of Land Planning and Development of said Pulte Home Company, LLC.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC

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

Serial Number: \_\_\_\_\_

**Exhibit A**  
**LEGAL DESCRIPTION OF**  
**TOWER PRESERVE TOWNHOMES REAL PROPERTY**

**Legal Description**

All those lots or parcels of land, together with the improvements thereon and appurtenances thereunto belonging, lying, situate and being in the City of Rockville, Montgomery County, Maryland, being more particularly described as follows:

Unit 106, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 107, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 206, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 207, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 306, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 307, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 407, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

<b>Address</b>	<b>Unit</b>	<b>Lot #</b>	<b>Block</b>	<b>Tax ID Number</b>
1101 Fortune Terrace	106	127	A	
1101 Fortune Terrace	107	127	A	
1101 Fortune Terrace	206	127	A	
1101 Fortune Terrace	207	127	A	
1101 Fortune Terrace	306	127	A	
1101 Fortune Terrace	307	127	A	
1101 Fortune Terrace	407	127	A	

**(End of Exhibit “A”)**

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**Exhibit B**  
**INTENTIONALLY OMITTED**

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Intentionally Omitted

**(End of Exhibit “B”)**

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**Exhibit C**  
**FORM OF MPDU RESTRICTIVE COVENANTS**

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(See Attached)

**(End of Exhibit “C”)**

# EXHIBIT C

Tax Identification Numbers: TBD

Office of the Rockville City Attorney  
111 Maryland Avenue, 3<sup>rd</sup> Floor  
Rockville, Maryland 20850  
Attn: Cynthia Walters, Acting City Attorney

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(For Recorder's Use)

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## DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS For The Mayor and Council of Rockville's Moderately Priced Dwelling Unit (MPDU) Homeownership Program

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**THIS DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM** (this "**Declaration**") is made this \_\_\_ day of \_\_\_\_\_ 2026 (the "**Effective Date**"), by **PULTE HOME COMPANY, LLC**, a Michigan limited liability company, qualified to do business in the State of Maryland, having a principal address at 4000 Legato Road, Suite 900, Fairfax, VA 22033 (the "**Declarant**"), in order to comply with Chapter 13.5 of the Rockville City Code (the "**MPDU Ordinance**") and the associated City of Rockville, Maryland Moderately Priced Housing Regulations (the "**MPDU Regulations**").

### RECITALS

**WHEREAS**, the Declarant is the fee owner of that certain parcel(s) of land located in the City of Rockville, Maryland, as more particularly described in **Exhibit A** (the "**Phase III Northside Condominium Real Property**"), which is part of a residential community located in the City of Rockville, Maryland consisting of, among other things, fifty-two (52) lots on which residential townhouse dwelling units with front or rear-loaded garages will be constructed and three (3) lots on which three (3) buildings and one-hundred forty-three (143) residential dwelling condominium units will be constructed, with permanent open spaces and other common facilities (the "**Northside Residential Development**"); and

**WHEREAS**, the Declarant was formed and organized as a Michigan limited liability company for the purpose of, among other things, developing, financing, constructing, owning and selling forty-eight (48) residential condominium units within the Northside Residential Development, including the seven (7) Phase III MPDU Condominium Units; and

**WHEREAS**, on August 11, 2021, the Planning Commission for the City of Rockville approved Level 2 Site Plan Application #2020-00399 ("**STP #2020-00399**"), permitting, subject to certain conditions of approval, the development of the Northside Residential Development; and

## EXHIBIT C

**WHEREAS**, in accordance with the MPDU Ordinance and STP #2020-00399, a minimum of seven (7) residential dwelling condominium units developed and constructed on the Phase III Northside Condominium Real Property are required to be designated as Moderately Priced Dwelling Units (“MPDUs”) that must be reserved for sale to and occupancy by Eligible Households; and

**WHEREAS**, in order to comply with the MPDU Ordinance and STP #2020-00399, the Declarant has agreed to designate, construct, administer, and offer for sale seven (7) Flats at Northside Condominium Units to be constructed on the Phase III Northside Condominium Real Property in the Northside Residential Development as Moderately Priced Dwelling Units, listed in Section 1 below (the “**Phase III MPDU Condominium Units**”). The Phase III MPDU Condominium Units will be reserved and designated for purchase and occupancy by Eligible Households pursuant to the terms and conditions of this Declaration, and Article II of that certain Moderately Priced Dwelling Units Homeownership Program Agreement, by and between the Declarant and The Mayor and Council of Rockville, a body corporate and politic and municipal corporation of the State of Maryland (the “**Mayor and Council**”), dated \_\_\_\_\_, 2026 (the “**MPDU Program Agreement**”); and

**WHEREAS**, the Declarant shall by this Declaration impose upon each Phase III MPDU Condominium Unit certain restrictive covenants, conditions and requirements for the benefit of the Mayor and Council and Eligible Households who desire to reside in the City of Rockville, Maryland and purchase available Phase III MPDU Condominium Units in the Northside Residential Development; and

**WHEREAS**, the Declarant is required to record this Declaration among the land records of Montgomery County, Maryland in order to provide notice that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon are subject to the restrictive covenants, conditions and requirements set forth below to maintain the long-term affordability of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period; and

**WHEREAS** the Declarant has agreed to execute all necessary documents in order to evidence compliance with the MPDU Ordinance, which this Declaration is intended to evidence, as more particularly set forth below; and

**WHEREAS**, all capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the MPDU Program Agreement.

**NOW, THEREFORE**, the Declarant hereby declares that the Phase III Northside Condominium Real Property and the Phase III MPDU Condominium Units constructed thereon shall be held, transferred, conveyed, and sold subject to the following restrictive covenants, conditions and requirements which are for the purpose of offering for sale moderately priced dwelling units to Eligible Households for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, as further described herein, and such restrictive covenants, conditions

## EXHIBIT C

and requirements shall run with the Phase III Northside Condominium Real Property submitted to this Declaration and each Phase III MPDU Condominium Unit constructed thereon and shall be binding on all parties having any right, title, or interest in the Phase III Northside Condominium Real Property and each Phase III MPDU Condominium Unit constructed thereon, their respective heirs, successors, successors-in-title and assigns.

### **DECLARATIONS**

1. **Designation of Moderately Priced Dwelling Units.** In compliance with the MPDU Ordinance, the Declarant covenants, declares, and agrees to designate the following Phase III MPDU Condominium Units to be constructed on the Phase III Northside Condominium Real Property as Moderately Priced Dwelling Units, solely for sale to and occupancy by Eligible Households during the Phase III MPDU Condominium Unit Compliance Control Period, in accordance with the terms of this Declaration and Article II of the MPDU Program Agreement:

Address	Unit Number	Tax Identification Number	Initial Maximum Sale Price
1. 1101 Fortune Terrace	106	TBD	\$251,000
2. 1101 Fortune Terrace	107	TBD	\$162,500
3. 1101 Fortune Terrace	206	TBD	\$272,500
4. 1101 Fortune Terrace	207	TBD	\$162,500
5. 1101 Fortune Terrace	306	TBD	\$272,500
6. 1101 Fortune Terrace	307	TBD	\$195,000
7. 1101 Fortune Terrace	407	TBD	\$212,000

2. **Initial MPDU Maximum Sale Price Restrictions; Limit on HOA and Condominium Fees.**

- (a) In accordance with the MPDU Ordinance, the Declarant covenants, declares, and agrees that the initial sale price for each Phase III MPDU Condominium Unit shall not exceed the initial maximum sale price established by the Mayor and Council, as listed in Section 1 above. The initial maximum sale prices shall include closing costs and brokerage fees (if any).
- (b) The Declarant covenants and agrees that the owners of the Phase III MPDU Condominium Units shall have full access to all amenities provided to owners of the market-rate Flats at Northside Condominium Units, if any, subject to the rules, regulations and conditions governing the use of these facilities for all owners as reasonably established by the Owner, its agent, or a home owners association created for the Northside Residential Development (“HOA”). For the duration of the Phase III MPDU Condominium Unit Compliance Control Period, the owners of the Phase III MPDU Condominium Units shall pay no more than fifty percent (50%) of the monthly HOA assessment fees and the condominium fees charged to

## EXHIBIT C

owners of the market-rate Flats at Northside Condominium Units. The fifty percent (50%) cap on regular monthly HOA assessments for each owner of a Phase III MPDU Condominium Unit will not apply to special HOA assessments charged to such owner.

### 3. **Initial Sale of MPDUs.**

- (a) **Offering to the General Public.** The Declarant covenants, declares, and agrees to offer each of the Phase III MPDU Condominium Units for sale to an Eligible Household purchaser pursuant to the MPDU Ordinance and the terms of the MPDU Program Agreement.
- (b) Notice must be included in any agreement of sale which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.
- (c) The deed from Declarant to the initial purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.

*THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK \_\_\_\_\_, PAGE \_\_\_\_\_ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*

- (d) Notwithstanding anything herein to the contrary, failure to comply with the terms of this Section 3 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

### 4. **Subsequent MPDU Sale Price Restrictions.** In accordance with the MPDU Ordinance, during the Phase III MPDU Condominium Unit Compliance Control Period, and subject to the foreclosure regulations set forth in Section 13.5-9(e) of the MPDU Ordinance, Phase III MPDU Condominium Units shall not be resold or refinanced by either the initial purchasers of Phase III MPDU Condominium Units or any subsequent purchasers (each referred to herein as an “**Owner**”) for a price greater than the original selling price for the

## EXHIBIT C

applicable MPDU Condominium Unit, plus: (a) a percentage of the applicable MPDU Condominium Unit's original selling price equal to the increase in the cost of living, as determined by the consumer price index, (b) an allowance for improvements made to the applicable Phase III MPDU Condominium Unit by the selling Owner, not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a) of this Section 4, (c) an allowance for closing costs which were not paid by the Declarant, but which was paid by the initial buyer of the applicable MPDU Condominium Unit, for the benefit of the subsequent buyer of the applicable MPDU Condominium Unit, and (d) a reasonable sales commission if the applicable Phase III MPDU Condominium Unit is not sold within sixty (60) days to an Eligible Households from the Eligibility List (the "MPDU Resale Price").

### 5. **Subsequent Sale of MPDUs – During the Phase III MPDU Condominium Unit Compliance Control Period.**

- (a) **Notification Requirements.** An Owner shall immediately notify the DHCD Director in the event such Owner wants to offer his or her Phase III MPDU Condominium Unit for resale during the Phase III MPDU Condominium Unit Compliance Control Period.
- (b) **Offering.** Each Phase III MPDU Condominium Unit that is offered for resale during the Phase III MPDU Condominium Unit Compliance Control Period must be offered as follows:
- i. ***Housing Agency.*** The Phase III MPDU Condominium Unit shall first be exclusively offered for resale to the Housing Agency. The DHCD Director shall notify the Housing Agency of any Phase III MPDU Condominium Unit that will be offered for resale. Upon receipt of such notice, the Housing Agency will have twenty-one (21) days to indicate to the selling Owner of its interest in acquiring the MPDU Condominium Unit.
  - ii. ***Eligible Households on the Eligibility List.*** If the Housing Agency does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the timeframes set forth in the MPDU Ordinance, the Phase III MPDU Condominium Unit shall next be exclusively offered for resale to Eligible Households who are on the Eligibility List for forty-five (45) days.
  - iii. ***General Public.*** If an Eligible Household from the Eligibility List does not exercise its right to purchase the Phase III MPDU Condominium Unit being offered for resale within the forty-five (45) day period, the selling Owner may then offer the Phase III MPDU Condominium Unit to Eligible Households from the general public. No later than thirty (30) days prior to settlement of any resale to an Eligible Household from the general public,

## EXHIBIT C

the selling Owner shall deliver to the DHCD Director written proof of buyer's eligibility, which shall be satisfactory to the DHCD Director.

- iv. *Market Rate Sale.* If the Phase III MPDU Condominium Unit remains unsold 180 days after the unit is offered for resale to the general public, then the City Manager may permit the selling Owner to sell the Phase III MPDU Condominium Unit at a price in excess of the MPDU Resale Price (the “**Market Rate Price**”). If the Phase III MPDU Condominium Unit is sold at the Market Rate Price, the selling Owner must pay to the Mayor and Council all sales proceeds in excess of the MPDU Resale Price. Once the sales proceeds are paid to the Mayor and Council for deposit into its Moderately Priced Housing Fund, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.
- (c) Notice must be included in any agreement of sale for a Phase III MPDU Condominium Unit which fully and completely discloses the resale price restrictions and controls established in this Declaration. A copy of the agreement of sale signed by all parties shall be delivered to the DHCD Director no later than thirty (30) days prior to settlement.
- (d) Intentionally Omitted.
- (e) No transfer or conveyance of any Phase III MPDU Condominium Unit shall occur without the written consent of the City Manager, or his authorized designee, as evidenced by the City Manager's or authorized designee's signature on the deed. Additionally, the deed from an Owner to a subsequent purchaser of each Phase III MPDU Condominium Unit shall contain the following language setting forth that the condominium unit is subject, for the remaining duration of the Phase III MPDU Condominium Unit Compliance Control Period, to this Declaration, and that all future deeds transferring the Phase III MPDU Condominium Unit shall be subject to this Declaration.
- THIS CONDOMINIUM UNIT IS SUBJECT TO THAT CERTAIN DEED OF DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS FOR THE MAYOR AND COUNCIL OF ROCKVILLE'S MODERATELY PRICED DWELLING UNIT (MPDU) HOMEOWNERSHIP PROGRAM, RECORDED IN DEED BOOK \_\_\_\_\_, PAGE \_\_\_\_\_ AMONG THE MONTGOMERY COUNTY LAND RECORDS. This provision shall run with the property and bind upon the property and shall bind Grantee(s) and each Grantee's, heirs, personal representatives, successors and assigns. All future deeds for this property shall contain this provision.*
- (f) Failure to comply with the terms of this Section 5 shall not in any way diminish or invalidate this Declaration as to any MPDU Condominium Unit.

## EXHIBIT C

### 6. **Subsequent Sale of MPDUs – Post Phase III MPDU Condominium Unit Compliance Control Period.**

- (a) If a Phase III MPDU Condominium Unit is sold or resold following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the price and resale restrictions set forth in Section 5 above shall not apply. However, for the first sale of each Phase III MPDU Condominium Unit following the expiration of the Phase III MPDU Condominium Unit Compliance Control Period, the selling Owner shall pay to the Mayor and Council, for deposit into its Moderately Priced Housing Fund, one-half (1/2) of the excess of the total resale price over the sum of the following: (i) the original selling price, (ii) a percentage of the MPDU Condominium Unit's original selling price equal to the increase in the cost of living as determined by the consumer price index, (iii) an allowance for improvements made to the Phase III MPDU Condominium Unit not to exceed ten percent (10%) of the selling price calculated in accordance with subsection (a)(ii) of this Section 6, and (iv) a reasonable sales commission. The City Manager shall adjust the amount paid into the Moderately Priced Housing Fund so that the selling Owner retains at least \$10,000 of the excess of the resale price over the sum of the items in (i) through (iv).
- (b) When the City Manager determines that the price and terms of the sale or resale of the Phase III MPDU Condominium Unit covered by Section 6(a) have been met, and the Mayor and Council receives the amount due, the Mayor and Council will release this Declaration from the applicable MPDU Condominium Unit.

### 7. **Principal Residence Requirement.**

- (a) Subject to Section 13.5-8(a)(6) of the MPDU Ordinance, Owners of Phase III MPDU Condominium Units (i) shall occupy the Phase III MPDU Condominium Unit subject to this Declaration as his/her principal residence, and (ii) shall not lease, sublease, rent or otherwise accept compensation for use of the Phase III MPDU Condominium Unit premises or any portion thereof. In the event of any violation of this provision, Owner shall be liable to the Mayor and Council for 150% of the compensation collected by such Owner for the period the lessee (or sublessee) is in violation, in addition to any other remedies to which the Mayor and Council is entitled in law or equity.
- (b) Owner further agrees to submit to the DHCD Director annually a notarized affidavit executed by Owner on the anniversary date of initial settlement certifying Owner's continuing occupancy of the Phase III MPDU Condominium Unit as the purchaser's primary residence.

### 8. **Obligation to Maintain.** Declarant and each successor Owner of each Phase III MPDU Condominium Unit is obligated during its ownership of the Phase III MPDU Condominium

## EXHIBIT C

Unit to keep and maintain the Phase III MPDU Condominium Unit in good order, repair, and condition.

9. **Financing.** This Declaration shall be superior to all instruments securing financing with respect to each MPDU Condominium Unit, and this Declaration shall be binding upon all assignees, mortgagees, purchasers and other successors in interest, except that, subject to Section 13.5-9(e) of the MPDU Ordinance, this Declaration may be released in the event of foreclosure by lending institution holding a first priority purchase money deed of trust on the MPDU Condominium Unit.
10. **Non-Discrimination.**
- (a) The Declarant shall not, in the offering for sale of Phase III MPDU Condominium Units, discriminate against any person on the grounds of Race, National Origin, Color, Marital Status, Sex, Religion, Age/Elderliness, Disability (physical or mental), Sexual Orientation, or Familial Status (being pregnant or having children under age 18), or discriminate in violation of any applicable law or regulation. The Declarant shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.
- (b) The Declarant agrees not to discriminate against prospective Owners on the basis that they receive or are eligible to receive housing assistance under any Federal, State, or local housing assistance program.
11. **Administration of Declaration.**
- (a) Declarant, for itself and its heirs, assigns and successors, hereby irrevocably assigns, transfers, and conveys unto the Mayor and Council and its designees all of its rights, title, interest or obligation to enforce and maintain in full force and effect the terms and conditions, and requirements of this Declaration.
- (b) The Mayor and Council and its designee shall monitor and evaluate and the Owners' efforts in performing the Owners' obligations under this Declaration, and each Owner agrees to cooperate fully with the Mayor and Council's monitoring and administration efforts. Each Owner shall submit to the Mayor and Council or its designee any documents or information that may be reasonably required by the Mayor and Council from time to time.
12. **Default; Enforcement.** In the event that the Declarant defaults in the performance of any of the covenants or its obligations under this Declaration, the Mayor and Council may, after providing notice of such default to the Declarant and a reasonable period within which Declarant may cure such default, at its option, pursue any one or more of the remedies provided by the MPDU Program Agreement, law or in equity, including but not limited to the right to apply to any court of competent jurisdiction within the State of Maryland to enforce specific performance by the Declarant of its obligations hereunder or to obtain an

## EXHIBIT C

injunction against any violations hereof, or to obtain any other such relief as may be appropriate.

13. **Waiver; Forbearance.** The Mayor and Council shall have the right to waive at its option any of the rights granted to it hereunder to enforce the terms hereof, provided that the Mayor and Council's election not to pursue any particular remedy in the event of a default hereunder shall not be construed to preclude or be a waiver of the Mayor and Council's right to pursue any of the other remedies with respect to the violation for which such remedy was pursued or with respect to any other violation prior or subsequent thereto. In addition, any forbearance by the Mayor and Council in exercising any of its rights hereunder shall not constitute a waiver or preclude the exercise of such rights.
14. **Estoppels.** From time to time upon the written request of the Declarant, the City Manager shall provide to any purchasers of a Phase III MPDU Condominium Unit or any lender making a loan secured by the Phase III MPDU Condominium Unit an estoppel certificate confirming the provisions of the Declaration; certifying, to the best of the City Manager's knowledge, that the Declarant remains in full force and effect; and specifying whether any default(s) exist under any of the provisions of the Declaration.
15. **Amendment.** This Declaration may be amended only by written agreement by and between the Declarant and the Mayor and Council.
16. **Governing Law.** This Declaration shall be governed by the laws of the State of Maryland.
17. **Severability.** The invalidity of any clause, part, or provision of this Declaration shall not affect the validity of the remaining portions hereof.
18. **Covenants Run with the Land.** The covenants set forth herein shall be deemed covenants running with the land and shall be an encumbrance on each of the Phase III MPDU Condominium Units for the duration of the Phase III MPDU Condominium Unit Compliance Control Period. Such covenants shall be binding upon the Declarant and its successors and assigns, including any successors in title to each of the Phase III MPDU Condominium Units.

# EXHIBIT C

**IN WITNESS WHEREOF**, the Declarant has caused this Declaration to be executed as of the date first above written.

## **DECLARANT**

**Pulte Home Company, LLC**, a Michigan limited liability company

By: \_\_\_\_\_  
Christopher Spahr, Division Vice  
President of Land Planning and  
Development

## **ACKNOWLEDGMENT**

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

On this the \_\_\_ day of \_\_\_\_\_, 2026, before me, personally appeared Christopher Spahr, who acknowledged himself to be the Division Vice President of Land Planning and Development of Pulte Home Company, LLC, a Michigan limited liability company and named as Owner in the above instrument, and that he, as Division Vice President of Land Planning and Development, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Pulte Home Company, LLC, a Michigan limited liability company by him as the Division Vice President of Land Planning and Development of said Pulte Home Company, LLC.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_

## EXHIBIT C

**ACKNOWLEDGED AND AGREED TO:**

**THE MAYOR AND COUNCIL OF  
ROCKVILLE**, a body corporate and municipal  
corporation of the State of Maryland

By: \_\_\_\_\_  
Jeff Mihelich, City Manager

**Approved as to form:**

By: \_\_\_\_\_  
Cynthia Walters, Acting City Attorney

DRAFT

# EXHIBIT C

## Exhibit A

### Legal Description

ALL THAT CERTAIN lot or parcel of land, together with all rights, privileges and appurtenances thereunto belonging or in anywise appertaining, lying and being situate in Montgomery County, Maryland, and more particularly described as follows:

Unit 106, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 107, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 206, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 207, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 306, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 307, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

Unit 407, as shown on ‘Phase III, Condominium Plat, The Flats at Northside Condominium’, recorded in Plats Nos. \_\_\_\_\_.

NOTE FOR INFORMATIONAL PURPOSES ONLY:

Address	Unit	Lot #	Block	Tax ID Number
1101 Fortune Terrace	106	127	A	
1101 Fortune Terrace	107	127	A	
1101 Fortune Terrace	206	127	A	
1101 Fortune Terrace	207	127	A	
1101 Fortune Terrace	306	127	A	
1101 Fortune Terrace	307	127	A	
1101 Fortune Terrace	407	127	A	

**(End of Exhibit “A”)**

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**Exhibit D**  
**CONSTRUCTION STAGING PLAN**

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(See Attached)

**(End of Exhibit “D”)**

