Article 3. Grantor's Covenant

The Grantor hereby covenants and affirms that Grantor has taken no action to encumber the Property.

Article 4. Affordable Housing Covenants

Sale and use of the Property is governed by regulations known as the Uniform Housing Affordablity Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, et seq, the "Regulations"). Consistent with the Regulations, the following covenants (the "Covenants") shall run with the land for the period of time commencing upon the earlier of (a) the date hereof or (b) the prior commencement of the "Control Period", as that term is defined in the Regulations, and terminating upon the expiration of the Control Period as provided in the Regulations.

In accordance with N.J.A.C. 5:80-26.5, each restricted unit shall remain subject to the requirements of this subchapter, the "Control Period," until the municipality in which the unit is located elects to release the unit from such requirements. Prior to such a municipal election, a restricted unit must remain subject to the requirements of this subchapter for a period of at least 30 years; provided, however, that units located in high-poverty census tracts shall remain subject to these affordability requirements for a period of at least 10 years;

A. The Property may be conveyed only to a household who has been approved in advance and in writing by the administrative agent of the Township of South Brunswick, an administrative agent appointed under the Regulations (hereinafter, collectively, the "Administrative Agent").

B. No sale of the Property shall be lawful, unless approved in advance and in writing by the Administrative Agency, and no sale shall be for a consideration greater than maximum permitted price ("Maximum Resale Price", or "MRP") as determined by the Administrative Agent.

C. No refinancing equity loan, secured letter of credit, or any other mortgage obligation or other debt (collectively, "Debt") secured by the Property, may be incurred except as approved in advance and in writing by the Administrative Agent. At no time shall the Administrative Agent approved any such Debt, if incurring the Debt would make the total of all such Debt Exceed Ninety-Five Percent (95%) of the applicable MRP.

D. The owner of the Property shall at all times maintain the Property as his or her principal place of residence.

E. Except as set forth in F, below, at no time shall the owner of the Property lease or rent the Property to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.

F. If the Property is a two-family home, the owner shall lease the rental unit only to income-certified low-income households approved in writing by the Administrative Agent, shall charge rent no greater than the maximum permitted rent as determined by the Administrative Agent, and shall submit for written approval of the Administrative Agent copies of all proposed leases prior to having them signed by any proposed tenant.

G. No improvements may be made to the Property that would affect its bedroom configuration, and in any event, no improvement made to the Property will be taken into consideration to increase the MRP, except for improvements approved in advance and in writing by the Administrative Agent.

Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of the Covenants will cause irreparable harm to the Administrative Agent and to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, the Uniform Housing Affordability Control rules found at N.J.A.C. 5:80-26, and the obligation for the provision of low and moderate-income housing. Accordingly, and as set forth in N.J.A.C. 5:80-26.10A(b):

A. In the event of a threatened breach of any of the Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

B. Upon the occurrence of a breach of any Covenants by the Grantee, or any successor in interest or other owner of the Property, the Administrative Agent shall have all remedies provided at law or equity including but not limited to forfeiture, foreclosure, acceleration of all sums due under any mortgage, recouping of any funds from a sale in violation of the Covenants, diverting of rent proceeds from illegal rentals, injunctive relief to prevent further violation of said Covenants, entry on the premises, those provided under Title 5, Chapter 80, Subchapter 26 of the New Jersey Administrative Code and specific performance.

State of New Jersey

Seller's Residency Certification/Exemption

(C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (see Instructions, page 2):

Name(s) SASSMAN PROPERTIES AT SOUTH BRUNSWICK, LLC

Current Resident Address 976 RIDGE ROAD

City, Town, Post Office MONMOUTH JUNCTION State NJ Zip Code 08852

PROPERTY INFORMATION (Brief Property Description):

Block(s) 31.01 Lot(s) 27.13 Qualifier

Street Address 55-61 FRESH PONDS ROAD

City, Town, Post Office MONMOUTH JUNCTION State NJ Zip Code 08852

Seller's Percentage of Ownership 100% Consideration $213,443.00 Closing Date 9/29/2015

SELLER'S ASSURANCES (Check the Appropriate Box) (Boxes 2 through 10 apply to Residents and NON-residents):

1. ☐ I am a resident taxpayer (individual, estate or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. ☐ The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. ☐ I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. ☐ Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. ☒ Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. ☐ The total consideration for the property is $1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. ☐ The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION.) If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).

   ☐ No non-like kind property received.
8. ☐ Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.
9. ☐ The property being sold is subject to a short sale instituted by the mortgagee, whereby the seller has agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
10. ☐ The deed being recorded is a deed dated prior to the effective date of P.L. 2004, c. 55 (August 1, 2004), and was previously unrecorded.

SELLER(S) DECLARATION:

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box ☐, I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

September 29, 2015
Date

Signature (Seller) Please indicate if Power of Attorney or Attorney in Fact
MICHAEL SASSMAN, MANAGING MEMBER

Date

Signature (Seller) Please indicate if Power of Attorney or Attorney in Fact

EXECUTION BY GRANTOR

Signed by the Grantor on the date hereof. If the Grantor is a corporation this Deed is signed by a corporate officer who has authority to (a) convey all interest of the corporation that are conveyed by this Deed, and (b) to bind the corporation with respect to all matters dealt with herein.

SASSMAN PROPERTIES AT
SOUTH BRUNSWICK, LLC

ROBERT S. LUCARINI, JR.
ATTORNEY AT LAW IN THE
STATE OF NEW JERSEY

BY: MICHAEL SASSMAN,
managing member

STATE OF NEW JERSEY, COUNTY OF OCEAN

I CERTIFY that on September 29, 2015

MICHAEL SASSMAN,

personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of the attached Deed:
(b) was authorized to and did execute this Deed as Managing Member of Sassman Properties at South Brunswick, LLC the entity named in this Deed:
(c) made this Deed for $213,443.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A 46:15-5); and
(d) executed this Deed as the act of the entity.

ROBERT S. LUCARINI, JR.
ATTORNEY AT LAW IN THE
STATE OF NEW JERSEY

Record and Return to:
South Brunswick Township
Affordable Housing Office
P O Box 190
Monmouth Jct., NJ 08852

R: R015553736

East Coast
TITLE AGENCY
202 ROUTE 18 NORTH
EAST BRUNSWICK, NJ 08816

ORIGINAL

RECORDED
ELAINE M. FLYNN
MIDDLESEX CTY CLERK
2015 OCT 21 AM 9:59
BOOK #
PAGE #
OF PAGES

Prepared By:
Donald J. Sears, Esq.

TOWNSHIP OF SOUTH BRUNSWICK
AFFORDABLE HOUSING AGREEMENT
DECLARATION OF CONVENANTS, CONDITIONS, AND RESTRICTIONS

This **AGREEMENT** is entered into on the 29th day of September ,2015 between, [redacted], owners of the property designated in Section II **PROPERTY DESCRIPTION**, hereafter **"OWNER"** and Township of South Brunswick **"TOWNSHIP"**, both parties having agreed that the covenants, conditions and restrictions contained herein shall be imposed on the Affordable Housing Unit described in Section II **PROPERTY DESCRIPTION** for a period of at least (30) years beginning on September 29 **,2015** and ending at the first non-exempt transfer of title after August 29 **,2045** unless extended by Municipal resolution as described in Section III **TERMS OF RESTRICTIONS.**

WHEREAS, municipalities within the State of New Jersey are required by the Fair Housing Act (P.L. 1985, c.222) hereinafter "Act", to provide for their fair share of housing that is affordable to households with low or moderate incomes in accordance with provisions of the Act; and

WHEREAS, the Act establishes the Council on Affordable Housing (hereinafter "Council") to assist municipalities in determining a realistic opportunity for the planning and development of affordable housing; and

WHEREAS, pursuant to the Act, the housing unit (units) described in Section II **PROPERTY DESCRIPTION** hereafter and/or an attached Exhibit A of this Agreement has (have) been designated as low and moderate income housing as defined by the Act; and

WHEREAS, the purpose of this Agreement is to ensure that the described housing unit (units) remain(s) affordable to low and moderate income eligible households for that period of time described in Section III **TERM OF RESTRICTION**.

NOW, THEREFORE, it is the intent of this Agreement to ensure that the affordability controls are contained directly in the property deed for the premises and incorporated into and recorded with the property deed so as to bind the owner of the described premises and notify all future purchasers of the housing unit that the housing unit is encumbered with affordability controls; and by entering into this Agreement the Owner of the described premises agrees to restrict the sale of the housing unit to low and moderate income eligible households at a maximum resale price determined by the Township for the specified period of time.

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

Title Number: 01553736

SCHEDULE A
LEGAL DESCRIPTION

All that certain lot, tract, or parcel of land, situate, lying and being in the **Township of South Brunswick, County** of **Middlesex**, and **State** of **New Jersey,** as more particularly described as follows:

KNOWN AND DESIGNATED as Lot 27.13 in Block 31.01 as set forth on a certain map entitled, "Sassman Properties at South Brunswick, LLC", situated in the Township of South Brunswick, County of Middlesex, State of New Jersey, which map was filed in the Middlesex County Clerk/Register's Office on June 29, 2010, as Map No. 6567, File No. 989.

Subject to the receipt of an accurate and current survey.

FOR INFORMATIONAL PURPOSES ONLY:
KNOWN AND DESIGNATED as Lot 27.13 in Block 31.01 on the Tax Map of the Township of South Brunswick

Issued by:

EAST COAST TITLE AGENCY
202 ROUTE 18 NORTH , EAST BRUNSWICK, NJ 08816-1409
Telephone: 732-828-6500 Fax: 732-249-2635

I. DEFINITIONS

For purposes of this Agreement, the following terms shall be defined as follows:

"Affordable Housing" shall mean residential units that have been restricted for occupancy by Households whose total Gross Annual Income is measured at less then 80% of the median income level established by an authorized income guideline for geographic region and family size.

"Agency" shall mean the New Jersey Housing and Mortgage Finance Agency established by L. 1983, c.530 (C.55:14K-1 et seq.)

"Agreement" shall mean this written Affordable Housing Agreement between the Township and the owner of an Affordable Housing unit which places restrictions on Affordable Housing units so that they remain affordable to and occupied by Low and Moderate Income – Eligible Households for the period of time specified in this Agreement.

"Assessments" shall mean all taxes, levies or charges, both public and private, including those charges by any condominium, cooperative or homeowner's association as the applicable case may be, imposed upon the Affordable Housing unit.

"Authority" shall mean the South Brunswick Township Affordable Housing Authority or such other administrative organization designated by municipal ordinance for the purpose of monitoring the occupancy and resale restrictions contained in this Affordable Housing Agreement. The Authority shall serve as an instrument and/or agent of the municipality in exercising the municipal rights as contained in this Agreement.

"Base Price" shall mean the initial sales price of a unit produced for or designated as owner-occupied Affordable Housing.

"Council" shall mean the Council on Affordable Housing (COAH) established pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq.

"Certified Household" shall mean any eligible Household whose estimated total Gross Annual Income has been verified, whose financial references have been approved and who has received written certification as a Low or Moderate Income –Eligible Household from the Township.

"Department" shall mean the New Jersey State Department of Community Affairs.

"Exempt Transaction" shall mean the following "non-sales" title transactions: (1) Transfer of ownership between husband and wife; (2) Transfer of ownership between former spouses ordered as a result of a judicial decree of divorce; (3) Transfer of ownership through an Executor's deed to a Class A Beneficiary; and, (4) Transfer of ownership by court order. All other title transfers shall be deemed non-exempt.

"Fair Market Price" shall mean the unrestricted price of a low or moderate income housing unit if sold at a current real estate market rate.

"First Purchase Money Mortgage" or *"First Money Mortgage"* shall mean the most senior mortgage lien to secure repayment of funds for the purpose of an Affordable Housing unit providing that such mortgage is not in excess of the applicable maximum allowable mortgage and is payable to a valid First Mortgagee.

"First Mortgagee" shall mean an institutional lender or investor, licensed or regulated by the Federal or a State government or any agency thereof, which is the holder and/or assignee of the First Purchase Money Mortgage/ First Money Mortgage.

"Foreclosure" shall mean the termination through legal processes of all rights of the mortgagor or the mortgagor's heirs, successors, assigns or grantees in a restricted Affordable Housing unit covered by a recorded mortgage.

"Gross Annual Income" shall mean the total amount of all sources of a Household's income including, but not limited to salary, wages, interest, dividends, alimony, pension, social security, business and capital gains, tips, and welfare benefits. Generally, gross annual income will be based on those sources of income reported to the Internal Revenue Service (IRS) and/or that can be utilized for the purpose of mortgage approval.

"Hardship Waiver" shall mean an approval by the Township of a non-exempt transfer of title to sell an affordable unit to a household that exceeds the income eligibility criteria after the Owner has demonstrated that no Certified Household has signed an agreement to purchase the unit. The Owner shall have marketed the unit for 90 days after a Notice of Intent to Sell has been received by the Township and the Township shall have 30 days thereafter to approve a hardship waiver. The Hardship Waiver shall permit a low income unit to be sold to a moderate income household or a moderate income unit to be sold to a household whose income is at 80% or above the applicable median income guide. The Hardship Waiver is only valid for a single sale.

"Household" shall mean the person or persons occupying a housing unit.

"Index" shall mean the measured percentage of change in the median income for a Household of four by geographic region using the income guideline approved for use by Council.

"Low Income Household" shall mean a Household whose total Gross Annual Income is equal to 50% or less of the median gross income figure established by geographic region and household size using the income guideline approved for use by Council.

"Moderate Income Household" shall mean a Household whose total Gross Annual Income is equal to more than 50% but less than 80% of the median gross income established by geographical region and household size using the income guideline approved for use by Council.

"Owner" shall mean the title holder of record as same is reflected in the most recently dated and recorded deed for the particular Affordable Housing Unit. For purposes of the initial sales or rentals of any Affordable Housing unit, Owner shall include the developer/owner of such Affordable Housing units. Owner shall not include any co-signer or co-borrower on any First

Purchase Money Mortgage/ First Money Mortgage unless such co-signer or co-borrower is also a named title holder of record of such Affordable Housing unit.

"Price Differential" shall mean the total amount of the restricted sales price that exceeds the maximum restricted resale price as calculated by the Index after reasonable real estate broker fees have been deducted. The unrestricted sales price shall be no less than a comparable fair market price as determined by the Township at the time a Notice of Intent to Sell has been received from the Owner.

"Primary Residence" shall mean the unit wherein a Certified Household maintains continuing residence for no less than nine months of each calendar year.

"Purchaser" shall mean a Certified Household who has signed an agreement to purchase an Affordable Housing Unit subject to a mortgage commitment and closing.

"Repayment" shall mean the Owner's obligation to the municipality for payment of 95% of the price differential between the maximum allowable resale price and the fair market selling price which has accrued to the Affordable unit during the restricted period of resale at the first non-exempt sale of the property after restrictions have ended as specified in the Affordable Housing Agreement.

"Repayment Mortgage" shall mean the second mortgage document signed by the Owner that is given to the municipality as security for the payment due under the Repayment Note.

"Repayment Note" shall mean the second mortgage note signed by the owner that requires the repayment to the municipality of 95% of the price differential which has accrued to the low or moderate income unit during the period of resale controls at the first non-exempt sale of the property after restrictions have ended as specified in the Affordable Housing Agreement.

"Resale Price" shall mean the Base Price of a unit designated as owner-occupied affordable housing as adjusted by the Index. The resale price may also be adjusted to accommodate an approved home improvement.

"Total Monthly Housing Costs" shall mean the total of the following monthly payments associated with the cost of an owner-occupied Affordable Housing unit including the mortgage payment (principal, interest, private mortgage insurance), applicable assessments by any homeowners, condominium, or cooperative associations, real estate taxes, and fire, theft and liability insurance.