

APPENDIX A

MANDATORY DEED FORM FOR OWNERSHIP UNITS

Deed

To State Regulated Property

With Covenants Restricting Conveyance

and Mortgage Debt

**DEED-RESTRICTED AFFORDABLE HOUSING UNIT WITH  
RESTRICTIONS ON RESALE AND REFINANCING**

THIS DEED (“Deed”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ (Grantor) and \_\_\_\_\_ (Grantee).

WITNESSETH:

Article 1. Consideration and Conveyance

In consideration for payment to the Grantor by the Grantee of \_\_\_\_\_ Dollars (\$\_\_\_\_.\_\_\_\_), the receipt of which is acknowledged by the Grantor, the Grantor hereby grants and conveys to the Grantee all of the land and improvements thereon as is more specifically described in Article 2 hereof (the “Property”).

Article 2. Description of Property

The Property consists of all of the land, and improvements thereon, situated in the municipality of \_\_\_\_\_, \_\_\_\_\_ County, New Jersey (the “Municipality”), and described more specifically as Block No. \_\_\_\_\_, Lot No. \_\_\_\_\_, and known by the street address:

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The Property is a restricted ownership unit, as that term is defined at section 2 of the Uniform Housing Affordability Controls regulations, which are codified in the New Jersey Administrative Code at N.J.A.C. 5:80-26.1 et seq. (the “UHAC Regulations”). The restricted ownership unit is a <very-low-income / low-income / moderate-income> unit as defined in the UHAC Regulations; is a(n) <efficiency / one-bedroom / two-bedroom / three-bedroom / \_\_\_\_-bedroom> unit; <is / is not> age-restricted; and <is / is not> a supportive-housing unit. The Property <includes / does not include> a restricted rental unit in addition to the restricted ownership unit, which rental unit, if included, is a \_\_\_\_-bedroom unit with an income restriction of \_\_\_\_ percent of median income in the applicable housing region, and has a targeted population of <families / senior citizens/ supportive-housing-needs persons>.

### Article 3. Grantor’s and Grantee’s Covenants

The Grantor hereby covenants and affirms that the Grantor has taken no action to encumber the Property. The Grantor and the Grantee acknowledge and agree that the restrictions, conditions, and requirements of this Deed are covenants running with the land and shall remain binding upon the Grantor, the Grantee, and upon all successors to any of their interests.

### Article 4. Affordable Housing Covenants

Sale and use of the Property are governed by the affordability controls of the UHAC Regulations, pursuant to which the following covenants (the “Covenants”) run with the land for the period of time commencing upon the earlier of (a) the date of this Deed or (b) any prior commencement of the “Control Period,” as determined in accordance with the UHAC Regulations, and terminating upon the expiration of the Control Period as provided in the UHAC Regulations. The Control Period for the Property is \_\_\_\_ years, as determined pursuant to P.L. 2024, c. 2.

A. The Property may be conveyed only to a household who has been approved in advance and, in writing, by the administrative agent for the Municipality duly appointed pursuant to the UHAC Regulations (the “Administrative Agent”).

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- B. No sale of the Property is lawful unless approved in advance and, in writing, by the Administrative Agent, and the Property may not be sold for a consideration greater than the maximum permitted price (“Maximum Resale Price” or “MRP”) as determined by the Administrative Agent pursuant to the UHAC Regulations.
- C. No refinancing, equity loan, secured letter of credit, or any other mortgage obligation or 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 approve any Debt if incurring the Debt would make the total of all Debt exceed Ninety-Five Percent (95%) of the applicable MRP.
- D. The owner of the Property shall at all times during the Control Period maintain the Property as their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year.
- E. At no time shall the owner of the Property lease or rent the Property to any person or persons, except as set forth in F below or 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 may lease the rental unit only to income-certified very-low, low-, or moderate-income households approved in advance and, in writing, by the Administrative Agent; may charge rent no greater than the maximum permitted rent as determined by the Administrative Agent pursuant to the UHAC Regulations; 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 count or configuration unless approved in advance and, in writing, by the Administrative Agent.
- H. 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 pursuant to the UHAC Regulations.

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#### Article 5. Remedies for Breach of Affordable Housing Covenants

A breach of any of the Covenants will cause irreparable harm to the public, in light of the public policies set forth in the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., the UHAC Regulations, and by the constitutional obligation for the provision of housing for low- and moderate-income individuals and families. Accordingly, and in accordance with N.J.A.C. 5:80-26.19:

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, the Municipality, and the State of New Jersey (the “State”) shall have all remedies provided at law or in equity, including, but not limited to, the right to seek injunctive relief and specific performance.

B. Upon the occurrence of a breach of any of the Covenants by the Grantee or any successor in interest or other owner of the Property, the Administrative Agent, the Municipality, and the State shall have all remedies provided at law or in equity, including, but not limited to, forfeiture, foreclosure, acceleration of all sums due under any mortgage, recoupment of any funds from a sale in violation of the Covenants, divestment of rent proceeds from illegal rentals, injunctive relief to prevent further violation of the Covenants, specific performance, and entry on the premises.

#### Article 6. Notice of Resale and Recapture Covenant

A. The owner of the Property is required to notify the Administrative Agent and the municipal housing liaison, by mail, of any intent to sell the Property at least 60 days prior to entering into an agreement for the first non-exempt sale of the Property after the termination of the Control Period, as set forth in the UHAC Regulations.

B. Pursuant to the Recapture Mortgage Note (the “Note”), upon the first non-exempt sale of the Property after the termination of the Control Period, the recapture amount, currently equal to \$\_\_\_\_\_, which

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is the difference between \$ \_\_\_\_\_, the restricted price of the Property at the time of initial sale, and \$ \_\_\_\_\_, the non-restricted, fair market value of the Property at the time of initial sale, shall be paid at closing. The Municipality may designate the Administrative Agent as the recipient of such payment on behalf of the applicable municipal affordable housing trust fund.

C. Pursuant to N.J.A.C. 5:80-26.6(d)iv, the final recapture amount will be determined upon exit sale, and will be equal to the difference between the restricted price of the Property at the time of the exit sale and the contract price at the exit sale of the Property, minus reasonable real estate broker fees (the “price differential”) minus the product of the price differential and the equity share, with the equity share being the whole number of years that have elapsed since the last non-exempt sale of the Property, divided by 100, except that the equity share may not be less than five percent and may not exceed 30 percent (the “equity share amount”). At its sole discretion, the Municipality may determine, by ordinance, another final recapture amount, which must be less than the price differential minus the equity share amount.

D. Such non-exempt sale is subject to the conditions set forth at N.J.A.C. 5:80-26.6. Failure of the owner or any subsequent owner to fully comply with all of the foregoing requirements will not result in a release or waiver of the requirements and/or restrictions.

EXECUTION BY GRANTOR

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

\_\_\_\_\_

Signed, sealed and \_\_\_\_\_ [seal]

delivered in the  
presence of or attested  
by:

\_\_\_\_\_ [seal]

\_\_\_\_\_ [seal]

\_\_\_\_\_ [seal]

CERTIFICATE OF ACKNOWLEDGEMENT BY INDIVIDUAL

State of New Jersey, County of \_\_\_\_\_

I am either (check one) \_\_\_\_\_ a Notary Public or \_\_\_\_\_ a \_\_\_\_\_, an officer authorized to take acknowledgements and proofs in the State of New Jersey. I sign this acknowledgement below to certify that it was executed before me. On this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_ appeared before me in person. *(If more than one person appears, the words "this person" include all persons named who appeared before the officer making this acknowledgement.)* I am satisfied that this person is the person named in and who signed this Deed.

This person also acknowledged that the full and actual consideration paid or to be paid for the transfer of title to the Property evidenced by this Deed, as such consideration is defined in P.L. 1968, c. 49, sec. 1(c), is \$ \_\_\_\_\_.

\_\_\_\_\_  
*Officer's signature: Sign above, and print  
stamp or type name below*

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CORPORATE PROOF BY SUBSCRIBING WITNESS

State of New Jersey, County of \_\_\_\_\_

I am either (check one) \_\_\_\_\_ a Notary Public or \_\_\_\_\_ a \_\_\_\_\_, an officer authorized to take acknowledgements and proofs in the State of New Jersey. On this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_ (hereinafter the "Witness") appeared before me in person. The Witness was duly sworn by me, and under oath stated and proved to my satisfaction that:

1. The Witness is the \_\_\_\_\_ secretary of the corporation which is the Grantor described as such in this Deed (the "Corporation").

2. \_\_\_\_\_, the officer who signed this Deed is the (*title*) \_\_\_\_\_ of the Corporation (the "Corporate Officer").

3. The making, signing, sealing, and delivery of this Deed have been duly authorized by a proper resolution of the Board of Directors of the Corporation.

4. The Witness knows the corporate seal affixed to this Deed by the Corporate Officer is the corporate seal of the Corporation. The Corporate Officer signed and delivered this Deed as and for the voluntary act and deed of the Corporation. All this was done in the presence of the Witness, who signed this Deed as attesting witness. The Witness signs this proof to attest to the truth of these facts.

The Witness also acknowledges that the full and actual consideration paid or to be paid for the transfer of title to the Property evidenced by this Deed, as such consideration is defined in P.L. 1968, c. 49, sec. 1(c), is \$\_\_\_\_\_.

Sworn and signed before me on the date above written:

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*Witness: Sign above and print or type name below*

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*Officer's signature: Sign above, and print stamp or type name below*

Attach legal description of Property as Exhibit A

Note: If the Grantor is a limited liability company or partnership, the above jurat may be adjusted accordingly, whereby the authorized managing member or authorized partner shall be appropriately identified and whose signature must be acknowledged.