

APPENDIX B

MANDATORY DEED FORM FOR OWNERSHIP OF 95/5-RESTRICTED UNITS

Deed

To State Regulated Property

With Covenants Restricting Conveyance

and Mortgage Debt—With 95/5 Recapture

**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).

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: _____

_____. The

Property is a restricted ownership unit, as that term is defined at section 2 of the Uniform Housing

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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 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. The Administrative Agent may not 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.

Article 5. Remedies for Breach of Affordable Housing Covenants

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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, 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, 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, Recapture Covenant, and 95/5 Purchase Options

A. The owner of the Property is required to notify the Administrative Agent and the municipal housing liaison, as defined at N.J.A.C. 5:80-26.2, by certified mail, return receipt requested, and by email of any intent to sell the Property at least 90 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, as in effect at the time the Property was first restricted as part of the affordable housing program.

B. Upon the first non-exempt sale of the Property, Ninety-Five Percent (95%) of the difference between (i) the actual sale price and (ii) the regulated maximum sale price that would be applicable were the Control Period still in effect, or another amount less than the Ninety-Five-Percent difference, determined by an ordinance of the Municipality, shall be paid at closing to the Administrative Agent, as receiving agent for the applicable municipal affordable housing trust fund.

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C. Such non-exempt sale is subject to the options provided for at N.J.A.C. 5:80-26.21 (95/5 restrictions) and 5:80-26.22 (Seller option on 95/5 restricted units). 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 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 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 _____

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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

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____, _____ (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 that is the Grantor described as such in this Deed (the "Corporation").

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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 realty 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:

Witness: Sign above and print or type name below

Corporate Officer’s signature: Sign above, and print stamp or type name below

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

ATTACH LEGAL DESCRIPTION OF PROPERTY AS EXHIBIT A