

Piscataway 1986

4/2

Cover letter

Attch: Initial Draft of Proposed Affordable Housing Plan for Canterbury

Pgs. 23

CA000 P63 P
883
878

ABRAMS, BLATZ, DALTO, GRAN, HENDRICKS & REINA

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

1550 PARK AVENUE

POST OFFICE DRAWER D

SOUTH PLAINFIELD, NEW JERSEY 07080

NORMAN J. ABRAMS
 FRANK H. BLATZ, JR.
 (N.J. AND FLA. BARS)
 ANGELO H. DALTO
 HOWARD GRAN
 ROBERT E. HENDRICKS
 C. DOUGLAS REINA

 JANE D. CASTNER
 WILLIAM J. JOHNSON

(201) 754-9200

(201) 757-4488

(201) 756-1000

2 April 1986

BOUND BROOK OFFICE
 ROBERT E. HENDRICKS
 RESIDENT PARTNER
 (201) 356-9400

PLEASE REFER TO
 FILE NO.

3-100-18545

Chris A. Nelson, Esq.
 Venezia & Nolan
 306 Main Street
 Woodbridge, NJ 07095

Re: Canterbury - Piscataway, NJ

Dear Mr. Nelson:

We herewith enclose a copy of the initial draft of the proposed Affordable Housing Plan for Canterbury.

In view of the fact that we are awaiting certain confirmations from the Army Corps of Engineers which will affect the total number of units and, consequently, the number and location of the Mt. Laurel units, we have omitted certain very important schedules. However, we thought it best that each of you has the opportunity to review the plan at this time with the understanding that this important information, as well as additional exhibits, will be forthcoming.

Very truly yours,

Howard Gran

HG:rls
 encl.

✓cc: Eric R. Neisser, Esq. [w/encl]
 Constitutional Litigation Clinic
 Rutgers School of Law

cc: Phillip Lewis Paley, Esq. [w/encl]

cc: Piscataway Twp. Affordable Housing Advisory Commission [w/encl]

cc: Mr. David Lackland [w/encl]

**AFFORDABLE HOUSING PLAN
FOR CONDOMINIUMS AT
CANTERBURY IN PISCATAWAY TOWNSHIP**

1. INTRODUCTION

The enclosed plan represents an effort for the Township of Piscataway and the Developer, Lackland Brothers, to create an opportunity for low and moderate housing as mandated by Mt. Laurel II.

Section 21-1011 of the Zoning Ordinance legislatively addresses the low and moderate housing needs by permitting an additional two units per acre for such uses within the development in specifically zoned areas of the community.

Lackland Brothers is proposing within its development (Exhibit A) a total of 171 Affordable Condominiums consisting of 86 Moderate Income units and 85 Low Income units. The plan discloses the mechanism required to provide these units. In order for the plan to meet its desired goals, it must blend the economic interest of the developer by limiting its losses, the ability of low income families to buy units and the realities of the mortgage market. Therefore, any such plan must include the input of the municipality in the form of the Affordable Housing Advisory Commission, the National Committee Against Discrimination in Housing and the Federal National Mortgage Association (FNMA).

The plan, in essence, will restrict the units to ownership and occupancy by lower income families. These units, both initially and upon resale, will be restricted for these purposes. The responsibility for enforcing the plan and controlling resales will be with the Affordable Housing Advisory Commission of Piscataway. This will insure that the affordability for lower income families is preserved.

In addition, the deed conveying title of these affordable units will contain a restrictive covenant running with the title to the land specifically referring to the Affordable Housing Plan. The Master Deed for the entire development will contain an appropriate reference to the Affordable Housing Plan and these units.

These units and every other unit in the development will be part of a condominium association with the same rights, duties, privileges and obligations. The affordable housing units will have a reduced assessment. These units will be interspersed with the other units in each of the five villages. Their construction and design will be similar to and blend with the other units. The condominium association will maintain a reserve for capital improvements and be responsible for general upkeep and maintenance insuring an attractive environment and a stable tax rateable.

The plan will include provisions for compliance with FNMA guidelines, expiration dates for termination of these restrictions under specific circumstances, disposition of unsold units and procedures for saving units from foreclosure.

In the past year Piscataway Township has experienced its initial development incorporating affordable housing and has accepted an Affordable Housing Plan for that development. The municipality has also created an Affordable Housing Advisory Commission which has become a participant in the process of securing and maintaining a viable affordable housing program.

The foregoing represents only an overview of the Affordable Housing Plan which is aimed at meeting the needs of the community, low income families and the developer in creating affordable, attractive, quality housing in Piscataway Township.

2. DEFINITIONS

Words of any gender used in this Plan shall be held to include any other gender and words in the singular number shall be held to include the plural, when required. For purposes of this Plan the following terms shall apply:

2.01 AFFORDABLE: The Lower Income Purchaser shall not be required to spend more than 28% of its Gross Aggregate Family Income at time of purchase of an Affordable Condominium for the Total Monthly Housing Costs as same are determined under any type of mortgage, including but not limited to fixed rate, adjustable rate, graduated payment adjustable rate, growing equity, etc., including any mortgage under mortgage programs being offered under FNMA, VA, FHA, FMAC, NJMFA, etc. Affordable shall further be defined to reflect the requirement that Lackland Brothers shall limit the purchase prices of the 86 Moderate Income Condominiums so that the Total Monthly Housing Cost of the Moderate Income Condominium is Affordable to a Moderate Income Family. Affordable shall be further defined to reflect the requirement that Lackland Brothers shall limit the purchase prices of the Low Income Condominiums so that the Total Monthly Housing Cost of the Low Income Condominium is Affordable to a Low Income Family.

The following procedure shall apply to the determination of Affordable sales prices not only with respect to sales by Lackland but with respect to all future sales of these Affordable Condominiums:

2.01(A) With respect to determining Affordable sales prices of the 86 Moderate Income Condominiums:

(1) A preliminary sales price shall be calculated for the moderate income categories so that the sum of the monthly principal (assuming a 10% downpayment), interest (utilizing the assumed or appropriate interest rate), private mortgage insurance, applicable homeowners association dues, property taxes and fire, theft and liability insurance does not exceed 28% of the moderate income ceiling which is 80% of the median income for the Moderate Income Family for the region. For purposes of calculating the maximum affordable sales prices, the interest rate to be used for calculating the sales prices regardless of the specific mortgage rate of any individual purchaser shall be assumed to be the greater of (1) the current index of one year United States Treasury Bills plus two percentage points, or (2) two percentage points less than the best available fixed payment rate mortgage. The sales prices shall be recalculated and adjusted quarterly to reflect changes in the one year Treasury Bill index and/or changes in available fixed rate mortgages. In the event that the developer obtains prior to offering an Affordable Condominium in Canterbury for sale a commitment for 30 year fixed payment rate mortgages in sufficient quantity to provide mortgage financing for all the Affordable Condominiums to be included within Canterbury remaining to be sold, the payment rate of the 30 year fixed payment rate mortgage shall be used for purposes of calculating the maximum sales price even if such rate is lower than either the current index of one year United States Treasury Bills plus two percentage points or two percentage points less than the best available 30 year fixed payment rate mortgage program. For initial sales the rate of the best available 30 year fixed rate mortgage shall be established by reference to the Affordable Housing Commission and shall be established by a certification from the Commission. In the event that the developer or another entity shall provide other than 30 year fixed payment rate mortgage financing for the Affordable Condominiums in Canterbury, the payment rate during the first year of the mortgage shall be used for purposes of calculating the Affordable Sales Prices so long as the payment rate does not increase by more than 5% each year during each of the first five years of the mortgage. If, however, the payment rate increases by more than 5% in any of the first five years of the mortgage,

then for purposes of calculating the Affordable Sales prices, the average payment rate during the first five years of the mortgage shall be used.

(2) The final sales prices of the Moderate Income Condominium shall be calculated so that the sales prices shall be set at 90% of the preliminary sales prices calculated pursuant to Subsection (A) above.

(3) For the purposes of determining sales prices of the 86 Moderate Income Condominiums being constructed in Canterbury, a Family size of 3 persons shall be used for the 2 bedroom Moderate Income Condominiums and a Family size of 5 persons shall be used for the 3 bedroom Moderate Income Condominiums in conjunction with the following table containing the maximum preliminary sales prices and actual final sales prices based upon Family Income limits of \$22,842 for a family of 3 and \$26,978 for a family of 5 for the P.M.S.A. for Piscataway as of May 11, 1984. Both of these Income Limits are 94% of the actual respective Income Limits. (This table shall be updated annually on July 31st to reflect changes in the median income and such updates shall be used by both Lackland Brothers and the Commission as a guide for determining affordable sales prices of the 85 Moderate Income Condominiums in Canterbury:

2.01(B) With respect to determining Affordable rental charges of the 86 Moderate Income Condominiums:

If the applicable interest rate increases beyond 14%, Lackland shall have the option of either reducing the actual selling price so as to comply with the affordability standards set forth in this Plan or to rent any unsold Moderate Income Condominiums to Moderate Income Families at Affordable rental charges. The following procedure shall apply to the determination of Affordable rental charges:

(1) A preliminary rental charge shall be calculated for Moderate Income Families so that the monthly rental, including utilities, does not exceed 30% of the moderate income ceiling.

(2) The final rental charges shall be calculated so that the rental charges of any unsold Moderate Income Condominiums are 90% of the preliminary rental charges calculated pursuant to Subsection (A) above.

(3) For the purposes of determining the rental charges of any unsold Moderate Income Condominiums, a family of 3 persons shall be used for the 2 bedroom Moderate Income Condominiums and a Family size of 5 persons shall be used for the 3 bedroom Moderate Income Condominiums in conjunction with the following table containing the maximum (preliminary) rental charges and the actual (final) rental charges based on Family Income limits of \$22,842 for a family of 3 and \$26,978 for a Family of 5 for the P.M.S.A. of Piscataway as of May 11, 1984. Both of these Income Limits are 94% of the actual respective Income Limits. (This table shall be updated annually on July 31st to reflect changes in the median income and such updates shall be used by both Lackland Brothers and the Commission as a guide for determining affordable rental charges for any unsold Moderate Income Condominiums in Canterbury:

(4) If the developer elects to rent any unsold Moderate Income Condominiums as permitted under this subsection, the Commission shall have the right to verify that the actual rental charge for such unit does not exceed the parameters set forth in Subsection (3) above. The developer may rent such units until the later of the following events: (1) the time at which the developer is able to sell such Moderate Income Condominiums in compliance with the provisions of this Plan utilizing an interest rate equal to or less than 14% and (2) the expiration date of any lease of a Moderate Income Condominium.

2.01(C) With respect to determining Affordable sales prices of the 85 Low Income Condominiums:

(1) A preliminary sales price shall be calculated for the low income categories so that the sum of the monthly principal (assuming a 10% downpayment), interest (utilizing the assumed interest rate) and private mortgage insurance, applicable homeowners Association dues, property taxes and fire, theft and liability insurance does not exceed 28% of the low income ceiling which is 50% of the Median Income for the Low Income Family for the region. For purposes of calculating the maximum affordable sales prices, the interest rate to be used for calculating the sales prices regardless of the specific mortgage rate of any individual purchaser shall be assumed to be the greater of (1) the current index of one year United States Treasury Bills plus two percentage points, or (2) two percentage points less than the best available fixed payment rate mortgage. The sales prices shall be recalculated and adjusted quarterly to reflect changes in the one year Treasury Bill index and/or changes in available fixed rate mortgages. In the event that the developer obtains prior to offering an Affordable Condominium in Canterbury for sale a commitment for 30 year fixed payment rate mortgages in sufficient quantity to provide mortgage financing for all the Affordable Condominiums to be included within Canterbury remaining to be sold, the payment rate of the 30 year fixed payment rate mortgage shall be used for purposes of calculating the maximum sales price even if such rate is lower than either the current index of one year United States Treasury Bills plus two percentage points or two percentage points less than the best available 30 year fixed payment rate mortgage program. For initial sales, the rate of the best available 30 year fixed rate mortgage shall be established by reference to the Affordable Housing Commission and shall be established by a certification from the Commission. In the event that the developer or another entity shall provide other 30 year fixed payment rate mortgage financing for the Affordable Condominiums in Canterbury, the payment rate during the first year of the mortgage shall be used for purposes of calculating the Affordable Sales Prices so long as the payment rate does not increase by more than 5% each year during each of the first five years of the mortgage. If, however, the payment rate increases by more than 5% in any of the first five years of the mortgage, then for purposes of calculating the Affordable Sales prices, the average payment rate during the first five years of the mortgage shall be used.

(2) The final sales prices of the Low Income Condominium shall be calculated so that the sales prices shall be set at 90% of the preliminary sales prices calculated pursuant to Subsection (A) above.

(3) For the purposes of determining sales prices of the Low Income Condominiums being constructed in Canterbury, a Family size of 3 persons shall be used for the 2 bedroom Low Income Condominiums and a Family size of 5 persons shall be used for the 3 bedroom Low Income Condominiums in conjunction with the following table containing the maximum preliminary sales prices and actual final sales prices based on Family Income limits of \$14,290 for a Family of 3 and \$17,108 for a family of 5 for the P.M.S.A. of Piscataway as of May 11, 1984. Both of these Income Limits are 94% of the actual respective Income Limits. (This table shall be updated annually on July 31st to reflect changes in the Median Income and such updates shall be used by both Lackland Brothers and the Commission as a guide for determining affordable sales prices of the 85 Low Income Condominiums in Canterbury):

2.01(D) With respect to determining Affordable rental charges for the 85 Low Income Condominiums:

If the applicable interest rate increases beyond 14%, Lackland Brothers shall have the option of either reducing the actual selling price so as to comply with the affordability standards set forth in this Plan or to rent any unsold Low Income Condominiums to Low Income Families at Affordable rental charges. The following procedure shall apply to the determination of Affordable rental charges:

(1) A preliminary rental charge shall be calculated for Low Income Families so that the monthly rental, including utilities, does not exceed 30% of the low income ceiling.

(2) The final rental charges shall be calculated so that the rental charges of any unsold Low Income Condominiums are 90% of the preliminary rental charges calculated pursuant to Subsection (A) above.

(3) For the purpose of determining the rental charges of any unsold Low Income Condominiums, a family of 3 persons shall be used for the 2 bedroom Low Income Condominiums and a Family size of 5 persons shall be used for the 3 bedroom Low Income Condominiums in conjunction with the following table containing the maximum (preliminary) rental charges and the actual (final) rental charges based on Family Income limits of \$14,290 for a Family of 3 and \$17,108 for a family of 5 for the P.M.S.A. of Piscataway as of May 11, 1984. Both of these Income Limits are 94% of the actual respective Income Limits. (This table shall be updated annually on July 31st to reflect changes in the median income and such updates shall be used by both Lackland Brothers and the Commission as a guide for determining affordable rental charges for any unsold Low Income Condominiums in Canterbury):

(4). If the developer elects to rent any unsold Low Income Condominiums as permitted under this subsection, the Commission shall have the right to verify that the actual rental charge for such unit does not exceed the parameters set forth in Subsection (3) above. The developer may rent such units until the later of the following events: (1) the time at which the developer is able to sell such Low Income Condominiums in compliance with the provisions of this Plan utilizing an interest rate equal to or less than 14%, and (2) the expiration date of any lease of a Low Income Condominium.

2.02 AFFORDABLE CONDOMINIUM: A condominium at Canterbury which has been designated as either a Low Income Condominium or a Moderate Income Condominium, as the case may be, pursuant to this Plan.

2.03 ASSESSMENTS: Levies, charges or assessments both public and private, including those imposed by the Association, upon the condominium units which are part of the Association.

2.04 ASSOCIATION: Canterbury Condominium Association, Inc., its successors and assigns as same is defined in the Master Deed and Declaration.

2.05 COMMISSION: The Affordable Housing Advisory Commission of the Township of Piscataway or any successor duly authorized to carry out the powers and responsibilities of the Commission.

2.06 FAMILY: All persons living as a single non-profit housekeeping unit whether or not same are related by blood, marriage or otherwise. "Family" shall further be defined in accordance with Chapter 21, Section 3(b)(29) of the Zoning Ordinance of the Township of Piscataway. Family shall also be synonymous with "Household."

2.07 FIRST PURCHASE MONEY MORTGAGE: The first and paramount mortgage lien to secure repayment of funds for the purchase of an Affordable Condominium or the holder and assigns of such most senior mortgage holder. Such mortgages must be an institutional lender or investor, licensed or regulated by a State or Federal government or an agency thereof.

2.08 FORECLOSURE: The termination of all rights of the mortgagor or the mortgagor's assigns or grantees in an Affordable Condominium covered by a recorded mortgage through legal process or through a Deed in Lieu of Foreclosure which has been executed and delivered prior to a judicially-regulated sale. Foreclosure shall not take place before the exhaustion of remedies as set forth in this Declaration.

2.09 GROSS AGGREGATE FAMILY INCOME: The total annual Income from all sources of all members of the Household or Family, as determined and adjusted in accordance with the rules and regulations promulgated by the Commission.

2.10 IMPROVEMENT: Additions within an Affordable Condominium, including materials, supplies, appliances or fixtures which become a permanent part of, or affixed to, an Affordable Condominium.

2.11 INCOME: All income from any source whatsoever, including compensation for services, interest, rents, dividend and gains from the sale of property, pension benefits and government benefits.

2.12 LOW INCOME CONDOMINIUM: A condominium unit which is Affordable to a Low Income Family.

2.13 LOW INCOME FAMILY: A Family whose Gross Aggregate Family Income does not exceed the income limits established by the Township of Piscataway and the Commission. A Family whose Gross Aggregate Family Income is not greater than 50% of the Median Income of the P.M.S.A. with adjustments for smaller and larger Families. The Commission shall, from time to time, determine the Median Income standards to be applied to any specific Family seeking to purchase a Low Income Condominium. The Affordable Housing Advisory Commission shall qualify prospective purchasers of the Low Income Condominiums as Low Income Families prior to selling a Low Income Condominium to the prospective purchaser.

2.14 LOW INCOME PURCHASER: A Low Income Family purchasing either a Low Income Condominium or a Moderate Income Condominium as the case may be.

2.15 LOWER INCOME CONDOMINIUM: Same as an Affordable Condominium.

2.16 LOWER INCOME FAMILY: A Family which is either a Low Income Family or a Moderate Income Family as the case may be.

2.17 LOWER INCOME PURCHASER: A purchaser of an Affordable Condominium which is either a Low Income Purchaser or a Moderate Income Purchaser as the case may be.

2.18 MARKET CONDOMINIUM: Any condominium in Canterbury which is not designated an Affordable Condominium.

2.19 MASTER DEED: The Master Deed and Declaration of Restrictive and Protective Covenants, including Bylaws and Rules and Regulations for Canterbury in Piscataway Township, to be recorded in the Office of the Clerk of Middlesex County, and any proper amendments thereto.

2.20 MEDIAN INCOME: Shall mean and refer to the annual median family income figure for the P.M.S.A. comprising of Hunterdon, Somerset and Middlesex Counties, New Jersey, as computed, published and adjusted for household size by the United States Department of Housing and Urban Development or such successor figure as shall be prepared and so adjusted by an entity or entities of the Federal Government, or such area or such figure that may be accepted pursuant to order by a court of competent jurisdiction for the purpose of establishing Median Family Income to determine housing price levels.

2.21 MODERATE INCOME CONDOMINIUM: A Unit which is Affordable to a Moderate Income Family and which is approved or constructed pursuant to the Township Ordinances to provide housing for Families of Low or Moderate Income. Nothing in this Affordable Housing Plan shall prohibit Canterbury or subsequent owners of a Moderate Income Condominium from selling a Moderate Income Condominium to a Low Income Family; however, the sales price of the Moderate Income Condominium need remain Affordable only to Moderate Income Families.

2.22 MODERATE INCOME FAMILY: A Family whose Gross Aggregate Family Income does not exceed the Income limits established by the Township of Piscataway and the Commission. A Family whose Gross Aggregate Income is no greater than 80% and no less than 50% of the Median Income of the P.M.S.A. with adjustments for smaller and larger Families. The Commission shall, from time to time, determine the Median Income standards to be applied to any specific Family seeking to purchase a Moderate Income Condominium. The Commission shall qualify prospective purchasers of a Moderate Income Condominium as Moderate Income Families prior to selling a Moderate Income Condominium to the prospective purchaser.

2.23 MODERATE INCOME PURCHASER: A Moderate Income Family purchasing a Moderate Income Condominium.

2.24 OWNER: The current title holder of record of an Affordable Condominium. Owner shall refer to and mean the title holder of record as same is reflected in the most recently dated and recorded deed for a particular Affordable Condominium. For purposes of the initial sales of the Affordable Condominiums, Owner shall include Lackland Brothers, Inc. Ownership of a Condominium Unit shall be deemed to be acceptance and ratification of this Plan and all its provisions. Where appropriate, the term Owner shall also mean and refer to a person who occupies a Unit as a tenant.

2.25 QUALIFIED PURCHASER: Shall mean and refer to a person who, pursuant to this Plan: (1) submits an Application for Certification as a Qualified Purchaser to the Agency; (2) whose Gross Aggregate Family Income at the time of proposed purchase of an Affordable Condominium is within Low or Moderate Income Levels, as these Income Levels are defined herein; and (3) who obtains Certification as a Qualified Purchaser of an Affordable Condominium from the Commission pursuant to the rules and regulations of the Commission. Once a Qualified Purchaser becomes an Owner of an Affordable Condominium in accordance with the provisions of this Plan, any increase or decrease in the Gross Aggregate Family Income of such Owner shall not affect ownership rights, privileges or obligations of such Owner. The term "Qualified Purchaser" shall also include a person or family who occupies the Unit on a rental basis, subject to the qualifications and conditions stated above and elsewhere herein. Any person who submits false information in support of an application for certification and who subsequently receives such certification and either title to a Unit as Owner or possession of a Unit as tenant shall be deemed to have violated the provisions of this Plan and any interest in such unit shall be subject to forfeiture pursuant to the provisions of Paragraph 10 of this Plan.

2.26 REGION: "Area" or "Region" for purposes of determining the Median Income Limits used for the purpose of calculating the maximum selling prices and rents of the Affordable Condominiums shall be the eleven (11) county regions consisting of Bergen, Passaic, Sussex, Morris, Essex, Hudson, Warren, Hunterdon, Somerset, Union and Middlesex Counties of the State of New Jersey. For the purpose of calculating the sales prices of the Affordable Condominiums, the Regional Median Income of the P.M.S.A. as defined in Paragraph 2.20. For purposes of income qualifications of Qualified Purchasers, the Regional Median Income shall be equal to 100% of the applicable Median Income Limits of the P.M.S.A. as defined in Paragraph 2.20. The Median Income of the eleven county region shall be recalculated annually on July 31st of each year if official adjustments have not been made in the P.M.S.A. Median Income.

2.27 **STRUCTURE:** Any structure having a roof supported by columns or by walls and intended for the shelter, housing or enclosure of any person.

2.28 **TOTAL MONTHLY HOUSING COSTS:** The total of the following monthly payments associated with the cost of the housing: mortgage payment (principal, interest, private mortgage insurance), applicable Assessments by the Association, real estate taxes, and fire, theft and liability insurance.

2.29 **UNIT:** An Affordable Condominium or a Market Condominium as the case may be. Shall be synonymous with "Condominium Unit."

2.30 **LOCATION:** Lacklack Brothers shall sell or rent a total of 171 Affordable Condominiums to Lower Income Families, 86 Units to Moderate Income Families and 85 Units to Low Income Families, in accordance with the provisions of this Plan. Lackland will designate the location of these Affordable Condominiums on building plans prior to application for building permits for an individual building.

3. FLOOR PLANS

The Affordable Condominiums shall consist of at least the floor plans described as follows:

The Affordable Condominiums actually constructed will be substantially similar to those shown in Exhibits and . Lackland shall have the right to add additional floor plans or modify such plans provided they meet the criteria and provisions set forth in this Plan and the Commission is notified in writing of any modification involving change in the number of bedrooms within the unit. Further, if any unit provides other than two bedrooms, the qualifications of any purchaser and the affordable sales price or rental charge shall be calculated according to the Affordable Housing Ordinance criteria.

4. MEMBERSHIP IN ASSOCIATION

Each Affordable Condominium shall be located within Canterbury and shall be part of the Association. Each shall be subject to the Declaration of Covenants and Restrictions as provided in each Deed.

5. PHASING

Lackland shall provide Affordable Condominiums throughout the project in a controlled phased manner as follows:

Phase I (Village I) - Development, construction and sale of units consisting of Market Units and Affordable Condominium Units.

Phase II (Village II) - Development, construction and sale of units consisting of Market Units and Affordable Condominium Units.

Phase III (Village III)-Development, construction and sale of units consisting of Market Units and Affordable Condominium Units.

Phase IV (Village IV)- Development, construction and sale of units consisting of Market Units and Affordable Condominium Units.

Phase V (Village V) - Development, construction and sale of units consisting of Market Units and Affordable Condominium Units.

6. AFFORDABLE HOUSING ADVISORY COMMISSION

The Township of Piscataway has, by Ordinance, established an Affordable Housing Advisory Commission whose purpose is to administer the provisions of this Plan to original purchasers, and to structure and enforce the mechanism and criteria for the determination of who are Lower Income Purchasers constituting Qualified Purchasers at time of resale and for determining the allowable resale and rental prices of Affordable Condominiums. The Ordinance shall establish the standards which the Agency shall apply, and the Agency shall, by rules and regulations, establish the details of the application of such standards to resales of Affordable Condominiums, and to the determination of the Lower Income Purchasers constituting Qualified Purchasers in accordance with the terms and provisions of the Affordable Housing Plan.

The standards shall restrict the resales of Affordable Condominiums to prices which are Affordable to Lower Income Families and shall further restrict the installation of Improvements or amenities within or as a part of Affordable Condominiums which would unduly increase the resale prices of such Affordable Condominiums above the amounts considered as Affordable to Lower Income Families as prescribed by the terms of this Plan and as determined by the Commission.

7. PRIORITY ELIGIBILITY REQUIREMENTS

In addition to meeting income eligibility guidelines, prospective purchasers of affordable housing units shall be selected according to the priority as may be established by the Township or the Commission.

8. MASTER DEED PROVISIONS

The Master Deed and Declaration of Covenants and Restrictions for the Condominium Association shall include the following section which specifically addresses Affordable Condominiums and the restrictions on resale of said Condominiums which shall be imposed upon their Owners, the terms of which shall also be a part of and incorporated into the Affordable Housing Plan. The Declaration of Covenants and Restrictions shall bear the following provision and the restrictions contained therein shall apply to all Affordable Condominiums:

Canterbury consists of 854 residential dwellings, including 171 residential dwellings known as Affordable Condominiums which are subject to an Affordable Housing Plan. In an effort to satisfy a portion of its

Assessment which would have been levied upon all Condominium Units in Canterbury had such Assessment been allocated equally to each and every Condominium Unit both Market and Affordable. Commencing upon the date upon which the provisions of this Plan expire or terminate as to Affordable Condominium, that Affordable Condominium shall be assessed and shall pay assessments in the same manner as a Market Unit. At no time shall the Association levy an Assessment upon an Affordable Condominium for an Association expense for which Market Condominiums are not also being assessed, except as may be provided in the Affordable Housing Plan.

Owners of Affordable Condominiums shall not convey title to or by lease or otherwise, deliver possession of the Affordable Condominiums other than in accordance with the Affordable Housing Plan and Commission regulations. The Association shall have no responsibility whatsoever for implementing, enforcing or supervising the Affordable Housing Plan. The fair market value of the Affordable Condominiums in the event that the Association elects not to rebuild, with respect to Paragraph of the Master Deed entitled "Restoration and Replacement of Condominium in Event of Fire, Casualty or Obsolescence," and the provisions of Sections and of Article of the Bylaws, shall be determined in accordance with the provisions of this Plan and shall be limited to the purchase price paid for Affordable Condominium by the Owner increased by a percentage increase based upon the CPI (New York City-Northeastern New Jersey-all items) increase. The Association shall carry insurance coverage upon the Affordable Condominiums equal to the replacement cost of such unit in the event of total destruction and such units shall be rebuilt and replaced and subject to the provisions of this Plan in the event the Association elects to rebuild. If the Association elects not to rebuild or dissolve as provided in the Master Deed, then the 171 Affordable Condominiums shall be forever released from the restrictions and requirements of the Affordable Housing Plan.

The terms, restrictions, provisions and covenants of the Affordable Housing Plan, and the provisions of the Master Deed referring to and incorporating the Affordable Housing Plan, shall automatically expire and terminate at the earliest of the following: (1) thirty (30) years from the date of the Affordable Housing Plan; and (2) the date upon which the right of redemption expires with respect to the Foreclosure of the First Purchase Money Mortgage lien upon an Affordable Condominium by the first mortgagee of the Affordable Condominium as the Plan applies to the specific unit which is subjected to a foreclosure pursuant to this provision; and (3) the date upon which the Association dissolves or ceases to exist for any reason for any period of time in which case a document certifying same shall be duly recorded with the Recorder of Middlesex County.

Neither the Developer, the Owner, the Association nor the Commission shall amend or alter the provisions of this paragraph, or Plan, without first obtaining the approval of both the Commission and the Planning Board of the Township of Piscataway. Any such approved amendments or modifications of this Plan shall be in writing and shall contain proof of Planning Board approval and shall not be effective unless and until recorded with the Middlesex County Clerk.

9. COVENANTS RUNNING WITH LAND

The provisions contained herein shall constitute covenants running with the land with respect to each Affordable Condominium affected hereby, and shall bind all purchasers of each such Unit, their heirs, assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns. However, said covenants shall automatically expire and terminate at the earliest of the following: (1) thirty (30) years from the date hereof; and (2) the date upon which the event set forth in Paragraph hereinafter shall occur; and (3) the date upon which the Association dissolves or ceases to exist for any period of time for any reason, in which case, an instrument executed by the Association evidencing same must be duly recorded with the Office of the Clerk of Middlesex County.

10. DISCLOSURE STATEMENTS

Lackland shall provide Disclosure Statements as shown in Exhibit to all initial purchasers of Affordable Condominiums prior to the execution of any contract of sale. All Owners of Affordable Condominiums shall provide copies of such Disclosure Statements to subsequent buyers prior to execution of contracts for sale with such buyers. In addition, Lackland shall provide to the initial Owner of an Affordable Condominium, who (as well as all future Owners) in turn, shall provide to prospective buyers, copies of the Ordinance creating the Commission, together with copies of existing regulations promulgated by the Commission and a copy of this Affordable Housing Plan together with any duly approved and recorded amendments at the time the contract of sale is executed and delivered to the prospective purchaser.

11. RESTRICTIONS ON USE

Every purchaser or tenant of a Lower Income Unit shall use it for his own primary residence and shall certify on a form prescribed by the Commission that he is acquiring or leasing the Unit as his or his family's primary place of residence.

12. EXEMPTIONS - LOW INCOME CONDOMINIUMS

Under certain circumstances, the Commission shall declare that the sale, resale or rental of a Low Income Condominium is exempt from the restriction of sale, resale or rental only to a Low Income Family Qualified Purchaser. If no Low Income Family as a Qualified Purchaser of a Low Income Condominium has signed a contract to purchase a particular Low Income Condominium within sixty (60) days of the developer's receipt of the certificate of occupancy for that Low Income Condominium, or within one-hundred twenty (120) days of the date upon which the Non-developer Owner of the Low Income Condominium notified the Commission that the Low Income Condominium is on the market available for resale, the Commission shall declare the resale of the Low Income Condominium exempt from the restriction of sale, resale or rental to a Low Income Family and shall permit the resale of the Low Income Condominium to a Moderate Income Family.

If the applicable mortgage Interest Rate has risen above 14% and no Low Income Family has signed the lease agreement to rent a particular Low Income Condominium within 90 days of the date upon which Lackland notified the Commission that it has been attempting to rent such Low Income Condominiums pursuant to the terms of this Plan, or if the Commission, in its sole and complete discretion finds it prudent and consistent with the intent and purpose of this Plan, the Commission shall, pursuant to this section, exempt such Low Income Condominium from the restriction of rental to a Low Income Family and shall permit the rental of the Low Income Condominium to a Moderate Income Family subject to the same terms and conditions as are applicable to a Low Income Family.

Assessment which would have been levied upon all Condominium Units in Canterbury had such Assessment been allocated equally to each and every Condominium Unit both Market and Affordable. Commencing upon the date upon which the provisions of this Plan expire or terminate as to Affordable Condominium, that Affordable Condominium shall be assessed and shall pay assessments in the same manner as a Market Unit. At no time shall the Association levy an Assessment upon an Affordable Condominium for an Association expense for which Market Condominiums are not also being assessed, except as may be provided in the Affordable Housing Plan.

Owners of Affordable Condominiums shall not convey title to or by lease or otherwise, deliver possession of the Affordable Condominiums other than in accordance with the Affordable Housing Plan and Commission regulations. The Association shall have no responsibility whatsoever for implementing, enforcing or supervising the Affordable Housing Plan. The fair market value of the Affordable Condominiums in the event that the Association elects not to rebuild, with respect to Paragraph of the Master Deed entitled "Restoration and Replacement of Condominium in Event of Fire, Casualty or Obsolescence," and the provisions of Sections and of Article of the Bylaws, shall be determined in accordance with the provisions of this Plan and shall be limited to the purchase price paid for Affordable Condominium by the Owner increased by a percentage increase based upon the CPI (New York City-Northeastern New Jersey-all items) increase. The Association shall carry insurance coverage upon the Affordable Condominiums equal to the replacement cost of such unit in the event of total destruction and such units shall be rebuilt and replaced and subject to the provisions of this Plan in the event the Association elects to rebuild. If the Association elects not to rebuild or dissolve as provided in the Master Deed, then the 171 Affordable Condominiums shall be forever released from the restrictions and requirements of the Affordable Housing Plan.

The terms, restrictions, provisions and covenants of the Affordable Housing Plan, and the provisions of the Master Deed referring to and incorporating the Affordable Housing Plan, shall automatically expire and terminate at the earliest of the following: (1) thirty (30) years from the date of the Affordable Housing Plan; and (2) the date upon which the right of redemption expires with respect to the Foreclosure of the First Purchase Money Mortgage lien upon an Affordable Condominium by the first mortgagee of the Affordable Condominium as the Plan applies to the specific unit which is subjected to a foreclosure pursuant to this provision; and (3) the date upon which the Association dissolves or ceases to exist for any reason for any period of time in which case a document certifying same shall be duly recorded with the Recorder of Middlesex County.

Neither the Developer, the Owner, the Association nor the Commission shall amend or alter the provisions of this paragraph, or Plan, without first obtaining the approval of both the Commission and the Planning Board of the Township of Piscataway. Any such approved amendments or modifications of this Plan shall be in writing and shall contain proof of Planning Board approval and shall not be effective unless and until recorded with the Middlesex County Clerk.

To permit the sale, resale or rental of a Low Income Condominium under this section, the Commission shall issue a Statement of Exemption in recordable form to the Owner or Lackland, as the case may be, desiring to sell, resell or rent the Low Income Condominium. The Commission may, in its sole and exclusive discretion, specify conditions under which the Statement of Exemption may be granted. The Commission may specify different conditions for the grant of each Statement of Exemption. A copy of the Statement of Exemption shall be given to the purchaser at the time of close of title or to the tenant prior to occupancy to the Moderate Income Family as a Qualified Purchaser. The Statement of Exemption shall deem such Moderate Income Family to be a Low Income Family Qualified Purchaser for purposes of any subsequent resale. A Statement of Exemption issued pursuant to this section shall exempt only the specific sale, resale or rental transaction for which it was issued. Such Statement of Exemption shall be valid according to the terms and conditions, and for such period of time, as specified by the Commission. The restrictions of resale or rental to only Low Income Family Qualified Purchasers shall apply to the subsequent resale or rental of a Low Income Condominium resold or rented pursuant to a Statement of Exemption, unless a new Statement of Exemption is issued pursuant to this section. As provided in this section, the Moderate Income Family Owner which became a Qualified Purchaser and Owner by virtue of a Statement of Exemption (Owner at the time of subsequent resale) of the Low Income Condominium shall be deemed to be a Low Income Family Qualified Purchaser for purposes of compliance with the restrictions of sale or resale of Low Income Condominiums to Low Income Families. The effect of exemption from the restriction of resale or rental of a Low Income Condominium to only a Low Income Family pursuant to a Statement of Exemption shall be that the Owner may resell or rent, as the case may be, the Low Income Condominium to a Moderate Income Family. Such Moderate Income Family, however, shall take title and/or possession to the Low Income Condominium subject to the same terms, restrictions, conditions and provisions of this Affordable Housing Plan applicable to Low Income Condominiums including those addressing use, occupancy, improvements and resale as though such Moderate Income Family were in fact a Low Income Family Qualified Purchaser.

Nothing shall preclude the Commission from purchasing the Low Income Condominium and holding, renting or conveying it to a Low Income Family if such right is exercised prior to the Owner signing a valid contract to sell such Low Income Condominium from a Low Income Family.

13. EXEMPTIONS - MODERATE INCOME CONDOMINIUMS

Under certain circumstances, the Commission shall declare that the sale, resale or rental of a Moderate Income Condominium is exempt from the restriction of sale, resale or rental to a Moderate or Low Income Family Qualified Purchaser. If no Moderate or Low Income Family as a Qualified Purchaser of a Moderate Income Condominium has signed a contract to purchase a particular Moderate Income Condominium within sixty (60) days of the developer's receipt of the certificate of occupancy for that Moderate Income Condominium, or within one-hundred twenty (120) days of the date upon which the Non-developer Owner of the Moderate Income Condominium is on the market available for resale, the Commission shall declare the resale of the Moderate Income Condominium exempt from the restriction of sale or resale to a Moderate or Low Income Family and shall permit the resale of the Moderate Income Condominium to a non-Lower Income Family provided, however, that the sale and any subsequent resales of a Moderate Income Condominium under this section shall remain subject to the maximum resale price restrictions set forth in this Plan as well as the obligation of the Condominium Unit Owner to obtain prior approval of the resale from the Commission as provided in this Plan.

If the applicable mortgage Interest Rate has risen above 14% and no Moderate Income Family has signed the lease to rent a particular Moderate Income Condominium within 90 days of the date upon which Lackland notified the Commission that it has been attempting to rent such Moderate Income Condominium or if the Commission, in its sole and complete discretion finds it prudent and consistent with the intent and purpose of this Plan, the Commission shall, pursuant to this section, exempt such Moderate Income Condominium from the restriction of rental to a Moderate Income Family and may permit the rental of the Moderate Income Condominium to a Non-Moderate Income Family subject to the same terms and conditions as are applicable to a Moderate Income Family.

To permit the sale, resale or rental of a Moderate Income Condominium under this section, the Commission shall issue a Statement of Exemption in recordable form to the Owner desiring to sell, resell or rent the Moderate Income Condominium. A copy of the Statement of Exemption shall be given, at the time of closing, to the purchaser or to the tenant prior to occupancy of the Moderate Income Condominium resold under this section. The Statement of Exemption shall deem such purchaser to be a Moderate Income Family and Qualified Purchaser of the Moderate Income Condominium for purposes of any subsequent resale. A Statement of Exemption issued pursuant to this section shall exempt only the specific sale, resale or rental transaction for which it was issued.

The restrictions of resale or rental to Qualified Purchasers in accordance with this Plan shall apply to all subsequent resales or rentals of the Moderate Income Condominium unless a new Statement of Exemption is issued pursuant to this section specifically for a subsequent resale or rental transaction. As provided in this section, the Qualified Purchasers by reason of a Statement of Exemption (Owner at the time of subsequent resale) of the Moderate Income Condominium shall be deemed to be a Moderate Income Family and, therefore, a Qualified Purchaser for purposes of compliance with the restrictions of resale to Qualified Purchasers and the restriction of resale or rental to Moderate Income Families. The effect of exemption from the restriction of resale to Qualified purchasers pursuant to a Statement of Exemption shall be that the Owner may resell or rent the Moderate Income Unit to any potential purchaser or tenant regardless of whether such purchaser or tenant is a Qualified Purchaser, however, all other terms, provisions and restrictions of this Affordable Housing Plan remain in full force and effect and any such purchaser shall take title and possession to the Moderate Income Condominium subject to the terms, restrictions, conditions and provisions of this Affordable Housing Plan

applicable to Moderate Income Condominiums including those addressing use, occupancy, improvement and resale as though such purchaser were in fact a Qualified Purchaser.

Nothing shall preclude the Commission from purchasing the Moderate Income Condominium and holding, renting or conveying it to a Qualified Purchaser if such option is exercised prior to the Owner signing a valid contract to sell such Moderate Income Condominium.

14. NON-SALES - EXEMPT TRANSACTIONS

The following transactions shall be deemed "non-sales" for purposes of this Plan and the Owner receiving title by virtue of any of the following transactions shall be entitled to receive from the Commission and the Commission shall issue a Statement of Exemption to the Owner receiving title by virtue of any of the following transactions:

(A) Transfer of Ownership of an Affordable Condominium between husband and wife;

(B) Transfer of Ownership of an Affordable Condominium between former spouses ordered as a result of a judicial decree of divorce (and not including sales to third parties);

(C) Transfer of Ownership of an Affordable Condominium between family members as a result of inheritance;

(D) Transfer of Ownership of an Affordable Condominium through an Executor's Deed to any Person;

(E) Transfer of Ownership of an Affordable Condominium through an Order of the Superior Court or other court.

Such Transfer of Ownership neither extinguish the Restrictions and applicability of this Plan to such Affordable Condominium nor terminate any liens set forth under this Plan. Liens must be satisfied in full prior to the subsequent resale of the Affordable Condominium and all such subsequent resales are fully subject to the terms and provisions of this Plan.

15. VIOLATION OF PLAN

The interest of any Owner may, at the option of the Commission, be subject to forfeiture in the event of substantial breach of any of the terms, restrictions and provisions of this Plan which remains uncured for a period of sixty (60) days after service of a written Notice of Violation upon the Owner by the Commission. The Notice of Violation shall specify the particular infraction and shall advise the Owner that his or her interest may be subject to forfeiture if such infraction is not cured within sixty (60) days of receipt of the Notice. The provisions of this paragraph may be enforced by the Commission by court action seeking a judgment which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the Affordable Condominium. Such judgment shall be enforceable at the option of the Commission by means of an execution sale by the Sheriff at which the Affordable Condominium of the violating Owner shall be sold at a sales price which is not less than the amount necessary to fully satisfy and pay off any First Purchaser Money Mortgage and prior liens and costs of the enforcement proceedings including attorney's fees. The violating Owner shall have his right to possession terminated as well as his title

conveyed pursuant to the Sheriff's Sale.

The proceeds of the Sheriff's Sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the Affordable Condominium. The excess, if any, shall be applied to reimburse the Commission for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's Sale. In the event that the proceeds from the Sheriff's Sale are insufficient to reimburse the Commission in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the Commission in connection with collecting such deficiency. In the event of a surplus, the balance, if any, shall be placed in escrow by the Commission for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the Commission for such. Failure of the Owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the Commission. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the Commission which such balance shall be paid to the Owner or forfeited to the Commission.

Title shall be conveyed to the purchaser at the Sheriff's Sale subject to the restrictions and provisions of the Affordable Housing Plan. The Owner determined to be in violation of the provisions of this Plan and from whom title and possession were taken by means of the Sheriff's Sale shall not be entitled to any right of redemption. If there are no bidders at the Sheriff's Sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the Commission may acquire title to the Affordable Condominium by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating Owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings including legal fees and the maximum sales price for which the Affordable Condominium could have been sold under the terms of this Plan. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described. Failure of the Affordable Condominium to be either sold at the Sheriff's Sale or acquired by the Commission shall obligate the Owner to accept an offer to purchase from any Qualified Purchaser, which may be referred to the Owner by the Commission, with such offer to purchase being equal to the maximum sales price of the Affordable Condominium as permitted by the terms and provisions of this Plan.

The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of this Plan until such time as title is conveyed from the Owner.

16. REGULATIONS

Any Affordable Condominium which is acquired by a first mortgage by Deed in lieu of foreclosure, or by any purchaser at a mortgage foreclosure sale conducted by the holder of the first mortgage (including the first mortgagee but excepting the defaulting mortgagor) shall be permanently released from the regulations, restrictions and covenants of this Plan and all resale restrictions shall cease to be effective as to the first mortgagee and all subsequent purchasers and mortgagees of that particular unit (except for the defaulting mortgagor, who shall be forever subject to the resale restrictions of this Plan with respect to the unit owned by him at the time of his default.) Execution or Foreclosure sales by any other class of creditor shall not result in a release of the unit from the provisions of this Plan.

17. OBLIGATIONS OF OWNERS

Any Owner of an Affordable Condominium shall notify the Commission within ten (10) days in writing of any default in the performance by the Owner of any obligation under either the Master Deed of the Association, including the failure to pay any lawful and proper Assessment by the Association, or any mortgage, or other lien, against the Affordable Condominium which is not cured within sixty (60) days of the date upon which the default first occurs. The Owner shall not permit any lien, other than the First Purchase Money Mortgage, to attach and remain on the property for more than sixty (60) days.

The Owner of an Affordable Condominium shall keep the unit in good repair and shall not commit waste thereon.

The Owner shall pay all taxes and public Assessments and Assessments by the Association levied upon or assessed against the unit, or any part thereof, as and when the same become due and before penalties accrue.

This Affordable Condominium is part of a condominium together with appurtenances thereto. The Owner, in addition to paying 33% of any and all assessments required to be paid by the Market Condominiums pursuant to the Master Deed, shall further comply with all of the terms, covenants or conditions of said Master Deed, as well as fully comply with all terms, conditions and restrictions of this Plan.

18. COMMISSION'S RIGHT TO CURE

The Commission may, at its sole option, advance and pay all sums necessary to protect, preserve and retain the unit as an Affordable Condominium subject to the terms of this Plan. All sums so advanced and paid by the Commission shall become a lien against such unit and shall have a higher priority than any lien except the First Purchase Money Mortgage lien and liens by duly authorized government agencies. Such sums may include, but are not limited to, insurance premiums, taxes, assessments (public or private) and liens which may be or become prior and senior to any First Purchase Money Mortgage as a lien on the Unit, or any part thereof. In the event any First Mortgagee or other creditor of an Owner of an Affordable Condominium exercises its contractual or legal remedies available in the event of default or nonpayment by the Owner of an Affordable Condominium, the Owner shall notify the Commission in writing within ten (10) days of such exercise by the First Mortgagee or creditor and no later than ten (10) days after service of any summons and complaint and the Commission shall have the option to purchase, redeem, or cure any default upon such terms and conditions as may be agreeable to all parties in interest and/or to acquire the First Purchase Money Mortgage to the Unit, thereby, replacing the First Mortgagee as the First Mortgagee of the Unit. The Commission shall have the same priority of lien as was held by the First Mortgagee at the time the Commission acquires such First Purchase Money Mortgage and shall have the right of subrogation with respect to any other claim or lien it satisfies or acquires.

19. PROVISIONS FOR FIRST PURCHASE MONEY MORTGAGEES

The terms and restrictions of this Affordable Housing Plan shall be subordinate only to the First Purchase Money Mortgage lien on any Affordable Condominium and in no way shall impair the First Mortgagee's ability to exercise the contract remedies available to it in the event of default as such remedies are set forth in the First Purchase Money Mortgage documents for the Unit. So long as the First Purchase Money mortgage is not sold to the Federal National Mortgage Association or in the secondary mortgage market, the First Mortgagee and/or mortgage servicer shall serve written notice upon the Commission with ten (10) days after the First Purchase Money Mortgage is three (3) months in

arrears, and again within ten (10) calendar days of the filing of the complaint seeking foreclosure of the First Purchase Money Mortgage held on an Affordable Condominium.

The obligation of the First Mortgagee and servicer to notify the Commission shall cease automatically and immediately upon the sale of the First Purchase Money Mortgage to the Federal National Mortgage Association or in the secondary mortgage market unless the rules and regulations or guidelines of the Federal National Mortgage Association are amended so as to not prohibit or exclude placing such obligation upon the holder of the mortgage or its service representative, in which case, an instrument duly evidencing same must be recorded with the Office of the Clerk of Middlesex County, New Jersey, before any such obligation shall exist. Provided that the First Mortgagee is obligated to give the Commission the above mentioned notices, the First Mortgagee shall also serve written notice of any proposed Foreclosure sale upon the Commission at least thirty (30) days prior to the first scheduled date of such sale. The First Mortgagee shall serve notice upon the Commission within thirty (30) days of the sale of the First Purchase Money Mortgage to the Federal National Mortgage Association or in the secondary mortgage market.

20. RIGHT TO REDEEM

The Township of Piscataway and/or the Commission or any instrumentality designated by the Township shall have the right to purchase any mortgage which is in default at any time prior to the entry of a foreclosure judgment, or within the redemption period thereafter. Notification of a default and of the institution of a foreclosure action and of a Sheriff's Sale shall be served in writing upon the Township Clerk as aforesaid. The Township of Piscataway shall at all times be considered a party in interest and shall have the right to be joined as a party defendant and/or shall have the right to intervene in any foreclosure action seeking foreclosure of a first mortgage and/or shall have the right to redeem and acquire the Owner's equity of redemption or to acquire the Unit from the Owner upon such terms and conditions as may be determined by the Commission.

21. SURPLUS FUNDS

In the event of a Foreclosure sale by the holder of the First Purchase Money Mortgage, the Owner shall be personally obligated to pay to the Commission any surplus funds, but only to the extent that such surplus funds exceed the difference between what the Owner could have resold his Unit for under this Plan at the time of the Foreclosure sale and the amount necessary to redeem and satisfy the First Purchase Money Mortgage debt, including costs of foreclosure. For purposes of this paragraph, surplus funds shall be the total amount paid to the Sheriff in excess of the amount required to pay and satisfy the First Purchase Money Mortgage, including the costs of foreclosure, event if junior creditors actually receive payment from said surplus funds to the exclusion of the Owner. The Commission is hereby given a first priority lien, second only to the First Mortgagee of a Unit and any taxes or public assessments by a duly authorized governmental body, equal to the full amount of surplus funds. This obligation of the Owner to pay this full amount to the Commission shall be deemed to be a personal obligation of the Owner of record at time of the Foreclosure Sale and the Commission is hereby empowered to enforce the obligation of the Owner in any appropriate court of law or equity as though same were a personal contractual obligation of the Owner. Neither the First Mortgagee nor the purchaser at the Foreclosure Sale shall be responsible or liable to the Commission for any portion of this excess.

22. SERVICE OF NOTICES

Wherever in this document the Township Department of Planning, the Commission or the Township of Piscataway is authorized to receive notices, letters, contracts or other documents, the Township Clerk shall be the person to whom same are served or delivered.

23. CAPTIONS

The captions contained herein are for convenience only and do not define, limit or construe the contents of such section and are in no way to be construed as part of this Plan.

24. SEVERABILITY

If any portion of this Plan or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Plan, or any document recorded in accordance with the Plan, or the application of such portion to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Plan shall be valid and enforceable to the fullest extent permitted by law.

25. AGREEMENT

Lackland Brothers, Inc. shall construct the Affordable Condominiums and agrees that all such designated Affordable Condominiums shall be sold, rented and marketed in accordance with the provisions of this Affordable House Plan.

DATED:

ATTEST:

LACKLAND BROTHERS, INC.

By _____

TOWNSHIP OF PISCATAWAY

By _____

PREPARED BY:

HOWARD GRAN, ESQ.

INDEX

1. Introduction
2. Definitions
3. Floor Plans
4. Membership in Association
5. Phasing
6. Affordable Housing Advisory Commission
7. Priority Eligibility Requirements
8. Master Deed Provisions
9. Covenants Running With Land
10. Disclosure Statements
11. Restrictions On Use
12. Exemptions - Low Income Condominiums
13. Exemptions - Moderate Income Condominiums
14. Non-Sales - Exempt Transactions
15. Violation of Plan
16. Regulations
17. Obligations of Owners
18. Commission's Right to Cure
19. Provisions for First Purchase Money Mortgagees
20. Right to Redeem
21. Surplus Funds
22. Service of Notices
23. Captions
24. Servability
25. Agreement