

RULS-AD-1984-240

7/31/84

- letter to Judge re: Bedminster Condo's Covenants
- w/ enclosed covenants, conditions & restrictions

Pgs. 57

Held to
8-7

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FILE NO.

July 31, 1984

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JUDGE SERPENTELLI'S CHAMBERS

The Honorable Eugene D. Serpentelli
Judge, Superior Court of New Jersey
Ocean County Courthouse
Toms River, NJ 08753

Re: Allan-Deane v. Bedminster (The Hills Development Company)

Dear Judge Serpentelli:

As you recall, The Hills Development Company was required to obtain "plain language" approval of the low and moderate deed restrictions for The Village Green at Bedminster lower income housing. We have now received plain language certification, and are enclosing a copy of the approved document for your review.

As Your Honor may recall, the last Court Order indicated that following your review, there would be a Court Order issued by Your Honor approving the use of this document.

We are enclosing an original and two copies of a Proposed Order for Your Honor in the event that these deed restrictions meet with your approval. If you would send us an executed copy in the enclosed envelope, we will provide copies to all attorneys.

Sincerely,

Thomas J. Hall

TJH:te

Enclosures

- cc: Alfred Ferguson, Esq.
- Daniel O'Connell, Esq.
- Constance B. Gibson, MJMFA
- Kenneth J. Meiser, Esq.
- Henry A. Hill, Esq.
- Joseph Ziino, MGIC

*Signed for release
after 4/2 of no objection*

RULS - AD - 1984 - 240



State of New Jersey

DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS

1100 RAYMOND BOULEVARD, ROOM 504
NEWARK, NEW JERSEY 07102

IRWIN I. KIMMELMAN
ATTORNEY GENERAL

JAMES J. BARRY, JR.
DIRECTOR

PLAIN LANGUAGE CERTIFICATION

The following contract (or writing required to complete a consumer transaction):

Village Green at Bedminster Neighborhood Condominium

Declaration of Covenants, Conditions and
Restrictions of Resale

submitted by:

Suzanne M. LaRobardier, Esq.
Brener, Wallack & Hill
2-4 Chambers Street
Princeton, New Jersey 08540

is certified to be in compliance with the Plain Language Act, N.J.S.A. 56:12-1 et seq.

NOTE: PLAIN LANGUAGE APPROVAL OF THE WORDING AND FORMAT OF THIS CONTRACT (OR ANY WRITING REQUIRED TO COMPLETE A CONSUMER TRANSACTION) DOES NOT MEAN OR IMPLY THAT ITS SUBSTANTIVE PROVISIONS ARE APPROVED BY THE ATTORNEY GENERAL. ANY ORAL OR WRITTEN REFERENCE TO PLAIN LANGUAGE APPROVAL SHOULD BE ACCOMPANIED BY THE FOLLOWING STATEMENT:

APPROVAL OF A CONSUMER CONTRACT BY THE ATTORNEY GENERAL ONLY MEANS THAT SIMPLE, UNDERSTANDABLE AND EASILY READABLE LANGUAGE IS USED. IT IS NOT AN APPROVAL OF THE CONTRACT'S TERMS OR LEGALITY.

IRWIN I. KIMMELMAN
ATTORNEY GENERAL

Date JULY 18, 1984

By Jeanne F. Pasmantier
Jeanne F. Pasmantier
Assistant to the Director
Division of Consumer Affairs

**THE VILLAGE GREEN AT BEDMINSTER NEIGHBORHOOD CONDOMINIUM
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RESALE**

**THE VILLAGE GREEN AT BEDMINSTER NEIGHBORHOOD CONDOMINIUM
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RESALE**

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**THE VILLAGE GREEN AT BEDMINSTER NEIGHBORHOOD CONDOMINIUM
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF RESALE**

THIS DECLARATION is made this day of 1984 by
The Hills Development Company, a joint venture general partnership formed
under the laws of the State of New Jersey, having its principal office at 3 Burnt
Mill Road, in the Township of Bedminster, County of Somerset, State of New
Jersey.

RECITALS

First, Declarant desires to make the Condominium Units within The
Village Green at Bedminster Neighborhood Condominium (from now on referred
to as "Condominium Units") available to Persons of Low and Moderate Income
Levels at prices below their market value.

Second, Declarant desires to provide the Condominium Units so that
the Condominium Units will be affordable to Persons of Low and Moderate
Income Levels.

Third, The Bedminster Hills Housing Corporation, a nonprofit
corporation formed under the laws of the State of New Jersey (from now on
referred to as "Nonprofit Corporation"), has as one of its founding purposes,
promoting the social welfare of Persons of Low and Moderate Income Levels by
assisting in the purchase and/or rental, at below market value, of affordable
housing in The Village Green at Bedminster Neighborhood Condominium and
elsewhere in the Township of Bedminster or other locations in the State of New
Jersey.

Fourth, Declarant has assigned to the Nonprofit Corporation and the
Nonprofit Corporation has accepted from the Declarant the assignment of all of
the rights, duties and obligations of the Declarant under this Declaration.

Fifth, the Nonprofit Corporation desires to assist in ensuring that the Condominium Units shall continue to be affordable to Persons of Low and Moderate Income Levels.

Sixth, the following covenants, conditions and restrictions are intended to promote the above objectives.

DECLARATION

NOW, THEREFORE, Declarant does hereby declare and publish its intentions and does hereby submit the real property described in Exhibit A attached to this Declaration to be conveyed, occupied and used subject to the covenants, conditions, restrictions, charges, obligations, and Liens as set forth below and as provided for in the following documents: (1) The Hills Village Master Declaration of Covenants, Conditions and Restrictions, dated February 4, 1983 and recorded in the Office of the Somerset County Clerk in Book 1473 at Page 696, as amended, annexed, enlarged or supplemented; (2) The Village Green at Bedminster Neighborhood Condominium Master Deed to be recorded in the Office of the Somerset County Clerk, as amended, annexed, enlarged, or supplemented; (3) Certificate of Incorporation, By-laws, and Rules and Regulations of The Village Green at Bedminster Neighborhood Condominium Association, Inc., as amended, annexed or supplemented; and (4) Certificate of Incorporation, By-Laws and Rules and Regulations of the Nonprofit Corporation, as amended, annexed or supplemented.

ARTICLE I

APPLICABILITY AND ACCEPTANCE

Section 1.01. Applicability. These Restrictions shall be applicable to the Condominium Units located within The Village Green at Bedminster

Neighborhood Condominium. The terms and conditions set forth within these Restrictions shall apply to any and all present and future purchasers and/or occupants of the Condominium Units during the term of this Declaration.

Section 1.02. Acceptance. Ownership of a Condominium Unit shall be considered to be acceptance and ratification of this Declaration and all its provisions.

Before, upon or after the purchase of a Condominium Unit, the Nonprofit Corporation may require each purchaser and/or any occupant of a Condominium Unit to sign any document or documents, in such form as to permit their recording in the Office of the Somerset County Clerk, which the Nonprofit Corporation considers necessary to accomplish the purpose and intent of this Declaration.

ARTICLE II DEFINITIONS

The following words and terms, when used in this Declaration (unless the context clearly shall indicate otherwise), shall have the following meanings:

"ASSESSMENTS" shall mean and refer to levies, charges or assessments of The Village Green at Bedminster Neighborhood Condominium Association, Inc., and The Hills Village Master Association.

"ASSIGNMENT" shall mean and refer to the transfer by the Declarant of all its rights, duties and obligations under this Declaration to the Nonprofit Corporation.

"ATTORNEY IN FACT" shall mean and refer to the status of being authorized, pursuant to a "Power of Attorney" granted by an Owner of a Condominium Unit, to act in the place of the Condominium Unit Owner for the

purpose of executing a deed and any other documents required to purchase or sell a Condominium Unit.

"BREACH" or "DEFAULT" shall mean and refer to violation of any of the Restrictions set forth in this Declaration or made a part of this Declaration (incorporated by reference), including any of the Rules and Regulations of the Nonprofit Corporation.

"COSTS OF SALE" shall mean and refer to costs set forth in Section 3.04 below.

"CONDOMINIUM UNIT" or "CONDOMINIUM UNITS" shall mean and refer to a single family attached residential dwelling or dwellings, located within The Village Green at Bedminster Neighborhood Condominium.

"DECLARANT" shall mean The Hills Development Company, a joint venture general partnership formed under the laws of the State of New Jersey, its successors and assigns.

"DECLARATION" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions of Resale of The Village Green at Bedminster Neighborhood Condominium.

"FREE MARKET UNITS" shall mean and refer to Condominium Units sold without these Restrictions and priced by negotiation and mutual agreement between a willing buyer and a willing seller in a bona fide arm's length transaction.

"FIRST PURCHASE MONEY MORTGAGEE" shall mean and refer to the most senior mortgage holder (which must be an institutional lender or investor, licensed or regulated by a State or Federal government or an agency thereof, or which is an approved FHA mortgagee) who has loaned funds for the purchase of a Condominium Unit or the assigns of such most senior mortgage holder. **"Assigns"** are other parties to whom rights have been transferred.

"FORECLOSURE" shall mean and refer to a termination of all rights of the mortgagor or the mortgagor's assigns or grantees in a Condominium Unit covered by a recorded mortgage through legal processes, or through a Deed in Lieu of Foreclosure which has been issued before a judicially-regulated sale. Foreclosure shall not take place before the exhaustion of remedies as set forth in this Declaration.

"HOUSEHOLD" shall mean and refer to all of the occupants or proposed occupants of a Condominium Unit at the time of certification as a Qualified Purchaser.

"HOUSEHOLD INCOME" shall mean and refer to all Income, from all sources, which is acquired by any member of the Household occupying a Condominium Unit.

"IMPROVEMENT" shall mean and refer to additions within a Condominium Unit, including materials, supplies, appliances or fixtures which become a permanent part of, or affixed to, a Condominium Unit.

"INCOME" shall mean and refer to all income, from all sources, such as compensation for services, interest, rents, dividends and gains from the sale of property, pension benefits and government benefits.

"INDEX" shall mean and refer to the national Median Household Income figure in current dollars prepared annually and published by the United States Bureau of the Census in the Current Population Reports or such successor measurement as shall be prepared by an entity of the federal government which measures the relative movement of national household income and as shall be designated by the Nonprofit Corporation. If an Index figure is indicated to be a provisional figure, adjustments in the maximum Resale Price of a Condominium Unit and in the prepayment amounts of the Resale recapture amount under this

Declaration shall be made, as set forth in Section 3.02 of Article III and Section 7.03B of Article VII of this Declaration, to take into account any subsequent revision in the Index figure.

"LIEN" shall mean and refer to the charge or encumbrance or claim upon each Condominium Unit for the payment of taxes, mortgages, Assessments or other debts owed by the Condominium Unit Owner.

"LOW INCOME LEVEL" shall mean and refer to an annual Household Income at the time of proposed purchase of a Condominium Unit that is less than fifty percent (50%) of the Median Income.

"MEDIAN INCOME" shall mean and refer to the annual median family income figure for Somerset County, 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 court order for the purpose of establishing median family income to determine housing price levels.

"MODERATE INCOME LEVEL" shall mean and refer to an annual Household Income at the time of proposed purchase of a Condominium Unit that is between fifty percent (50%) and eighty percent (80%) of the Median Income.

"NONPROFIT CORPORATION" shall mean and refer to The Bedminster Hills Housing Corporation, a nonprofit corporation formed under the laws of the State of New Jersey.

"NONRECOURSE" shall mean that the Nonprofit Corporation shall be barred from action against an Owner of a Condominium Unit for payment if the proceeds of the sale of a Condominium Unit are insufficient to pay all taxes, Assessments, mortgages, and other liabilities of record against the Condominium

Unit which are superior to the Lien granted in favor of the Nonprofit Corporation, provided that the priorities of payment as set forth in these Restrictions are followed.

"OFFER TO SELL" shall mean and refer to the offer made, or deemed to have been made, to sell a Condominium Unit to the Nonprofit Corporation (1) by a Condominium Unit Owner desiring to resell a Condominium Unit, or (2) by a Condominium Unit Owner who has failed to cure a Breach or Default under the terms of this Declaration.

"OWNER" and **"OWNERSHIP"** shall mean and refer to the record owner of title to a Condominium Unit and the rights, privileges, liabilities and obligations with respect to each Condominium Unit.

"PERSON" shall mean and refer to a natural individual with the legal right to hold title to real property.

"POWER OF ATTORNEY" shall mean and refer to the irrevocable instrument granted to the Nonprofit Corporation by each purchaser of a Condominium Unit which shall name, appoint, constitute and affirm the Nonprofit Corporation as the Attorney in Fact of such purchaser for the purpose of executing a deed and any other instruments required to purchase or sell the Condominium Unit. An **"irrevocable instrument"** is a document which grants a right that cannot be taken back by the grantor. Such "Power of Attorney" shall hereby be declared and acknowledged to be coupled with an interest in the subject matter thereof and shall run with an interest in each such Condominium Unit and be binding upon the heirs, executors, personal representatives, administrators, successors and assigns of the purchaser of a Condominium Unit.

"PURCHASE PRICE" shall mean and refer to the price at which a Condominium Unit was purchased by a Condominium Unit Owner desiring to resell the Condominium Unit.

"QUALIFIED PURCHASER" shall mean and refer to a Person who, under this Declaration, (1) submits an "Application for Certification as a Qualified Purchaser" to the Nonprofit Corporation; (2) whose Household Income at the time of proposed purchase of a Condominium Unit is within Low or Moderate Income Levels, as these Income Levels are defined in this Declaration and (3) who obtains "Certification as a Qualified Purchaser" of a Condominium Unit from the Nonprofit Corporation under these Restrictions.

"RESALE" shall mean and refer to each and every subsequent sale of a Condominium Unit after the initial sale of the Condominium Unit by The Hills Development Company.

"RESALE PRICE" shall mean and refer to the sum of money established as the price at which a Condominium Unit is resold or to be resold.

"RESTRICTIONS" shall mean and refer collectively to all the covenants, conditions, restrictions, charges, obligations and Liens as set forth in this Declaration or as subsequently amended, annexed, enlarged or supplemented, and as provided for in the Certificate of Incorporation, By-Laws and Rules and Regulations of the Nonprofit Corporation, as amended, annexed, enlarged or supplemented.

"RULES AND REGULATIONS" shall mean and refer to the Rules and Regulations issued by the Nonprofit Corporation or The Village Green at Bedminster Neighborhood Condominium Association, Inc., as amended, annexed or supplemented.

"YEAR OF PURCHASE" shall mean and refer to the year in which a Condominium Unit was purchased by the Condominium Unit Owner desiring to resell the Condominium Unit.

"YEAR OF RESALE" shall mean and refer to the year in which a Condominium Unit is resold.

ARTICLE III

MAXIMUM RESALE PRICE

Section 3.01. Maximum Resale Price Restriction. A Condominium Unit shall be sold at a price equal to or less than the maximum Resale Price calculated pursuant to Section 3.02 of this Article. A Condominium Unit may not be sold for more than the maximum Resale Price except in the event of Foreclosure, as provided in Article IX of this Declaration. Except as expressly provided in this Declaration, each Condominium Unit may be sold only in a bona fide arm's length transaction made in accordance with this Declaration.

Section 3.02. Calculation of the Maximum Resale Price. The maximum Resale Price shall equal the greater of:

- (1) the Purchase Price paid by the Owner of the Condominium Unit being resold, plus Improvements, plus the Costs of Sale; or
- (2) the sum of:
 - (a) the Purchase Price paid by the Owner of the Condominium Unit being resold multiplied by a fraction, the numerator (top number) of which shall be the Index for the Year of Resale and the denominator (bottom number) of which shall be the Index for the Year of Purchase by that Owner; plus
 - (b) the value of Improvements as provided in Section 3.03; plus
 - (c) the Costs of Sale as provided in Section 3.04 of this Article.

Expressed as a formula, the calculation of the Maximum Resale Price is as follows and is the greater of (1) or (2):

(1) Purchase Price + Improvements + Costs of Sale = Maximum Resale Price.

(2) Purchase Price X $\frac{\text{Index (Year of Resale)}}{\text{Index (Year of Purchase)}}$ + Improvements + Costs of Sale = Maximum Resale Price

If the Index for the Year of Resale is unavailable, the last published Index shall be substituted. If an Index figure used in calculating the maximum Resale Price is indicated to be a provisional figure, the maximum Resale Price shall be adjusted to take into account any later revisions, provided that such revisions are published within sixty (60) days prior to the Resale of a Condominium Unit.

The Index number in existence at the time of closing, regardless of whether it is a "provisional" or "revised" figure, shall be deemed to be fixed as of the date of closing, and no further adjustments to the Resale Price shall be permitted after the date of closing, without regard to the magnitude or direction of later changes in the Index.

Section 3.03. Value of Improvements. The value, if any, of any Improvement to a Condominium Unit which is made by an Owner of a Condominium Unit during such Owner's period of Ownership shall be included in the maximum Resale Price only if, according to the Rules and Regulations of the Nonprofit Corporation, (1) the Condominium Unit Owner has obtained a "Statement of Prior Approval for the Improvement" from the Nonprofit Corporation prior to installation as provided in Paragraph A of this Section and (2) the Condominium Unit Owner has obtained a "Determination of Value of the Improvement" from the Nonprofit Corporation prior to Resale, as provided in Paragraph B of this Section.

A. Statement of Prior Approval. To obtain prior approval of an Improvement, a Condominium Unit Owner shall complete and submit to the Nonprofit Corporation, in writing and according to the procedures and requirements to be established by the Nonprofit Corporation in its Rules and Regulations, an "Application for Statement of Prior Approval of Improvements" for the proposed Improvement. This application form shall be supplied by the Nonprofit Corporation and shall require a description of the proposed Improvement together with any other information which the Nonprofit Corporation considers necessary. The Nonprofit Corporation shall review each such "Application for Statement of Prior Approval of Improvements" and grant or deny a "Statement of Prior Approval" within a reasonable period of time after receipt of all necessary information from the applicant, as specified in the Rules and Regulations of the Nonprofit Corporation.

B. Determination of Value. To obtain a "Determination of Value of an Improvement," a Condominium Unit Owner shall complete and submit to the Nonprofit Corporation, in writing and according to the procedures and requirements to be established by the Nonprofit Corporation in its Rules and Regulations, an "Application for Determination of Value of an Improvement." Such application form shall be supplied by the Nonprofit Corporation and shall require the statement of any information which the Nonprofit Corporation considers necessary. Such "Application for Determination of Value of an Improvement" must be submitted before Resale during the period of time to be specified in the Rules and Regulations of the Nonprofit Corporation. The Nonprofit Corporation shall review each such "Application for Determination of Value of an Improvement" and issue a "Determination of Value," which can include a determination that the Improvement does not add any value to these

Condominium Units, within a reasonable period of time after receipt of all necessary information, as specified in the Rules and Regulations of the Nonprofit Corporation. The Nonprofit Corporation may, in its sole and exclusive discretion, deny a "Determination of Value for any Improvement" for which a "Statement of Prior Approval" was not obtained by the Condominium Unit Owner. A "Determination of Value" shall be valid only until the date of Resale stated in the "Application for Determination of Value." A "Determination of Value" may be renewed, revoked or revised according to the Rules and Regulations of the Nonprofit Corporation.

Section 3.04. Costs of Sale. The Costs of Sale of a Condominium Unit shall include the realty transfer fee and such attorney's fees, broker's fees, and other costs and fees, including points under appropriate circumstances outlined in Paragraph D of this Section, that are incurred by an Owner in the Resale of a Condominium Unit and as provided for in the Rules and Regulations of the Nonprofit Corporation. Such Costs of Sale shall be included in the maximum Resale Price as provided in this Section.

A. Realty Transfer Fee. The full amount of the realty transfer fee on the sale of a Condominium Unit shall be included in the maximum Resale Price of the Condominium Unit.

B. Attorney's Fees. Attorney's fees shall be included in the maximum Resale Price of a Condominium Unit up to a maximum amount to be established according to a schedule to be issued by the Nonprofit Corporation in its Rules and Regulations and made available for inspection at the offices of the Nonprofit Corporation. Such schedule may be revised, revoked or supplemented, in whole or in part, by the Nonprofit Corporation from time to time and in accordance with its Rules and Regulations. The Nonprofit Corporation may disallow

inclusion of attorney's fees in the maximum Resale Price under circumstances set forth in its Rules and Regulations.

Provided, nothing in this subparagraph B shall prevent an attorney from charging fees in excess of the maximum amount determined by the Nonprofit Corporation under this subparagraph B. Such excess fees shall not be included in the Cost of Sale.

C. Broker's Fees. Licensed real estate broker's fees shall be included in the maximum Resale Price of a Condominium Unit up to a maximum amount to be established according to a schedule to be issued by the Nonprofit Corporation in its Rules and Regulations and made available for inspection at the offices of the Nonprofit Corporation. Such schedule may be revised, revoked or supplemented, in whole or in part, by the Nonprofit Corporation from time to time and in accordance with its Rules and Regulations. The Nonprofit Corporation may disallow inclusion of licensed real estate broker's fees in the maximum Resale Price under circumstances set forth in its Rules and Regulations.

Provided, nothing in this subparagraph C shall prevent a licensed real estate broker from charging fees in excess of the maximum amount determined by the Nonprofit Corporation under this subparagraph C. Such excess fees shall not be included in the Cost of Sale.

D. Points. Points are a fee or charge equal to a percentage of the principal amount of a mortgage loan. If, under the laws of the State of New Jersey or of the United States of America, a purchaser of a Condominium Unit is not permitted to pay points, under the terms of a particular mortgage on that Condominium Unit, then an amount equal to such points shall be included in the maximum Resale Price of the Condominium Unit, if approved by the Nonprofit Corporation in writing prior to the Resale of such Condominium Unit.

E. Other Costs and Fees. The Nonprofit Corporation may, from time to time and in accordance with its Rules and Regulations, designate other costs and fees incurred in the sale of a Condominium Unit for inclusion in the maximum Resale Price. The Nonprofit Corporation may issue a schedule for the maximum amount and/or procedures and requirements for inclusion of any such cost or fee. The Nonprofit Corporation may, from time to time and in accordance with its Rules and Regulations, revise, revoke or supplement, in whole or in part, any such schedule, procedures or requirements. Such schedule and any revisions, revocation or supplements shall be issued by the Nonprofit Corporation and made available for inspection at the offices of the Nonprofit Corporation. The Nonprofit Corporation may disallow inclusion of any cost or fee in the maximum Resale Price under circumstances set forth in its Rules and Regulations.

Provided, nothing in this subparagraph E shall prevent the charging of prices or fees in excess of the maximum amount determined by the Nonprofit Corporation under this subparagraph E. Such excess fees shall not be included in the Cost of Sale.

ARTICLE IV

QUALIFIED PURCHASERS

Section 4.01. Restriction of Resale to Qualified Purchasers. Except as provided in Section 4.09 of this Article and Section 5.03D of Article V of this Declaration (permitting exemption from this Restriction), a Condominium Unit shall only be sold to a Qualified Purchaser as defined and set forth in this Declaration.

Section 4.02. Restriction of Resale to Low Income Qualified Purchasers. Except as provided in Section 4.08 of this Article and Section 5.03C

of Article V (permitting exemption from this Restriction), a Condominium Unit owned by a Low Income Qualified Purchaser shall only be resold to another Low Income Qualified Purchaser.

Section 4.03. No Restriction of Resale to Moderate Income Qualified Purchasers. A Condominium Unit owned by a Moderate Income Qualified Purchaser may be resold to another Moderate Income Qualified Purchaser or a Low Income Qualified Purchaser.

Section 4.04. Qualified Purchaser. A Qualified Purchaser shall be a Person (1) who submits an "Application for Certification as a Qualified Purchaser" to the Nonprofit Corporation; (2) whose Household Income at the time of proposed purchase of a Condominium Unit is within Low or Moderate Income Levels, as these income levels are defined in Paragraph B and C of this Section and (3) who obtains "Certification as a Qualified Purchaser" of a Condominium Unit from the Nonprofit Corporation, under Paragraph D of this Section, as meeting requirements (1) and (2) of this subparagraph.

A. Application for Certification. A Person desiring to purchase a Condominium Unit shall first complete and submit to the Nonprofit Corporation, in writing and according to the procedures and requirements to be established by the Nonprofit Corporation in its Rules and Regulations, an "Application for Certification as a Qualified Purchaser." This application form shall be available from the Nonprofit Corporation and shall require the statement of all information which the Nonprofit Corporation considers necessary to determine whether the applicant meets the requirements for a Qualified Purchaser as set forth in this Declaration.

B. Low Income. To be within the Low Income Level, annual Household Income at the time of proposed purchase of a Condominium Unit shall be less than fifty percent (50%) of the Median Income.

C. Moderate Income. To be within the Moderate Income Level, annual Household Income at the time of proposed purchase of a Condominium Unit shall be between fifty percent (50%) and eighty percent (80%) of the Median Income.

D. Certification. The Nonprofit Corporation shall review each "Application for Certification as a Qualified Purchaser" and grant or deny "Certification as a Qualified Purchaser" within a reasonable period of time after receipt of all necessary information from the applicant, as specified in its Rules and Regulations. "Certification as a Qualified Purchaser" shall be valid only for the year for which the Household Income was stated in the "Application for Certification as a Qualified Purchaser." An applicant shall seek recertification before the purchase of a Condominium Unit according to the Rules and Regulations of the Nonprofit Corporation. A "Certification as a Qualified Purchaser" may be renewed, revoked or revised according to the Rules and Regulations of the Nonprofit Corporation.

Section 4.05. Low Income Qualified Purchaser. A Low Income Qualified Purchaser shall be a Person who has received "Certification as a Qualified Purchaser" from the Nonprofit Corporation under Section 4.04 of this Article and whose Household Income at the time of the proposed purchase of a Condominium Unit is within the Low Income Level as defined in Section 4.04B of this Article.

Section 4.06. Moderate Income Qualified Purchaser. A Moderate Income Qualified Purchaser shall be a Person who has received "Certification as a Qualified Purchaser" from the Nonprofit Corporation under Section 4.04 of this Article and whose Household Income at the time of the proposed purchase of a Condominium Unit is within the Moderate Income Level as defined in Section 4.04C of this Article.

Section 4.07. Increase or Decrease in Income During Ownership.

Once a Qualified Purchaser becomes an Owner of a Condominium Unit in accordance with the provisions of this Declaration, any increase or decrease in Household Income of such Owner shall not affect Ownership rights or obligations of such Owner.

Section 4.08. Exemption from the Restriction of Resale to Low Income Qualified Purchasers. The Nonprofit Corporation may, in its discretion, declare the Resale of a Condominium Unit exempt from the Restriction of Resale to Low Income Qualified Purchasers as provided in Section 4.02 of this Article. If no Low Income Qualified Purchaser, as required by Section 4.02 of this Article, is found or available, as determined under the Rules and Regulations of the Nonprofit Corporation, for forty-five (45) days from the receipt of an Offer to Sell under Section 5.02 of Article V of this Declaration, the Nonprofit Corporation may declare the Resale of the Condominium Unit exempt from the Restriction of Resale to Low Income Qualified Purchasers and may permit the Resale of the Condominium Unit to a Moderate Income Qualified Purchaser.

A. Statement of Exemption. To permit Resale of a Condominium Unit under this Section, the Nonprofit Corporation shall issue a "Statement of Exemption" to the Condominium Unit Owner desiring to resell the Condominium Unit. The Nonprofit Corporation may, in its sole and exclusive discretion, specify conditions under which the "Statement of Exemption" may be granted. The Nonprofit Corporation may specify different conditions for the grant of each "Statement of Exemption." A copy of the "Statement of Exemption" shall be given, at the time of purchase, to the Moderate Income Qualified Purchaser. The "Statement of Exemption" shall deem such purchaser to be a Low Income Qualified Purchaser for purposes of any subsequent Resale.

B. Validity and Duration of Exemption. A "Statement of Exemption" issued under this Section shall exempt only the specific Resale 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 Nonprofit Corporation.

C. Subsequent Resale. The Restriction of Resale to Low Income Qualified Purchasers under Section 4.02 shall apply to the subsequent Resale of a Condominium Unit resold under this Section, unless a new "Statement of Exemption" is issued under this Section. As provided in Paragraph A of this Section, the Moderate Income Qualified Purchaser (Owner at the time of subsequent Resale) of the Condominium Unit shall be deemed to be a Low Income Qualified Purchaser for purposes of compliance with the Restriction of Resale to Low Income Qualified Purchasers.

Section 4.09. Exemption from the Restriction of Resale to Qualified Purchasers. The Nonprofit Corporation may, in its discretion, declare the Resale of a Condominium Unit exempt from the Restriction of Resale to Qualified Purchasers as provided in Section 4.01 of this Article. This exemption shall be necessary and shall be granted by the Nonprofit Corporation if a Qualified Purchaser is not found or is unavailable, as determined under the Rules and Regulations of the Nonprofit Corporation, to purchase a Condominium Unit or, under Section 5.05 of Article V, after the Nonprofit Corporation fails to exercise its option to refer Qualified Purchasers or its options to purchase.

Provided, Resale of a Condominium Unit under this Section shall remain subject to the maximum Resale Price restriction set forth in this Declaration and the obligation of the Condominium Unit Owner to obtain prior approval of the Resale from the Nonprofit Corporation as provided in this Declaration.

A. Statement of Exemption. To permit Resale of a Condominium Unit under this Section, the Nonprofit Corporation shall issue a "Statement of Exemption" to the Condominium Unit Owner desiring to resell the Condominium Unit. A copy of the "Statement of Exemption" shall be given, at the time of closing, to a purchaser of a Condominium Unit resold under this Section. The "Statement of Exemption" shall deem such purchaser to be of the same income level as the Condominium Unit Owner from which the Condominium Unit was purchased for purposes of any subsequent Resale.

B. Validity and Duration of Exemption. A "Statement of Exemption" issued under this Section shall exempt only the specific Resale transaction for which it was issued.

C. Subsequent Resale. The Restriction of Resale to Qualified Purchasers under Section 4.01 shall apply to the subsequent Resale of the Condominium Unit unless a new "Statement of Exemption" is issued under this Section specifically for the subsequent Resale transaction. As provided in Paragraph A of this Section, the purchaser (Owner at the time of subsequent Resale) of the Condominium Unit shall be deemed to be of the same income level as the former Condominium Unit Owner from whom the Condominium Unit was purchased for purposes of compliance with the Restrictions of Resale to Qualified Purchasers and the Restriction of Resale to Low Income Qualified Purchasers.

ARTICLE V

EXCLUSIVE RIGHTS OF THE NONPROFIT CORPORATION TO MARKET A CONDOMINIUM UNIT

Section 5.01. Exclusive Rights of the Nonprofit Corporation. The Nonprofit Corporation shall have the right to receive an Offer to Sell from a Condominium Unit Owner desiring to resell a Condominium Unit, as set forth in

Section 5.02 of this Article. Upon receipt of such an Offer to Sell, the Nonprofit Corporation shall have the right to exercise, in accordance with its Rules and Regulations and the provisions of this Article, options to purchase the Condominium Unit from the Condominium Unit Owner or the option to refer potential purchasers to such Condominium Unit Owner and thereby to cause a contract to be entered into between the Condominium Unit Owner and a potential purchaser.

Section 5.02. Offer to Sell. Before a Condominium Unit Owner can sell a Condominium Unit or enter into any agreement to sell or to list the Condominium Unit for sale with a real estate agent, that Owner shall make an Offer to Sell the Condominium Unit to the Nonprofit Corporation (according to the procedures provided in the Rules and Regulations of the Nonprofit Corporation). Such an Offer to Sell must be made even if the Condominium Unit Owner has received an unsolicited offer to buy the Condominium Unit or has found a potential purchaser. The Offer to Sell shall be at no more than the maximum Resale Price as determined in accordance with the procedures established in this Declaration. Upon receiving an Offer to Sell from a Condominium Unit Owner, the Nonprofit Corporation may exercise the options set forth in this Article within the time periods specified and according to the procedures and standards as provided in this Article and in its Rules and Regulations.

If a Condominium Unit Owner who has a first mortgage on the Condominium Unit gives a Deed in Lieu of Foreclosure to the holder of the mortgage (First Purchase Money Mortgagee), such a Deed in Lieu of Foreclosure shall be considered an Offer to Sell the Condominium Unit to the Nonprofit Corporation at the maximum Resale Price. A Deed in Lieu of Foreclosure shall

not be effective until the time periods specified in this Article have expired without the Nonprofit Corporation exercising any of its options under this Article to purchase the Condominium Unit or to refer potential purchasers.

Section 5.03. Option to Refer Potential Purchasers. The Nonprofit Corporation shall have the option to refer potential purchasers to the Condominium Unit Owner at any time within, but in no event later than, sixty (60) days of the date of receipt of the Offer to Sell. By such a referral, the Nonprofit Corporation shall permit but not require a contract to be entered into between the Condominium Unit Owner and a potential purchaser.

A. Compliance with the Restriction of Resale to Qualified Purchasers. Under the Restriction of Resale to Qualified Purchasers as set forth in Section 4.01 and except as provided under Section 4.09 of Article IV of this Declaration (permitting exemption from this Restriction), the Nonprofit Corporation shall refer only Qualified Purchasers to the Condominium Unit Owner.

B. Compliance with the Restriction of Resale to Low Income Qualified Purchasers. Under the Restriction of Resale to Low Income Qualified Purchasers as set forth in Section 4.02 and except as provided under Section 4.08 of Article IV of this Declaration (permitting exemption from this Restriction), if the Condominium Unit is owned by a Low Income Qualified Purchaser, the Nonprofit Corporation shall refer only Low Income Qualified Purchasers to the Condominium Unit Owner.

C. Effect of Exemption from Restriction of Resale to Low Income Qualified Purchasers. Under a "Statement of Exemption" issued under Section 4.08 of Article IV of this Declaration, the Nonprofit Corporation may refer Moderate Income Qualified Purchasers to the Condominium Unit Owner.

D. Effect of Exemption from Restriction of Resale to Qualified Purchasers. Under a "Statement of Exemption" issued under Section 4.09 of Article IV, the Nonprofit Corporation may refer to the Condominium Unit Owner any potential purchaser regardless of whether or not such potential purchaser is a Qualified Purchaser under Section 4.04 of Article IV of this Declaration.

Section 5.04. Options to Purchase. The Nonprofit Corporation shall have options to purchase a Condominium Unit directly from the Condominium Unit Owner at no more than the maximum Resale Price as determined and set forth in Article III of this Declaration. The Nonprofit Corporation may exercise these options to purchase within specified time periods and upon the occurrence or nonoccurrence of certain events as set forth in this Declaration.

A. First Option to Purchase. The Nonprofit Corporation shall have an option to purchase a Condominium Unit exercisable at any time within sixty (60) days of the date of receipt of an Offer to Sell.

B. Second Option to Purchase. If all of the Qualified Purchasers referred to the Condominium Unit Owner by the Nonprofit Corporation in the sixty (60) day referral period provided in Section 5.03 of this Article fail to close a Resale of the Condominium Unit either (1) within ninety (90) days of the expiration of said referral period, or (2) on or before the closing date specified in the contract to sell a Condominium Unit, whichever is later, the Nonprofit Corporation shall have the option to purchase the Condominium Unit as follows: The Nonprofit Corporation may exercise this option to purchase at any time within ten (10) days after either (1) the expiration of the ninety (90) day period specified in this Paragraph, or (2) the closing date specified in the contract of sale, whichever is later.

C. Third Option to Purchase. If the Condominium Unit Owner, under Section 5.05 of this Article, proposes to sell a Condominium Unit for less than the maximum Resale Price, the Nonprofit Corporation shall first be notified in writing by the Condominium Unit Owner of the proposed Resale and proposed price. Such notification shall include information regarding the terms of such sale. Further, no agreement to resell a Condominium Unit shall include any reference to a sale or transfer of a Condominium Unit Owner's personal property. Such notification shall be deemed an Offer to Sell the Condominium Unit to the Nonprofit Corporation at the proposed price and terms and the Nonprofit Corporation shall have the option to purchase the Condominium Unit at the proposed price and in accordance with such terms within ten (10) days of receipt of notification by the Condominium Unit Owner of the proposed sale.

Section 5.05. Failure to Exercise Options. If a contract for sale of a Condominium Unit has not been entered into under Section 5.03 of this Article (referral of potential purchasers by the Nonprofit Corporation) and the Nonprofit Corporation has failed to exercise its options to purchase as set forth under Sections 5.04A and 5.04B of this Article, the Condominium Unit Owner may then seek a purchaser who need not be a Low or Moderate Income Qualified Purchaser. The Condominium Unit Owner shall not sell the Condominium Unit to such purchaser for more than the maximum Resale Price as determined and set forth in Article III of this Declaration. The Condominium Unit Owner may resell the Condominium Unit to such a purchaser for less than the maximum Resale Price subject to the option to purchase of the Nonprofit Corporation under Section 5.04C of this Article. Nothing in this Paragraph shall be construed as to exempt any such purchaser from the application of these Restrictions. In the event of a sale to a non-Qualified Purchaser such non-Qualified Purchaser shall

sign a "Statement of Acceptance of The Village Green at Bedminster Neighborhood Condominium Declaration of Covenants, Conditions and Restrictions of Resale" and file the Statement with the Nonprofit Corporation before taking title to the Condominium Unit.

ARTICLE VI

RESALE APPROVAL BY NONPROFIT CORPORATION

Section 6.01. Right of Approval. The Nonprofit Corporation shall have the right to approve or disapprove every Resale of a Condominium Unit to which it is not a party.

A. Obligation to Obtain Prior Approval. A Condominium Unit Owner shall be obligated to obtain prior approval of the Nonprofit Corporation for any Resale of the Condominium Unit to which the Nonprofit Corporation is not a party, regardless of whether or not the purchaser was referred to the Condominium Unit Owner by the Nonprofit Corporation under Section 5.03 of Article V of this Declaration.

B. Application for Statement of Approval. Before the closing of the Resale, a Condominium Unit Owner shall complete and submit to the Nonprofit Corporation, in writing and according to the procedures and requirements to be established by the Nonprofit Corporation in its Rules and Regulations, an "Application for Statement of Approval of Resale." Such an application form shall be available from the Nonprofit Corporation and shall require information regarding the proposed Resale which the Nonprofit Corporation shall consider necessary to determine whether the terms and conditions of the Resale comply fully with the provisions of this Declaration.

C. Statement of Approval. The Nonprofit Corporation shall review each "Application for Statement of Approval of Resale" and grant or deny a "Statement of Approval of Resale" within a reasonable period of time after receipt of all necessary information from the applicant as specified in its Rules and Regulations.

D. Validity. A "Statement of Approval of Resale" shall be valid only for a Resale of a Condominium Unit under the terms and conditions stated in the "Application for a Statement of Approval of Resale." A "Statement of Approval of Resale" may be renewed, revoked or revised according to the Rules and Regulations of the Nonprofit Corporation.

Section 6.02. Right to Be Notified of and Present at Closing. The Nonprofit Corporation shall have the right to be notified of the date and time of closing for every Resale of a Condominium Unit and the right to be present at every such closing. In accordance with the procedures established in this Declaration, the Owner reselling a Condominium Unit shall have an obligation to notify the Nonprofit Corporation of the date and time of closing within a reasonable period of time before the closing date as specified in the Rules and Regulations of the Nonprofit Corporation.

Section 6.03. Right to Copies of Documents of Sale. The Nonprofit Corporation shall have the right to copies of all documents of sale of a Condominium Unit including, but not limited to, the deed, affidavit of title, affidavit of consideration, mortgages and any closing statement, discharge of mortgage, mortgage assumption agreement, extension of mortgage agreement, and any document issued pursuant to the Federal Real Estate Settlement Procedures Act as such Act provides, or any other document as may be required by any applicable amended or supplemented Federal or State law.

A. Obligation of New Owner to Provide Copies of Documents. Within ten (10) days after the closing of a Resale of a Condominium Unit, and in accordance with the Rules and Regulations of the Nonprofit Corporation, the new Owner of the Condominium Unit shall provide the Nonprofit Corporation with certified true copies of the documents of sale.

B. Review of Documents of Sale. The Nonprofit Corporation shall have the right to review the documents of sale provided by the new Owner for compliance with the Resale Restrictions of this Declaration. Evidence of noncompliance found in the documents of sale shall constitute grounds for invoking the provisions of Article VIII of this Declaration regarding Breach.

Section 6.04. Record of Transfer. Upon the completion of all aspects of the sale of a Condominium Unit, including the execution of all required documents and the furnishing to the Nonprofit Corporation of all documents of sale, the Nonprofit Corporation shall record the transfer of the Condominium Unit as final on its books and records.

ARTICLE VII

RESALE RECAPTURE

Section 7.01. Recapture Obligation and Lien. Each Owner of a Condominium Unit shall have the obligation upon Resale of the Condominium Unit to pay to the Nonprofit Corporation the Resale recapture amount, as calculated in the manner set forth in Section 7.02 and as provided in Section 7.03 of this Article. There is hereby created a Nonrecourse Lien, to be set forth in a form suitable for recordation in the Office of the Somerset County Clerk. The Lien shall be held by the Nonprofit Corporation as a claim against the Condominium Unit for the Resale recapture amount. The Lien shall be subordinate to the rights of government to collect taxes, Assessments and Liens,

the rights of the First Purchase Money Mortgagee, the rights of The Hills Village Master Association, Inc., and the rights of The Village Green at Bedminster Neighborhood Condominium Association, Inc.

Section 7.02. Calculation of Resale Recapture Amount. The Resale recapture amount shall be calculated by the Nonprofit Corporation within a period before Resale of a Condominium Unit as specified in its Rules and Regulations and according to the following formula and procedure:

Formula: Resale Price (less Value of Improvements and Costs of Sale) - Purchase Price x Twenty Percent (20%)

Step 1. Value of Improvements and Costs of Sale shall be subtracted from the Resale Price paid to a Condominium Unit Owner (referred to in this formula description as "the Seller") by the purchaser of the Condominium Unit.

Step 2. The Purchase Price paid by the Seller shall be subtracted from the difference obtained in Step 1 of this Section.

The Seller shall pay to the Nonprofit Corporation a Resale recapture amount equal to twenty (20%) percent of the difference obtained in Step 2 of this Section.

Section 7.03. Prepayment of Resale Recapture Amount. The obligation to pay the Resale recapture amount is incurred on the Resale of a Condominium Unit. A Condominium Unit Owner shall be permitted to prepay in whole or in part the Resale recapture amount, calculated as provided for below, before the Resale of a Condominium Unit.

A. Calculation of Prepayment. The amount which may be prepaid shall be calculated by the Nonprofit Corporation as specified in its Rules and Regulations and according to the following formula and procedure:

Formula: Purchase Price x $\frac{\text{Current Index}}{\text{Year of Purchase Index}}$ - Purchase Price x Twenty Percent (20%)

Step 1. The Purchase Price shall be multiplied by a fraction, the numerator (top number) of which shall be the last published Index and the denominator (bottom number) of which shall be the Index for the Year of Purchase.

Step 2. The Purchase Price shall be subtracted from the product obtained in Step 1 of this Section.

The amount which may be prepaid by the Condominium Unit Owner to the Nonprofit Corporation shall be equal to twenty (20%) percent of the difference obtained in Step 2 of this Section.

B. Schedule of Annual Amounts. The prepayment amounts of the Resale recapture amount shall be compiled in a "Schedule of Annual Amounts" for each Condominium Unit. If an Index figure used in calculating the prepayment amounts is indicated to be a provisional figure, the prepayment amounts shall be adjusted and the "Schedule of Annual Amounts" shall be amended to take into account any revisions subsequently made in the Index figure.

C. Notification of Condominium Unit Owner. A copy of the "Schedule of Annual Amounts" for the Condominium Unit owned by a Condominium Unit Owner shall be provided by the Nonprofit Corporation at the request of any Condominium Unit Owner made in accordance with the Rules and Regulations of the Nonprofit Corporation.

Section 7.04. Payment of Resale Recapture Amount. The full amount of the Resale recapture amount, as calculated and as set forth in Section 7.02 of this Article, less prepayments made under Section 7.03 of this Article, if any, shall be paid to the Nonprofit Corporation by the Condominium Unit Owner

under the "Notification of Resale Recapture Amount Outstanding" which the Owner receives from the Nonprofit Corporation and according to the Rules and Regulations of the Nonprofit Corporation.

A. Notification of Resale Recapture Amount Outstanding. The Nonprofit Corporation shall issue a "Notification of Resale Recapture Amount Outstanding" to a Condominium Unit Owner before Resale of a Condominium Unit and within such period of time after issuance of a "Statement of Approval of Resale" under Section 6.01 of Article VI of this Declaration as specified in its Rules and Regulations. The "Notification of Resale Recapture Amount Outstanding" shall state the full amount of the Resale recapture amount due and owing and all information used by the Nonprofit Corporation to arrive at the Resale recapture amount for the Condominium Unit being resold. The "Notification of Resale Recapture Amount Outstanding" may be revised, withdrawn, or reissued as provided under the Rules and Regulations of the Nonprofit Corporation.

B. Method and Time of Payment. The Condominium Unit Owner shall pay the Nonprofit Corporation the Resale recapture amount stated in the "Notification of Resale Recapture Amount Outstanding" at or before the closing of the Resale of the Condominium Unit and in accordance with the Rules and Regulations of the Nonprofit Corporation.

Section 7.05. Exemption. Upon Resale of a Condominium Unit for less than the maximum Resale Price, as defined in Article III of this Declaration, the Nonprofit Corporation may issue an exemption from the obligation of a Condominium Unit Owner to pay all or any portion of the Resale recapture amount.

Section 7.06. Nonrecourse. The Lien held by the Nonprofit Corporation for the Resale recapture amount shall be Nonrecourse. It shall be satisfied, however, in order of priority as set forth in this Declaration, without regard to the payment of any debt or claim subordinate to it.

"Nonrecourse" means that the Nonprofit Corporation shall be barred from action against a Condominium Unit Owner for payment if the proceeds of the sale of a Condominium Unit are insufficient to pay all taxes, Assessments, mortgages, and other liabilities of record against the Condominium Unit which are superior to the Lien granted in favor of the Nonprofit Corporation, provided that the priorities of payment as set forth in the Restrictions of this Declaration are followed.

Section 7.07. Discharge and Creation of Lien. Upon satisfaction of the Resale recapture obligation, the Nonprofit Corporation shall cause to be filed and recorded in the Office of the Somerset County Clerk a "Satisfaction of Lien" releasing the Condominium Unit for which the Resale recapture obligation has been satisfied. This "Satisfaction of Lien" shall be applicable only as to the specific Resale transaction for which it was issued and at the same time as the filing and recording of this "Satisfaction of Lien," another such Lien shall be created with respect to the same Condominium Unit. Satisfaction of this new Lien shall be the obligation of the new Owner of the Condominium Unit.

Section 7.08. Bona Fide Sale. The Resale of a Condominium Unit under this Section must be a bona fide sale for valuable consideration.

Section 7.09. Exempt Transactions. The following transactions shall be deemed "non-sales" for purposes of this Declaration and therefore do not require the payment of the Resale recapture amount which could otherwise be due and owing to the Nonprofit Corporation at time of transfer of Ownership:

- (a) Transfer of Ownership of a Condominium Unit between husband and wife;
- (b) Transfer of Ownership of a Condominium Unit 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 a Condominium Unit between family members as a result of inheritance;
- (d) Transfer of Ownership of a Condominium Unit through an executor's deed to any Person;
- (e) Transfer of Ownership of a Condominium Unit through an Order of the Superior Court.

Such transfers of Ownership neither extinguish these Restrictions nor terminate any Liens set forth under this Declaration. Liens must be satisfied in full before the Resale of a Condominium Unit to any non-exempt party.

ARTICLE VIII

BREACH OR DEFAULT

Section 8.01. Notice of Breach or Default. The Nonprofit Corporation shall issue a "Notice of Breach or Default" to an Owner of a Condominium Unit for violation of any of the Restrictions set forth in this Declaration or any of the Rules and Regulations of the Nonprofit Corporation. The "Notice of Breach or Default" shall be in writing and shall be sent to the Condominium Unit Owner by personal service, duly attested, or by Certified Mail, Return Receipt Requested, and deemed to have been received three days after mailing. The "Notice of Breach or Default" shall indicate (a) the Restriction(s), Rule(s) or Regulation(s) violated by the Condominium Unit Owner;

(b) the particular manner in which the Condominium Unit Owner violated the Restriction(s), Rule(s) or Regulation(s); and (c) the steps considered necessary by the Nonprofit Corporation for the Condominium Unit Owner to cure such Breach or Default.

Section 8.02. Period of Cure. A Condominium Unit Owner shall have thirty (30) business days from the date of receipt of the "Notice of Breach or Default" in which to correct the Breach or Default according to the steps set forth by the Nonprofit Corporation, in accordance with its Rules and Regulations, in the "Notice of Breach or Default."

The Nonprofit Corporation shall have complete discretion to grant or deny an extension of this period of cure.

Upon expiration of the period of cure, the Nonprofit Corporation shall decide whether a Condominium Unit Owner has adequately corrected the Breach or Default and such decision of the Nonprofit Corporation shall be final.

Section 8.03. Offer to Sell. Failure by a Condominium Unit Owner to cure a Breach or Default within the period of cure as set forth in Section 8.02 of this Article shall be considered an offer to sell the Condominium Unit to the Nonprofit Corporation.

Section 8.04. Nonwaiver. The failure by the Nonprofit Corporation to issue a "Notice of Breach or Default" to a Condominium Unit Owner for any violation of a Restriction or Restrictions of this Declaration or of any of the Rules and Regulations of the Nonprofit Corporation shall not constitute a waiver or forfeit by the Nonprofit Corporation of its right to enforce such Restriction(s), Rule(s) or Regulation(s) with respect to that Condominium Unit Owner or any other Condominium Unit Owner and shall not affect the right of the Nonprofit Corporation to enforce any other Restriction(s), Rule(s) or Regulation(s).

Section 8.05. Right to Purchase or Sell. Upon the occurrence of the "Offer to Sell" under this Declaration, the Nonprofit Corporation shall have the right to purchase or sell the Condominium Unit at the maximum Resale Price and in accordance with the Rules and Regulations.

Provided, if a Condominium Unit Owner defaults under the terms of a First Purchase Money Mortgage and if a Foreclosure action is brought by the First Purchase Money Mortgagee to Foreclose its Lien against the Condominium Unit Owner, the Nonprofit Corporation shall have the right to purchase or sell the Condominium Unit, as set forth in this Section. This right of the Nonprofit Corporation shall be exercisable only during the period of redemption allowed a mortgagor under the law of the State of New Jersey after the closing of a sale conducted by a sheriff or other officer of the court authorized to carry out the Foreclosure decree.

Each purchaser of a Condominium Unit, by the purchase of a Condominium Unit and in consideration of the purpose and intent of this Declaration, shall grant and does hereby grant an irrevocable "Power of Attorney" which shall name, appoint, constitute and affirm the Nonprofit Corporation as the Attorney in Fact of such purchaser, for the purpose of executing a deed and any other instruments required to purchase or sell the Condominium Unit. (An "Attorney in Fact" is one who is authorized, according to the terms of a "Power of Attorney," to act in the place of the grantor of the "Power of Attorney.") The purchaser of a Condominium Unit shall execute a "Power of Attorney" form in favor of the Nonprofit Corporation as part of the documentation necessary to complete a sale or Resale of a Condominium Unit. Such Power of Attorney is hereby declared and acknowledged to be coupled with an interest in the subject matter thereof and shall run with an interest in the

Condominium Unit and be binding upon the heirs, executors, personal representatives, administrators, successors and assigns of the purchaser of a Condominium Unit. Said Power of Attorney is intended to deliver all of the right, title and interest of the purchaser of a Condominium Unit in and to said power.

Provided, however, that such Power of Attorney may only be exercised in accordance with the Restrictions as set forth in this Declaration and the Rules and Regulations of the Nonprofit Corporation. These Restrictions and Rules and Regulations, including but not limited to the Power of Attorney referenced above, affect the value of the Condominium Unit. For purposes of any will contest, valuation of decedent's estate, divorce proceeding or the exercise of any legal or equitable right, the value of a Condominium Unit is restricted by the operation of these Restrictions and Rules and Regulations.

Section 8.06. Distribution of Sale Proceeds. Proceeds of the Resale of a Condominium Unit under this Article shall be used and distributed in the following order of priority: (a) to pay outstanding taxes and governmental assessments; (b) to satisfy the First Purchase Money Mortgagee ; (c) to cover the attorney's fees and costs of sale of the First Purchase Money Mortgagee ; (d) to pay outstanding Assessments; (e) to satisfy the Resale recapture amount as provided for in this Declaration; (f) to cover the attorney's fees and costs of sale of the Nonprofit Corporation; (g) to satisfy subordinate Lien holders; (h) to cover the attorney's fees and costs of sale of such subordinate Lien holders.

The former Condominium Unit Owner shall (except in the event of Foreclosure) be entitled to the proceeds remaining, if any, after payment in full of the above amounts. The Nonprofit Corporation shall distribute such excess proceeds to the former Condominium Unit Owner within a reasonable period of

time as provided in its Rules and Regulations and provide the former Condominium Unit Owner with a full accounting of the distribution of proceeds of the sale of the Condominium Unit.

If a former Condominium Unit Owner cannot be located or is unavailable for purposes of payment of the excess proceeds of the sale of the Condominium Unit, the Nonprofit Corporation may deposit and hold such excess proceeds for a period of two years in a fund to be established according to its Rules and Regulations, may create an account in the name of the former Condominium Unit Owner, and may issue notice by mail to the last-known address or forwarding address provided by the former Condominium Unit Owner. This notice shall inform such Owner (1) of the amount of excess proceeds to which the former Owner is entitled; (2) of the circumstances under which the Nonprofit Corporation holds the excess proceeds in trust for the benefit of the former Owner; (3) that the Nonprofit Corporation will continue to hold the excess proceeds (a) until it shall receive a claim from the former Owner in writing indicating an address to which payment shall be made, or (b) for a period of two (2) successive years. The Nonprofit Corporation shall send a notice to the last known address or forwarding address of such former Condominium Owner on the anniversary date of such sale for two (2) successive years, provided that such excess proceeds are net claims (claims for amount remaining after any assessments, fees, costs, interest, charges and other payments) of such former Condominium Unit Owner.

If a period of two (2) successive years should elapse during which the excess proceeds remain unclaimed and the whereabouts of the former Condominium Unit Owner remain unknown to the Nonprofit Corporation, such funds shall be deemed irrevocably contributed to the Nonprofit Corporation by

that former Condominium Unit Owner. The obligations of the Nonprofit Corporation to use efforts to locate such former Condominium Unit Owner are limited to those set forth in this Declaration.

Section 8.07. Legal or Equitable Remedies. In addition, or as an alternative to its right to purchase or sell as provided in Section 8.05 of this Article, the Nonprofit Corporation shall have the right to pursue any other legal or equitable remedies to which it may be entitled.

ARTICLE IX

FORECLOSURE

Section 9.01. Termination of Resale Restrictions upon Foreclosure.

Upon Foreclosure by a First Purchase Money Mortgagee, the Resale Restrictions imposed by this Declaration will terminate only with respect to the Condominium Unit which has been subjected to Foreclosure. The First Purchase Money Mortgagee may choose, however, not to so terminate the Resale Restrictions. This option is detailed in Paragraph A of this Section. Upon Foreclosure by the First Purchase Money Mortgagee, the Resale Restrictions contained in this Declaration and in the Rules and Regulations of the Nonprofit Corporation shall be deemed to have no application with respect to any such Foreclosure with the exception of the right of the Nonprofit Corporation to receive the Resale recapture amount calculated pursuant and subject to this Declaration. The Nonprofit Corporation shall be entitled to exercise all legal rights pursuant to its Lien on the Condominium Unit for the Resale recapture amount and, as a subordinate Lien holder and as required under New Jersey law, shall be entitled to be joined as a defendant in any and all Foreclosure actions brought by a First Purchase Money Mortgagee with respect to a Condominium Unit subject to this Declaration.

A. Mortgagee's Option Not to Terminate Resale Restrictions. Upon Foreclosure by any First Purchase Money Mortgagee, such First Purchase Money Mortgagee shall have the option not to terminate the Resale Restrictions imposed by this Declaration with respect to the Condominium Unit subject to a Foreclosure action. Unless such option is exercised in writing, the Restrictions shall not be applicable to the Condominium Unit subject to such Foreclosure action by such First Purchase Money Mortgagee. Exercise of this option shall be in the sole and exclusive discretion of such First Purchase Money Mortgagee .

B. Notice to Nonprofit Corporation. A First Purchase Money Mortgagee choosing to exercise the option not to terminate the Resale Restrictions of this Declaration pursuant to Paragraph A of this Section shall notify the Nonprofit Corporation in writing of such intention prior to any Foreclosure sale of the Condominium Unit.

C. Timing of Termination of Resale Restrictions. In the event a First Purchase Money Mortgagee does not elect to exercise its option not to terminate pursuant to Paragraph A of this Section, termination of the Resale Restrictions pursuant to this Section shall be deemed to occur at the time of conveyance of title to such First Purchase Money Mortgagee of the Condominium Unit.

D. Recording of Termination of Resale Restrictions. Contemporaneously with such conveyance of title as provided in Paragraph A of this Section, the Nonprofit Corporation shall cause to be filed and recorded an instrument permanently releasing the Condominium Unit acquired by Foreclosure action from the Resale Restrictions of this Declaration. Such instrument shall be deemed effective on the date of conveyance of title as set forth in Paragraph C of this Section.

E. Applicability. The Resale Restrictions of this Declaration shall be permanently extinguished, as provided under this Section, only with respect to the Condominium Unit acquired by Foreclosure action.

Section 9.02. Distribution of Foreclosure Sale Proceeds. The former Owner of the Condominium Unit sold under a Foreclosure decree shall be entitled to no more of the sale proceeds than the amount to which such Condominium Unit Owner would have been entitled if the Condominium Unit were sold for the maximum Resale Price under Article III of this Declaration, less the following amounts: (1) the amount of any taxes and governmental assessments with interest and attorney's fees; (2) the amount due on the First Purchase Money Mortgage, with interest, costs and attorney's fees; (3) the amount of any outstanding Assessments; (4) the Resale recapture amount to be paid to the Nonprofit Corporation with interest, costs and attorney's fees; (5) the amount due any subsequent lien holder with interest, costs and attorney's fees; (6) any other amount due defendants in such Foreclosure action in the form of relief granted by the Court. Any and all proceeds of the Foreclosure sale in excess of the amount to which the former Condominium Unit Owner is entitled under this Section shall irrevocably become the property of the Nonprofit Corporation.

ARTICLE X

DURATION OF RESALE RESTRICTIONS

Section 10.01. Duration. The Resale Restrictions of this Declaration shall remain in effect until forty (40) years from the date of this Declaration.

Provided, however, the recapture obligation set forth in Article VII of this Declaration shall remain in effect after the expiration of the Resale

Restrictions of this Declaration for each Owner of a Condominium Unit who purchased a Condominium Unit during the forty (40) year effective period of this Declaration. The recapture obligation shall expire upon its satisfaction in accordance with the provisions of Article VII when the first Resale of that Condominium Unit takes place after the expiration of the Resale Restrictions of this Declaration.

Section 10.02. Changes in Condominium. If, despite the reasonable efforts of the Nonprofit Corporation, Condominium Units are converted to Free Market Units before the end of the forty (40) year duration of these Restrictions as set forth in Section 10.01, neither the Nonprofit Corporation nor the Declarant shall be held liable in any way.

ARTICLE XI

ADDITIONAL RESTRICTIONS

Section 11.01. Additional Restrictions. Each Owner of a Condominium Unit shall additionally comply with all the terms set forth in this Section.

A. Prevention of Foreclosure Sale. The Condominium Unit Owner shall not cause the sale of a Condominium Unit under a Foreclosure decree.

B. Taxes and Assessments. The Condominium Unit Owner shall cause to be paid all taxes, other government charges and Assessments made against the Condominium Unit.

C. Repairs. The Condominium Unit Owner shall keep the Condominium Unit in good repair, neither damaging nor abandoning it.

D. Principal Place of Residence. Each Condominium Unit shall be the principal place of residence of the Condominium Unit Owner. The

Condominium Unit shall not be used as a place of business of the Condominium Unit Owner or any other person.

E. Conformance with Rules Required. If ownership of the Condominium Unit shall pass to another by inheritance or by the operation of law, such transfer of ownership shall be ineffective unless it is in conformance with these Restrictions and as provided for in the Rules and Regulations of the Nonprofit Corporation.

F. Restriction on Rental or Lease. A Condominium Unit shall not be leased or rented, nor shall any use be granted, by the Condominium Unit Owner to any other party without the prior written approval of the Nonprofit Corporation.

G. Lawful Use. The Condominium Unit Owner shall use the Condominium Unit in compliance with all laws, ordinances and other requirements of any governmental authority.

Section 11.02. Compliance with Restrictions Incorporated by Reference. In addition to the Restrictions set forth in this Declaration, the Owner of a Condominium Unit shall comply with the Restrictions as provided for in the following documents: (1) The Hills Village Master Declaration of Covenants, Conditions and Restrictions, dated February 4, 1983 and recorded in the Office of the Somerset County Clerk in Book 1473 at Page 696, as amended, annexed, enlarged or supplemented; (2) Articles of Incorporation, By-Laws, and Rules and Regulations of The Hills Village Master Association, Inc., as amended, annexed, enlarged or supplemented; (3) The Village Green at Bedminster Neighborhood Condominium Master Deed, to be recorded in the Office of the Somerset County Clerk, as amended, annexed, enlarged, or supplemented; (4) Certificate of Incorporation, By-laws, and Rules and Regulations of The Village

Green at Bedminster Neighborhood Condominium Association, Inc., as amended, annexed, enlarged or supplemented; and (5) Certificate of Incorporation, By-Laws, Rules and Regulations of the Nonprofit Corporation, as amended, annexed, enlarged or supplemented.

The Hills Village Master Association, Inc. Articles of Incorporation, By-Laws, Rules and Regulations and Declaration of Covenants, Conditions and Restrictions, the Certificate of Incorporation, By-laws, Master Deed and Rules and Regulations of The Village Green at Bedminster Neighborhood Condominium Association, Inc. and the Certificate of Incorporation, By-Laws and Rules and Regulations of the Nonprofit Corporation as each may be amended, annexed, enlarged or supplemented are incorporated by reference in this Declaration (made a part of this Declaration).

Section 11.03. Failure to Comply. Failure by the Condominium Unit Owner to comply with the terms and provisions set forth in this Article shall be grounds for the Nonprofit Corporation to invoke the provisions of Article VIII of this Declaration regarding Breach or Default.

ARTICLE XII

WAIVER

Section 12.01. Right to Waive. As provided in its Rules and Regulations, the Nonprofit Corporation shall have the right to waive (give up its right to enforce) any of the Restrictions or provisions of this Declaration. Any such waiver of any Restriction or provision of this Declaration or Rules and Regulations of the Nonprofit Corporation shall not operate as a waiver of any other Restriction or provision of this Declaration or Rule or Regulation of the Nonprofit Corporation. Failure by the Nonprofit Corporation to enforce any

Restriction or provision of this Declaration or Rules and Regulations of the Nonprofit Corporation shall not operate as a waiver of such Restriction or provision or Rule or Regulation of the Nonprofit Corporation, except as expressly acknowledged in writing by the Nonprofit Corporation.

Section 12.02. Right to Assist. The Nonprofit Corporation shall have the right to offer assistance in avoiding or remedying a Breach or Default of this Declaration to any Owner of a Condominium Unit. Such offer of assistance shall not constitute a waiver of any Restriction or provision of this Declaration or Rule or Regulation of the Nonprofit Corporation, except as expressly acknowledged in writing by the Nonprofit Corporation.

ARTICLE XIII

ANNEXATION

Section 13.01. Annexation.

A. The Nonprofit Corporation, Declarant or any other party with the written consent of the Nonprofit Corporation may, at any time and from time to time, record or annex to this Declaration instruments, documents, schedules, statements, amendments, determinations, or other items including all those required to be annexed to this Declaration under the provisions of this Declaration.

B. Any such recordation or annexation shall be accomplished through the recordation of an instrument in the Office of the Somerset County Clerk, which instrument shall contain the following provisions:

- a. A reference to this Declaration, which reference shall state the date of recordation and the book and page numbers where this Declaration is recorded;

- b. A statement that this Declaration has been annexed to include the particular annexed item;
- c. A description of the contents of the instrument, document, schedule, statement, amendment, determination or other item annexed;
- d. The written consent of the Nonprofit Corporation if the annexation is not made by the Nonprofit Corporation, the Declarant, or a successor or assign of the Nonprofit Corporation.

Section 13.02. Acknowledgement. Each Owner of a Condominium Unit shall, upon request by the Nonprofit Corporation, execute such acknowledgements as shall be necessary or required under the Rules and Regulations of the Nonprofit Corporation to accomplish the purpose and intent of this Declaration with respect to the Condominium Unit of such Owner.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notice. All notices, demands or communications required or allowed to be sent to any party under these Restrictions shall be sent by Certified Mail, Return Receipt Requested, as follows:

If to the NONPROFIT CORPORATION:	Executive Director, The Bedminster Hills Housing Corporation c/o Brener, Wallack and Hill 2-4 Chambers Street Princeton, New Jersey 08540
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If to any other parties, to such person at the post office address of such person.

Copy of all notices shall be sent to:	Michael D. Masanoff, Esquire Brener, Wallack & Hill 2-4 Chambers Street Princeton, New Jersey 08540
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ARTICLE XV

INTERPRETATION AND CONSTRUCTION

Section 15.01. Severability. The invalidity or partial invalidity of any provision of this Declaration shall not affect the validity or enforceability of any other provision of this Declaration.

Section 15.02. Captions and Headings. All captions and headings in this Declaration are for purposes of reference only and shall not affect the interpretation or construction of any provision of this Declaration.

Section 15.03. Court Approval. This Declaration has been approved by the Superior Court of New Jersey under the court order dated _____ in the case of Allan-Deane Corporation et al. v. Township of Bedminster et al., Dockets No. L-36896-70 P.W. and L-28061-71 P.W. and every Owner of a Condominium Unit within The Village Green at Bedminster Neighborhood Condominium is hereby on notice of this Order.

Section 15.04. Construction. Construction of this Declaration shall be governed by the laws of the State of New Jersey and the ordinances of the Township of Bedminster, County of Somerset of the State of New Jersey.

The provisions of this Declaration shall be construed in accordance with their intent to promote the objectives as set forth in the RECITALS and DECLARATION of this Declaration.

IN WITNESS WHEREOF this instrument has been entered into the date and year first written above:

Witness:

GRANTOR:

The Hills Development Company
A Joint Venture General
Partnership

William C. Orlowski, Secretary

By: John H. Kerwin, President