



LT. GOVERNOR SHEILA Y. OLIVER
CHAIR

CHARLES A. RICHMAN
EXECUTIVE DIRECTOR

December 9, 2020

Mr. Jonathan Lubonski
Michaels Development Company
PO Box 90708
Camden, NJ 08101

Re: Saddle River Family
Saddle River Borough/Bergen
LITC# 2004

Dear Mr. Lubonski:

On behalf of the New Jersey Department of Community Affairs (“DCA”) and the New Jersey Housing and Mortgage Finance Agency (“HMFA”), we are pleased to inform you that on December 9, 2020, a reservation of 9% Low Income Housing Tax Credits, in an amount not to exceed **\$1,709,798**, was awarded to the above-referenced project (the “Project”) from the **2021** Tax Credit Authority.

This reservation is subject to satisfaction of the following conditions:

- Payment to HMFA of an allocation fee equal to 3% of the annual credit amount over the 10 year credit period. One half of this fee, or **\$256,470**, shall be submitted by **March 5, 2021**. If you cannot meet this deadline, you may request an extension and, if approved, pay an extension fee of \$1,000 for every week the submission is late. This fee cannot be waived. The remainder of the fee is due prior to the issuance of the IRS Form 8609;
- Re-evaluation by HMFA of the project's need for the reserved tax credit amount at the time of a carryover (if issued) and at the time the project is placed in service, as required by the Federal Tax Code;
- Any changes that may be imposed by changes to the Federal Tax Law or Federal regulations;
- Compliance with all conditions as set forth in Exhibit A annexed hereto and made a part hereof.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

P.O. Box 18550 ▲ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ▲ WEB: www.njhousing.gov



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- Submission to HMFA **no later than November 30, 2021** the following documents required for HMFA to issue an official allocation or binding agreement of tax credits to the project.
 - a. Sponsor Certification. If you are aware of any changes that have been made to any aspect of the project since application, check the second box of item #9 and be sure to attach the appropriate documentation.
 - b. Executed Carryover Allocation Form and/or Binding Agreement form. Please refer to our website for more information.
<http://www.nj.gov/dca/hmfa/developers/credits/allocations/carryover.shtml>
 - c. 15-Year Operating Proforma signed by your first mortgage lender that exclusively reflects the following language verbatim: "We acknowledge that this proforma substantially matches the assumptions used in our underwriting of the mortgage." A new proforma does not have to be submitted if there have been no changes to your operating proforma since application.
 - d. Current Breakdown of Costs and Basis
 - e. If available, a copy of the recorded deed conveying title to the final ownership entity. The deed book and page numbers should be clearly indicated so that NJHMFA tax credit staff can accurately complete the Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy.
 - f. Tax Clearance Certificate from the New Jersey Division of Taxation
 - g. Green Homes Pre-Construction approval letter

Please note that fully executed carryovers and/or binding commitments will not be issued until all items a-g above and the first half tax credit allocation fee are received by HMFA.

- Submission to HMFA no later than 6 months after the date the carryover allocation agreement is executed of the Independent Auditors' Report (with attachment) showing the 10% test has been met.

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In order to evidence your willingness to proceed with the financing commitment as set forth herein, you are hereby required to countersign this letter. This original, countersigned letter must be returned to the attention of Anne Hamlin, Director of Tax Credit Services at HMFA, within 10 business days. This reservation is subject to your acceptance and will expire if not returned to HMFA within 10 business days.

If you have any questions regarding the above, please do not hesitate to contact Anne Hamlin at (609) 278-7629.

Sincerely,

Charles A. Richman

CHARLES A. RICHMAN
Executive Director

jp/car

Accepted and agreed to this 11th day of December, 2020.

By: Saddle River Urban Renewal LLC L.S.

By: Saddle River-Michaels LLC



(Please Print Name and Title)

Jonathan Lubonski, Vice President

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