

SECTION 1602 MORTGAGE NOTE

US \$***

Lansing, Michigan

FOR VALUE RECEIVED*** LIMITED DIVIDEND HOUSING ASSOCIATION ***, a Michigan *** (the "Mortgagor"), promises to pay to the MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Michigan (the "Authority"), or to order, the principal sum of *** Dollars (\$***), to be repaid as provided below.

This Section 1602 Mortgage Note is given in connection with a Mortgage Loan made by *** to the Mortgagor (the "First Mortgage Loan"). This Section 1602 Mortgage Note is secured by a Section 1602 Second Mortgage of even date (the "Section 1602 Second Mortgage") encumbering the multifamily residential housing development known as ***, *** MSHDA Development No. *** (the "Development"). For the purposes of complying with the Section 1602 Regulations and other Section 1602 requirements, and further restricting the use and occupancy of the Development, the Mortgagor and the Authority have also entered into a Section 1602 Regulatory Agreement of even date, to be recorded against the Development (the "Regulatory Agreement").

The outstanding principal balance payable under this Section 1602 Note shall bear no interest.

If the Mortgagor shall become liable for the Recapture Requirement pursuant to the Regulatory Agreement (the "Recapture Requirement"), this Section 1602 Mortgage Note shall be accelerated and become immediately due and payable.

If a default occurs in the payment of any amount due under the First Mortgage Loan, and such default results in the Mortgagor becoming liable for the Recapture Requirement this Section 1602 Mortgage Note shall be accelerated and become immediately due and payable.

Any forbearance by the Authority with respect to any of the terms and conditions of this Section 1602 Mortgage Note shall in no way constitute a waiver of the right to exercise the same in the event of any continuing or subsequent default or of any of the Authority's rights or privileges granted hereunder. In the event of default in the payment of this Section 1602 Mortgage Note, the undersigned hereby agree(s) to pay all cost of collection and of the enforcement of any of the Authority's rights under this Section 1602 Mortgage Note, including reasonable attorneys' fees, whether a lawsuit is brought or not. At such time as the Authority determines that the Mortgagor has satisfactorily complied with all terms and conditions of the Section 1602 Regulations and other Section 1602 Requirements so that it is not possible for it to become liable for the Recapture Requirement, or upon payment of any or all balance due under this Section 1602 Mortgage Note, the Mortgagor shall be entitled to a release and satisfaction of this Section 1602 Mortgage Note by the Authority at the Mortgagor's own cost.

All payments to be made under this Section 1602 Mortgage Note shall be payable at the offices of the Authority in Lansing, Michigan, or such other place as an Authorized Officer of the Authority or holder of this Section 1602 Mortgage Note may designate in writing.

In the event that the Mortgagor shall become liable for the Recapture Requirement, the Authority may enforce payment of the Recapture Requirement by all available means against any assets of the Mortgagor.

All parties to this Section 1602 Mortgage Note, whether principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest and notice of dishonor and consent to any number of renewals or extensions of the time of payment thereof. Any such renewals or extensions may be made without notice to any of the parties and without affecting their liability.

IN WITNESS WHEREOF, the Mortgagor by its duly authorized representatives has executed this Section 1602 Mortgage Note as of ***.

***LIMITED DIVIDEND HOUSING ASSOCIATION

By: ***

Its: ***

By: _____

Its: ***