

TCAP 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 with interest at the rate of three and 00/100 (3.00%) per annum, as provided below.

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

Principal and interest are payable as follows:

No payments on the TCAP Loan will be required prior to January 1, 2013 or so long as any deferred developer fees due to *** (the "Developer") under the terms of the Mortgagor's Amended and Restated *** Agreement, remain unpaid, but in no event longer than twelve years following the date that amortization of the First Mortgage Loan commences. At the earlier of: the year in which the all developer fees due to the Developer have been paid in full or the 13th year following the date that amortization of the First Mortgage Loan commences, repayment of the TCAP loan will be made from not less than twenty-five percent (25%) of any funds otherwise available to the Mortgagor for distribution ("Surplus Cash"), as determined by the Mortgagor's annual audit of the Development's operations. Such payments shall be applied first to accrued interest, then to current interest and principal, unless the TCAP Note is accelerated as provided below. So long as the First Mortgage Loan is outstanding, payments shall be paid to the Authority *** on or before the date on which any Limited Dividend Payment is distributed, but in no event later than April 30th of that year.

If the TCAP Loan is still outstanding, then beginning on the first day of the first month following repayment or acceleration of the First Mortgage Loan and continuing on the first day of every month thereafter, the Mortgagor shall make monthly payments of principal and interest to the Authority equal to the monthly payments previously paid by the Mortgagor on the First Mortgage Loan, until this TCAP Mortgage Note is paid in full or accelerated as provided below. Notwithstanding the foregoing, all principal and interest payable under this TCAP Mortgage Note shall be paid in full no later than ***.

The debt evidenced by this TCAP Mortgage Note may not be prepaid prior to January 1, 2013. After that date, it may be prepaid, in full or in part, without penalty or fee upon sixty (60) days written notice to the Authority.

If a default occurs in the payment of any installment due under this TCAP Mortgage Note or due under the First Mortgage Loan, and such default continues for more than thirty (30) days, the entire principal of this TCAP Mortgage Note may, at the option of the Authority, be accelerated and shall become immediately due and payable. Should the Mortgagor prepay or refinance the First Mortgage Loan, or sell the Development, then the entire outstanding balance owing under this TCAP Mortgage Note shall be accelerated and shall be immediately due and payable. Acceleration shall also occur with respect to any amount(s) owing under this TCAP Mortgage Note required to be returned to the Authority for non-compliance with the Regulatory Agreement and failure to maintain the affordability requirements of the TCAP Regulations and other TCAP requirements.

Any forbearance by the Authority with respect to any of the terms and conditions of this TCAP 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 TCAP 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 TCAP Mortgage Note, including reasonable attorneys' fees, whether a lawsuit is brought or not. Upon satisfactory completion of all terms and conditions of this TCAP Mortgage Note by the Mortgagor or upon payment of any or all balance due, the Mortgagor shall be entitled to a release and satisfaction of this TCAP Mortgage Note by the Authority at the Mortgagor's own cost.

All payments to be made under this TCAP 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 TCAP Mortgage Note may designate in writing.

The Mortgagor and the partners thereof assume no personal liability for the repayment of any sums owing under this TCAP Mortgage Note or secured by the TCAP Second Mortgage except as stated in the TCAP Second Mortgage and the Regulatory Agreement.

All parties to this TCAP 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 TCAP Mortgage Note as of ***.

***LIMITED DIVIDEND HOUSING ASSOCIATION

By: ***

Its: ***

By: _____

Its: ***