

ANN ARBOR HOUSING COMMISSION
727 Miller Avenue, Ann Arbor, Michigan 48103
Phone (734) 794-6720 • Fax (734) 994-0781 • www.a2gov.org

March 13, 2017

Swift Lane Limited Dividend
Housing Association Limited Partnership
727 Miller Road
Ann Arbor, MI 48103

RE: Firm Loan Commitment in an amount not to exceed \$1,636,000 to Swift Lane Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the "Borrower") for the project known as Swift Lane, located at 3401-3405 Platt Road, 3451-3457 Platt Road and 1520 White Street in Ann Arbor, MI.

To Whom It May Concern:

The Ann Arbor Housing Commission ("AAHC") is pleased to provide to the Borrower a firm commitment (this "Commitment"), subject to the terms thereof, to fund a construction/permanent loan in the amount of \$1,636,000 (the "Loan") for the purpose of financing the redevelopment of low income and supportive housing units (the "Redevelopment") located at 3401-3405 Platt Road, 3451-3457 Platt Road and 1520 White Street, Ann Arbor, MI, which shall now be known as Swift Lane (the "Redevelopment Site"). The Ann Arbor Housing Commission will lease the Redevelopment Site to the Borrower pursuant to a long-term ground lease (the "Ground Lease"), and the Borrower will construct the Redevelopment on the Redevelopment Site.

Outlined below are the terms and conditions of the Loan:

BORROWER:	Swift Lane Limited Dividend Housing Association Limited Partnership
PROPERTY:	Borrower's leasehold interest in the Redevelopment Site and the Redevelopment
1st MORTGAGEE:	JPMorgan Chase (during the construction phase)
2nd MORTGAGEE:	Ann Arbor Housing Commission
LOAN AMOUNT:	\$1,636,000



INTEREST RATE: The interest rate charged on the outstanding principal balance of the Loan shall be subject to the applicable Federal Rate at the time the loan is entered into, and will accrue and be payable upon the maturity of the Loan.

TERM: The Term of the Loan shall be thirty (30) years (“Maturity Date”) which shall commence on the date of the disbursement of the Loan funds to the Borrower. Unpaid principal and accrued interest shall be due on the Maturity Date.

PREPAYMENT: The entire loan balance or any part thereof can be prepaid at anytime without any prepayment fee or penalty.

SECURITY: The terms and conditions of the Loan shall be set forth in a “Loan Agreement” by and between the Borrower and AAHC, the terms and conditions of a promissory note (the “Note”) by the Borrower, both of which shall be acceptable to AAHC in its sole discretion. The Loan will be secured by the following documents (the Loan Agreement, the Note and the following documents are collectively referred to herein as the “AAHC Loan Documents”):

1. A second Leasehold Mortgage on the Property:
2. An assignment of all leases, rents or other income or profits of the Property: and
3. A UCC financing statement encumbering the fixtures and other personal property located on the Property.
4. A guaranty of performance and completion of the Redevelopment.
5. An environmental certificate and indemnity agreement for the Property.

ADDITIONAL FINANCING:

AAHC and the Borrower acknowledge and agree that there shall be a first lien leasehold mortgage in favor of JPMorgan Chase during construction (the “First Mortgage Lender”). The terms of the Loan described herein must be acceptable to the First Mortgage Lender and the equity investor selected for the Redevelopment.

REPORTS & FINANCIAL STATEMENTS:

Borrower shall submit for AAHC's review, current permanent audited financial statements on an annual basis. On a semiannual basis, until the Loan is paid in full, Borrower shall furnish operating statements and rent rolls for the Property, shall permit inspection of the Property, and shall provide documentation, reports, and information establishing that the apartment unit rental requirements identified comply with the applicable regulatory requirements and other restrictive covenants, including without limitation, those restrictions contained in the Ground Lease.

SALE OR TRANSFER:

The AAHC Loan Documents will provide that AAHC may accelerate the Loan upon any sale, conveyance, assignment, or other transfer or agreement to transfer the Property or any portion thereof, except and unless prior approval has been granted in writing by AAHC, which consent may be given by AAHC in its discretion. The AAHC Loan Documents also will provide that AAHC may accelerate the Loan upon any change in, or agreement to change, the ownership structure of the Borrower, including beneficial interest and partnership interest, but excluding the sale of limited partnership interests in the ordinary course of syndication of the Low Income Housing Tax Credits (the "LIHTC's"), without the prior written consent of AAHC, which consent may be given by AAHC in its discretion.

BANKRUPTCY:

If bankruptcy proceedings are filed voluntarily by or involuntarily against the Borrower prior to the closing date of the Loan, then this Commitment shall be null and void and AAHC shall neither be obligated to fund the Loan nor be in any way obligated further under this Commitment.

ASSIGNMENT/AMENDMENT OF COMMITMENT:

This Commitment is not assignable by Borrower and any attempt to do so shall render this Commitment immediately null and void and AAHC shall have no further obligation hereunder. This Commitment, after acceptance, may not be altered or amended unless agreed to in writing by Borrower and AAHC.

CONDITIONS TO FUNDING THE LOAN:

The funding of the loan described in this Commitment is contingent upon: (i) Borrower's execution and delivery prior to the "Closing" of such documentation

as AAHC or its counsel may require in connection with the Loan in AAHC's reasonable discretion and upon terms satisfactory to AAHC in its reasonable discretion; (ii) obtaining the requisite approvals of the AAHC Board of Commissioners and the U.S. Department of Housing and Urban Development with respect to the participation in the RAD Program.

EXPIRATION OF COMMITMENT:

This Commitment shall expire twelve (12) months from the date of issuance.

Sincerely,

A handwritten signature in red ink that reads "Jennifer Hall". The signature is written in a cursive style.

Jennifer Hall
Executive Director

ACCEPTANCE OF COMMITMENT:

If this Commitment is acceptable to you, please sign in the appropriate space below, on the enclosed duplicate hereof and return the same to us at our address set forth hereon.

ACCEPTED AND AGREED TO THIS 13th DAY OF MARCH, 2017.

Swift Lane Limited Dividend Housing Association Limited Partnership

BY: Swift Lane GP, LLC, its General Partner

By: *Jennifer Hall*
Jennifer Hall
Manager