



June 6, 2018

Jennifer Hall
Executive Director
Ann Arbor Housing Commission
727 Miller Avenue
Ann Arbor, MI, 48103

Richard L. Higgins
President
Norstar Development USA, L.P.
733 Broadway
Albany, NY 12207

**Re: Swift Lane
Ann Arbor, Michigan**

Dear Ms. Hall and Mr. Higgins:

Thank you for considering JPMorgan Chase Bank, N.A. (“Chase”) as a potential construction lender for the development of affordable rental housing at the project known as Swift Lane in Ann Arbor, Michigan. Based upon our review and analysis of the information you have supplied, we are pleased to provide the following construction financing commitment and advise you that your financing request is under serious consideration.

Construction Loan

Borrower: Swift Lane Limited Dividend Housing Association Limited Partnership, a single-asset entity whose General Partner will be fully controlled by the Ann Arbor Housing Commission.

General Partner: Swift Lane GP, LLC

Developers: Norstar Development USA, L.P. and Ann Arbor Housing Commission.

Project: Swift Lane will consist of 64 units of affordable rental housing for families, located in Ann Arbor, Michigan.

Amount: Estimated at \$12,087,035; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.

Initial Term: Up to 24 months.

Interest Rate: 1-Month Libor + 2.25%, adjustable monthly (4.28% as of June 6, 2018).

Commitment Fee:	0.75% of the Construction Loan Amount.
Extension Option:	One conditional six-month maturity extension option.
Extension Fee:	0.25% of the remaining loan commitment amount.
Collateral:	First mortgage lien; other typical pledges and assignments.
Guarantees:	Full payment and completion guarantees and environmental indemnity will be provided by Norstar Development USA, L.P. and Norstar Building Corporation.
Developer Fee:	Assigned to Chase. Notwithstanding provisions of the Limited Partnership Agreement, any payments of developer fee prior to permanent debt conversion are subject to the prior approval and control of Chase.
Tax Credit Equity:	Estimated at \$13,679,032, of which at least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to Chase in its sole discretion.
Subordinate Liens:	Subordinate financing will be permitted subject to approval of terms by Chase.
Repayment:	The Construction Loan will be repaid with principal reductions from tax credit equity funded at or subsequent to construction completion and from the proceeds of a permanent loan.
Loan to Value:	Up to 80%, including the value of the real estate and tax credits.
Contract Bonding:	Subject to the Guarantees described above being satisfactory to Chase, payment and performance bonds will not be required by Chase.

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Chase's engineer's reports and all final budgets and operating pro forma, all satisfactory to Chase in its sole and absolute discretion. Either party may terminate negotiations regarding this commitment at any time for any reason, and Chase may revoke this commitment and shall have no obligations hereunder if any of the conditions set forth therein are not satisfied as Chase requires in its sole and absolute discretion. All funding agreements for the Project shall be in form and substance acceptable to Chase in its sole discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials.

The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Chase) upon which Chase will provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned before October 31, 2018.

Sincerely,

JPMORGAN CHASE BANK, N.A.

A handwritten signature in blue ink, appearing to read "Chet C. Shedloski". The signature is fluid and cursive, with a small mark at the end.

Chet C. Shedloski
Authorized Officer

AGREED AND ACCEPTED THIS
7th DAY OF June, 2018

ANN ARBOR HOUSING COMMISSION

By: Jennifer Hall
Jennifer Hall
Executive Director

NORSTAR DEVELOPMENT USA, L.P.

By: Nordev, Inc.

By: _____
Richard L. Higgins
President

AGREED AND ACCEPTED THIS
____ DAY OF _____, 2018

ANN ARBOR HOUSING COMMISSION

By: _____
Jennifer Hall
Executive Director

NORSTAR DEVELOPMENT USA, L.P.

By: Nordev, Inc.

By: _____

Richard L. Higgins
President