

## PROMISSORY NOTE

Date: August \_\_, 2015

Dollars Dollar Amount: \$1,839,668.00.

FOR VALUE RECEIVED, West Arbor Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership ("Borrower") promises to pay to the order of Ann Arbor Housing Commission, a Michigan nonprofit corporation ("Lender"), the sum of One Million Eight Hundred Thirty-Nine Thousand Six Hundred Sixty-Eight and 00/100 Dollars (\$1,839,668.00) and such other lesser amount as Lender has advanced to Borrower.

REPAYMENT. Any repayment on this Note may be made only from available cash flow, and only to the extent allowable under the terms and conditions of the Amended and Restated Limited Partnership Agreement, to be entered into between the General Partner, West Arbor GP, LLC, Norstar West Arbor, Inc., and NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee, the Limited Partner; and

INTEREST. Interest shall accrue on the unpaid balance at the rate of six percent (6%) per annum, which shall be established at the time of execution of this Note. Upon default of any required payment, interest shall increase by three percent to a total of four percent (4%) per annum; and

TERM. This Note shall mature in thirty (30) years from the date of execution as referenced above.

WAIVER. The makers, endorsers, sureties and guarantors hereof and all other parties who may become liable for all or any part of this obligation, severally waive presentment for payment, protest, notice of protest and of non-payment and diligence in the enforcement or collection hereof, and hereby expressly consent to any number of renewals or extensions of the time of payment thereof. Any renewals or extensions may be made without notice to any of those parties and without affecting their liability, and they shall not be released from liability on this Promissory Note by reason of any forbearance or extension of time granted to, or the failure of the holder to demand strict performance by, the undersigned or any subsequent owner or owners of the property mortgaged, assigned or pledged as security for this obligation, with or without notice to or the consent of any of those parties.

NO CLAIM AGAINST BORROWER. With the exception of the Assignment of Leases and Rents in Section 10 of the Mortgage, the Lender shall have no claim against the Borrower by reason of any default hereunder, nor shall the Lender assert any lien against the Borrower, the real property upon which the Mortgage encumbers (the "Project"), any reserves held by the Borrower, or the rents or income from the Project by reason of any default hereunder.

NON RECOURSE. The Note shall be non-recourse against the Borrower.

APPLICABLE LAW. This Note shall be governed by the laws of the State of Michigan.

STANDSTILL. No right or remedy available to Lender under this Promissory Note and the related loan documents (the "Loan Documents") may be exercised prior to the expiration of the Compliance Period (as defined in Section 42 of the Internal Revenue Code of 1986, as amended) without the prior written consent of the Limited Partner.

ASSIGNMENT. This Promissory Note may not be assigned without the prior written consent of the Limited Partner.

AMENDMENT. This Promissory Note and the Loan Documents may not be amended without the prior written consent of the Limited Partner.

**BORROWER:**

West Arbor Limited Dividend Housing Association  
Limited Partnership, a Michigan limited partnership

By: West Arbor GP, LLC, a Michigan limited liability  
company

Its: General Partner

By: \_\_\_\_\_

Name: Jennifer Hall

Its: Manager