

MASTER DISBURSEMENT AGREEMENT

THIS MASTER DISBURSEMENT AGREEMENT (this “Agreement”) has an effective date of the ____ day of _____, 20____, and is entered into among CB Owasso Gardens Limited Partnership, a Minnesota limited partnership, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“Borrower”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, with its offices located at 400 Wabasha Street North, Suite 400, St. Paul, MN 55102-1109 (“MHFA”), Roseville Economic Development Authority, a public body corporate and politic and politic subdivision of the State of Minnesota, with its offices located at 2660 Civic Center Drive, Roseville, MN 55113 (the “EDA”), Ramsey County Housing and Redevelopment Authority, a political subdivision of the State of Minnesota, with its offices located at Ramsey County Courthouse, St. Paul, MN 55102 (the “HRA”), CB Owasso Gardens GP LLC, a Minnesota limited liability company, with its offices located at 1080 Montreal Avenue, St. Paul, MN 55116 (“General Partner”) and Chicago Title Insurance Company, a Florida corporation, with its offices located at 222 S Ninth Street, Suite 3060, Minneapolis, MN 55402 (“Title Company”).

RECITALS

A. Borrower has applied to and obtained loans from certain other parties to this Agreement and will use the proceeds of such loans and additional equity to fund the acquisition, construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 8233 (the “Development”), which will be situated on real property located in the City of Roseville, County of Ramsey, State of Minnesota, and legally described in **Exhibit A** attached to this Agreement.

B. The following is a listing and description of the loans that Borrower has obtained (collectively, the “Loans”) and the Equity (as defined in this Agreement) that Borrower will use to fund the acquisition, construction and/or rehabilitation of the Development (collectively, the “Project Funds”):

Description of Project Funds	Amount
A loan from MHFA through its HUD Risk-Sharing Program, none of which has been disbursed as of the effective date of this Agreement.	\$4,118,000.00
A loan from MHFA through its Bridge Loan Program, none of which has been disbursed as of the effective date of this Agreement.	\$720,000.00

A loan from MHFA through its Housing Infrastructure Bonds Program, none of which has been disbursed as of the effective date of this Agreement.	\$7,320,000.00
A loan from the HRA through the HOME Investment Partnerships Program, none of which has been disbursed as of the effective date of this Agreement.	\$400,000.00
A loan from the EDA through the Metropolitan Livable Communities Fund, which has been disbursed as of the effective date of this Agreement.	\$645,000.00
An unsecured loan from the General Partner, none of which has been disbursed as of the effective date of this Agreement.	\$322,128.00
Funds to be supplied by Borrower, as further described in Section 1(c) of this Agreement, none of which has been disbursed as of the effective date of this Agreement.	\$724,500.00

C. MHFA, the General Partner, the HRA and the EDA have entered into agreements with Borrower and/or Title Company regarding the disbursement of the Project Funds.

D. The parties have agreed that the Project Funds are to be disbursed in a certain order of priority.

E. The parties wish to establish how the Project Funds are to be disbursed and the order of priority for the disbursement.

NOW, THEREFORE, the parties agree as follows:

1. **Definitions.** The definitions set forth above are incorporated into this Section 1 by reference. The following terms have the meanings set out respectively after each such term, and such meaning are equally applicable to both the singular and plural forms of the term defined:

(a) “EDA Disbursement Agreement” - An agreement, whether verbal or written, between the EDA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the EDA Loan.

(b) “EDA Loan” – A loan from the EDA through the Metropolitan Livable Communities Fund to Borrower in an original principal amount of \$645,000.00.

(c) “Equity” – Cash monies in an amount of \$724,500.00 to be supplied to Title Company by Borrower. The Equity consists of \$100.00 from the General Partner and \$724,400.00 in syndication proceeds.

(d) “General Partner Disbursement Agreement”-An agreement, whether verbal or written, between General Partner, Borrower, and if applicable, Title Company which provides for the disbursement of the General Partner Loan.

(e) “General Partner Loan” -A unsecured loan from General Partner to Borrower in an original principal amount of \$322,128.00.

(f) “HRA Disbursement Agreement” – An agreement, whether verbal or written, between “HRA, Borrower, and, if applicable, Title Company, which provides for the disbursement of the HRA Loan.

(g) “HRA Loan” - A loan from the HRA through the HOME Investment Partnerships Program to Borrower in an original principal amount of \$400,000.00.

(h) “MHFA Disbursement Agreement” – The Disbursement Agreement between MHFA and Title Company of even date with this Agreement, which provides for the disbursement of the Equity and the proceeds of the MHFA Bridge Loan, the MHFA HIB Loan and the MHFA HRS Loan.

(i) “MHFA Bridge Loan” – A loan from MHFA through its Bridge Loan Program to Borrower in an original principal amount of \$720,000.00.

(j) “MHFA HIB Loan” - A loan from MHFA through its Housing Infrastructure Bonds Program to Borrower in an original principal amount of \$7,320,000.00.

(k) “MHFA HRS Loan” - A loan from MHFA through its HUD Risk-Sharing Program to Borrower in an original principal amount of \$4,118,000.00.

2. **Order of Priority for Disbursement of Project Funds.** Each party agrees that the Title Company has already been, or will be from time to time, supplied with the Project Funds and must disburse the Project Funds in the following order:

Source of Project Funds	Order of Disbursement
EDA Loan	First
Equity	Second
General Partner <u>HRA Loan in the amount of \$398,000.00</u>	Third
HRA <u>MHFA HIB Loan in the amount of \$398,000.00</u>	Fourth
MHFA HIB <u>Bridge</u> Loan	Fifth
MHFA Bridge Loan	Sixth
MHFA HRS Loan	Seventh
<u>General Partner Loan</u>	Eighth
HRA Loan in the remaining	

amount of \$2,000.00

The parties agree that the Project Funds must be disbursed in the order indicated and that none of the proceeds of a source of funds will be disbursed until all of the proceeds of funds that are to be disbursed prior to such source have been disbursed. The parties further direct Title Company to disburse the Project Funds in the order indicated, and Title Company agrees to comply with such direction.

Notwithstanding the above order of disbursement, the parties agree that if funds from one funding source (the “Original Funding Source”) are unavailable due to (a) the requirements of the documents governing the eligible uses of such funding source and/or (b) certain conditions for disbursement of such funds that have not yet been met, subject to the terms of such funding party’s documents, funds from the next funding source in the order above will be made available for disbursement, but only to the extent the Original Funding Source is unavailable.

3. Disbursement of Individual Loan Proceeds. When Borrower desires the disbursement of any or all of the Project Funds referred to in Section 2, it will submit a draw request to the appropriate entity that is supplying such funds. If the draw request meets the provisions contained in the applicable document that Borrower has entered into with the entity supplying the requested funds and all other requirements imposed by the applicable document have been satisfied, then the approving entity will approve the draw request and forward it to MHFA for authorization for the disbursement of the draw. MHFA’s authorization will be solely to confirm that the Development is being constructed in conformance with all applicable plans and specifications and will not in any way relate to Borrower’s compliance with any provision imposed by an entity for the disbursement of that entity’s funds. Upon authorization by MHFA, MHFA will forward the draw request to Title Company for disbursement of the applicable funds.

Title Company will not disburse any monies without first receiving a draw request approved by both the entity whose monies are to be disbursed and MHFA, and upon receipt of an approved draw request, Title Company will disburse the applicable monies in accordance with the provisions contained in the following documents:

Source of Project Funds to be Disbursed	Entity Supplying the Source of Project Funds	Disbursement Document
Equity	Borrower	MHFA Disbursement Agreement
EDA Loan	EDA	EDA Disbursement Agreement
HRA Loan	HRA	HRA Disbursement Agreement
MHFA HRS Loan	MHFA	MHFA Disbursement Agreement
MHFA Bridge Loan	MHFA	MHFA Disbursement Agreement
MHFA HIB Loan	MHFA	MHFA Disbursement Agreement
General Partner Loan	General Partner	General Partner Disbursement Agreement

4. **Binding Effect.** This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and assigns.

5. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which is an original but all of which will constitute one instrument.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Master Disbursement Agreement as of the date first written above.

BORROWER:

**CB OWASSO GARDENS LIMITED
PARTNERSHIP**

a Minnesota limited partnership

By: CB Owasso Gardens GP LLC
a Minnesota limited liability company
General Partner

By: _____
Cecile Bedor, Chief Manager/President

THIS DOCUMENT WAS DRAFTED BY:
Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, MN 55102-1109

MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

HRA:

**RAMSEY COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

a political subdivision of the State of Minnesota

By: _____
Alexandra Kotze
CFO of Finance and authorized signatory
for Ryan T. O'Connor, Ramsey County
Manager

EDA:

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**

a public body corporate and politic and political
subdivision of the State of Minnesota

By: _____

Its: President

By: _____

Its: Executive Director

GENERAL PARTNER:

CB OWASSO GARDENS GP LLC
a Minnesota limited liability company

By: _____
Cecile Bedor, Chief Manager/President

TITLE COMPANY:

CHICAGO TITLE INSURANCE COMPANY
a Florida corporation

By: _____

Its: _____

Exhibit A
LEGAL DESCRIPTION

Lot 1, Block 1, Owasso Gardens, Ramsey County, Minnesota.

Torrens Property
Certificate of Title No. 635926