

MASTER DISBURSEMENT AGREEMENT

THIS MASTER DISBURSEMENT AGREEMENT (this “**Agreement**”) shall have an effective date of the ____ day of _____, 2015, and is entered into among **CB Ramsey Housing Limited Partnership**, a **Minnesota limited partnership**, with its offices located at **1080 Montreal Avenue, Saint 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 Sibley Street, Suite 300, St. Paul, MN 55101 (“**MHFA**”), **CommonBond Communities**, a **Minnesota nonprofit corporation**, with its offices located at **1080 Montreal Avenue, Saint Paul, MN 55116** (“**CommonBond**”), the **Anoka County Housing and Redevelopment Authority**, a public body corporate and politic of the State of Minnesota, with its offices located at **2100 Third Avenue North, Anoka, Minnesota 55303** (“**HRA**”), **City of Ramsey**, a Minnesota municipal corporation, with its office located at 7550 Sunwood Drive, Ramsey, MN 55303 (the “**City**”), and **Commercial Partners Title, LLC**, a **Minnesota limited liability company**, with its offices located at **200 South Sixth Street, Suite 1300, Minneapolis, MN 55402** (“**Title Company**”).

RECITALS

A. Borrower has applied to and obtained certain loans from other parties hereto 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. **D7721** (the “**Development**”), which will be situated on real property located in the City of **Ramsey**, County of **Anoka**, State of Minnesota, and legally described in **Exhibit A** attached hereto.

B. The following is a listing and description of the loans that Borrower has obtained from other parties hereto (collectively, the “**Loans**”) and the Equity (as defined herein) that Borrower will use to fund the acquisition, construction and/or rehabilitation of the Development:

Description of Funds	Amount of Funds
A loan from MHFA through its Bridge Loan Program, none of which has been disbursed as of the effective date of this Agreement.	\$3,075,000.00
A loan from MHFA through its Housing Infrastructure Bonds Program, none of which has been disbursed as of the effective date of this Agreement.	\$4,470,000.00
A loan from CommonBond , none of which has been disbursed as of the effective date of this Agreement.	\$250,000.00

A loan from HRA, none of which has been disbursed as of the effective date of this Agreement.	\$300,000.00
A grant the City to CommonBond, through the Metropolitan Council, none of which has been disbursed as of the effective date of this Agreement	\$780,000.00
Funds to be supplied by Borrower, as further described in Section 1(c) hereof, none of which has been disbursed as of the effective date of this Agreement.	\$1,328,400.00

C. MHFA, CommonBond, the City, and HRA have entered into agreements with Borrower and/or Title Company regarding the disbursement of the proceeds of the Loans and the Equity.

D. The parties have agreed that the Loans and the Equity are to be disbursed in a certain order of priority.

E. The parties wish to establish how the Loans and the Equity are to be disbursed and the order of priority for the disbursement thereof.

NOW, THEREFORE, the parties agree as follows:

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

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

(b) “CommonBond Loan” – A loan from CommonBond to Borrower in an original principal amount of \$250,000.00.

(c) “Equity” – Cash monies, consisting of an initial capital contribution of \$548,400 to be supplied to the Title Company by the Borrower.

(d) “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.

(e) “HRA Loan” - A loan from HRA to Borrower in an original principal amount of \$300,000.00.

(f) “City Grant” – Cash monies consisting of (i) \$580,000 of LCDA funds originally provided by the Metropolitan Council to the City of Ramsey, subgranted to

CommonBond, contributed by CommonBond to CB Ramsey Housing LLC, the general partner of Borrower (“GP”), and then contributed by GP to Borrower, and (ii) \$200,000 of LHIA funds originally provided by the Metropolitan Council to the City of Ramsey, subgranted to CommonBond, contributed by CommonBond to GP, and then contributed by GP to Borrower.

(g) “City Grant Agreements” – Collectively, the following agreements, which provide for the disbursement of the Met Council Equity: (i) Metropolitan Livable Communities Act Grant Agreement (Local Housing Initiatives Account) dated effective as of July 31, 2015 by and between the Metropolitan Council (“Met Council”) and the City, (ii) Metropolitan Livable Communities Act Grant Agreement (Livable Communities Demonstration Account) dated effective as of July 31, 2015 by and between the Met Council and the City, and (iii) Subgrant Agreement dated as of _____, 2015 by and between the City and CommonBond.

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

(i) “MHFA Bridge Loan” - A loan from MHFA through its Bridge Loan Program to Borrower in an original principal amount of \$3,075,000.00.

(j) “MHFA HIB Loan” - A loan from MHFA through its Housing Infrastructure Bonds Program to Borrower in an original principal amount of \$4,470,000.00.

2. **Order of Priority for Disbursement.** Title Company has already been, or will be from time to time, supplied with the Equity and the proceeds of the CommonBond Loan, the City Grant, the HRA Loan, the MHFA Bridge Loan and the MHFA HIB Loan and shall disburse such funds in the following order of priority:

Source of Funds	Order of Disbursement
Equity	First
City Grant	Second
MHFA HIB Loan	Third
MHFA Bridge Loan	Fourth
HRA Loan	Fifth
CommonBond Loan	Sixth

The parties agree that the proceeds of the above-listed sources of funds shall be disbursed in the order indicated and that none of the proceeds of a source of funds shall be disbursed until all of the proceeds of funds that are to be disbursed prior thereto have been disbursed. The parties further direct Title Company to disburse the proceeds of the above-listed sources of funds in the order indicated, and Title Company agrees to comply with such direction.

Notwithstanding the order of disbursement of the Equity and the Loans (together, the “Funding Sources”) above the parties agree that if funds from one Funding Source are unavailable due to the requirements of that Funding Source’s loan documents or disbursing agreement, funds from the next Funding Source will be made available for disbursement and, if there are insufficient funds to complete the Development, Borrower shall immediately, upon request from the Title Company, contribute and deposit with the Title Company, such sums as are required to complete the Development.

3. **Disbursement of Individual Funding Sources.** When Borrower desires the disbursement of any or all of the proceeds of any of the Funding Sources, 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 shall approve the draw request and forward it to MHFA for authorization for the disbursement of the draw. MHFA’s authorization shall be solely to confirm that the Development is being constructed in conformance with all applicable plans and specifications and shall 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 shall forward the draw request to Title Company for disbursement of the applicable funds.

Title Company shall 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 shall disburse the applicable monies in accordance with the provisions contained in the following documents:

Source of Funds to be Disbursed	Entity Supplying the Funds	Disbursement Document
Equity	Borrower	MHFA Disbursement Agreement
City Grant	City	City Grant Agreements
CommonBond Loan	CommonBond	CommonBond Disbursement Agreement
HRA Loan	HRA	HRA Disbursement Agreement
MHFA Bridge Loan	MHFA	MHFA Disbursement Agreement
MHFA HIB Loan	MHFA	MHFA Disbursement Agreement

4. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Minnesota Housing Finance Agency Master Disbursement Agreement as of the date first written above.

BORROWER:

CB RAMSEY HOUSING LIMITED PARTNERSHIP
a Minnesota limited partnership

By: CB Ramsey Housing LLC
a Minnesota limited liability company
General Partner

By: _____
Ellen Higgins, Chief Manager

MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
Wesley J. Butler
Assistant Commissioner, Multifamily

COMMONBOND:

COMMONBOND COMMUNITIES

a Minnesota nonprofit corporation

By: _____
Ellen Higgins, Vice President

HRA:

**ANOKA COUNTY HOUSING AND
REDEVELOPMENT AUTHORITY**

By: _____
Scott Schulte, Chair
Anoka County HRA Board

By: _____
Karen Skepper
HRA Executive Director, and Director of
Anoka County Community and Government
Relations

Attest:

By: _____
Jerry Soma
Anoka County Administrator

APPROVED AS TO FORM:

By: _____
Christine Carney
Assistant County Attorney

CITY:

CITY OF RAMSEY, MINNESOTA

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

TITLE COMPANY:

COMMERCIAL PARTNERS TITLE, LLC

By: _____

Its: _____

Exhibit A

LEGAL DESCRIPTION

Parcel 1:

Lot 1, Block 1, Sunwood Village, Anoka County, Minnesota

Torrens Property

Torrens Certificate No. _____

Parcel 2:

Together with an easement for driveway as set forth in Declaration of Reciprocal Driveway Easements and Drainage and Utility Easements dated as of April 30, 2012, filed May 3, 2012, as Document No. 508341.013, as amended by the Amendment to Declaration of Reciprocal Driveway Easements and Drainage and Utility Easements dated as of _____, 2015, filed _____, 2015, as Document No. _____.