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Minnehaha Ave W

**TWIN CITIES COMMUNITY LAND BANK  
MASTER CREDIT FACILITY AGREEMENT**

**THIS MASTER CREDIT FACILITY AGREEMENT** (this “Master Agreement”) is made and entered into as of this 9th day of October, 2015, by and between COMMUNITY ENHANCEMENT GROUP, LLC, a Minnesota nonprofit limited liability company (“Developer”), and TWIN CITIES COMMUNITY LAND BANK LLC, a Minnesota nonprofit limited liability company (“Lender”).

**WHEREAS**, Lender has developed loan programs to provide nonprofit and private sector developers with access to financing via a revolving line of credit (the “Master Facility”) under which individual loans could be granted by Lender to Developer in the following manner and under the stated parameters:

☒ (a) Master Facility with a reservation of funds in the aggregate amount of up to \$400,000.00 (the “Reservation Amount”) whereby Lender agrees to reserve an aggregate amount of funds for and to lend such funds to Developer for one or more Property Loans pursuant to a revolving line of credit which will be advanced, repaid and re-advanced in accordance with the terms of this Master Agreement; or

☐ (b) Master Facility limited to a single Property Loan in an amount not to exceed [\$250,000.00] (the “Maximum Property Loan Amount”) whereby Lender agrees to lend funds to Developer for one Property Loan at a time pursuant to a revolving line of credit which will be advanced, repaid and readvanced in accordance with the terms of this Master Agreement.

**WHEREAS**, Lender and Developer have agreed that funds disbursed by Lender to Developer for Property Loans under the Master Facility will be used solely to finance the following:

☒ (a) Acquisition, demolition, holding costs and/or rehabilitation of housing for occupancy by an Eligible Home Buyer; or

☐ (b) Acquisition, demolition, holding costs and/or new construction of housing for occupancy by an Eligible Home Buyer.

**WHEREAS**, Developer desires to obtain financing from Lender, and Lender has agreed to lend to Developer funds for the purposes set forth above and pursuant to the terms of this Master Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

## ARTICLE I DEVELOPER LOANS

### Section 1.01 Master Facility Type.

☒ (a) **Master Facility with Reservation of Funds.** Upon the terms and subject to the conditions set forth in this Master Agreement, Lender agrees to reserve the Reservation Amount during the term of this Master Agreement. The Master Facility with a reservation of funds shall be a revolving line of credit advanced, repaid and re-advanced in accordance with the terms and conditions of this Master Agreement.

☐ (b) **Master Facility with Single Property Loan Limit.** Upon the terms and subject to the conditions set forth in this Master Agreement, Lender agrees to loan funds to Developer up to the Maximum Property Loan Amount at any one time. The Master Facility with a single Property Loan limit shall be a revolving line of credit, in Lender's sole discretion that may be advanced, repaid and readvanced in accordance with the terms and conditions of this Master Agreement; provided, however, Developer shall not have more than one Property Loan outstanding at a time for a Qualifying Property.

(c) **Adequate Progress.** Developer has proposed to acquire and rehabilitate or construct from time to time Qualifying Properties for sale to Eligible Home Buyers. In the event Lender determines that Developer is not adequately progressing on its proposed development goals or that a Qualifying Property is not being sold to an Eligible Home Buyer within the time periods contemplated by this Master Agreement, Lender reserves the right to withhold making further funds available under the Master Facility to Developer until such time as Developer provides evidence or further assurances satisfactory to Lender of Developer's ability to meet proposed development goals or of Developer's compliance with this Master Agreement.

**Section 1.02 Loans.** Upon the terms and subject to the conditions in this Master Agreement, Lender agrees to make the Master Facility or Property Loan to Developer and Developer agrees to borrow the Master Facility or Property Loan from Lender with respect to the acquisition and rehabilitation or new construction of a Qualifying Property from time to time. Each Property Loan shall be in an amount not to exceed the lesser of a) for acquisition/rehabilitation up to 95% of the Estimated Total Development Costs less Subsidy; or b) for acquisition/new construction up to 80% of the Estimated Total Development Costs less Subsidy; or in either case, c) 100% of the As Completed Appraised Value. The proceeds of a Property Loan shall be used only for Qualifying Costs. The outstanding amount of the Master Facility or Property Loan shall not exceed the Reservation Amount or Maximum Property Loan Amount, as applicable. In the event the remaining undisbursed amount of the Reservation Amount or Maximum Property Loan Amount, as applicable, is not sufficient to fund the Qualifying Costs for the last Qualifying Property, Developer will be required to provide additional funds to meet such shortfall or Lender will have no obligation to disburse and loan such remaining amount of the Reservation Amount or Maximum Property Loan Amount, as applicable. In such event, Lender shall have the right to reallocate any unused Reservation Amount or Maximum Property Loan Amount, as applicable, and shall have no obligation to further advance funds from the Master Facility or Property Loan to Developer.

**Section 1.03 Repayment.** Developer must repay a Property Loan on the Home Buyer Closing Date, and in accordance with the applicable Note. Each Property Loan must be repaid within 18 months, except as such times may be shortened by the Master Facility Maturity Date. Developer must give Lender written notice of the closing at least ten (10) days prior to the applicable Home Buyer Closing Date.

**Section 1.04 Maturity Dates.** No Note, Mortgage or Property Loan shall originate after June 21, 2017 (date of expiration of this Master Agreement) (the "Master Facility Origination End Date"). No Note, Mortgage or Property Loan shall have a maturity date that is later than December 20, 2017 (or six (6) months after the Master Facility Origination End Date) (the "Master Facility Maturity Date"). A Property Loan made pursuant to this Master Agreement may have a shorter term than originally contemplated in this Master Agreement in order to satisfy the Master Facility Maturity Date requirement. In order to accommodate this requirement, notwithstanding anything to the contrary set forth in Section 1.03 of this Master Agreement, Developer must repay a Property Loan within less than eighteen (18) months if such Property Loan is made after the Master Facility Origination End Date.

## **ARTICLE II. CONDITIONS PRECEDENT**

**Section 2.01 Conditions Precedent to Execution of Master Agreement.** The following are conditions precedent to the Lender's execution and delivery of this Master Agreement:

- (a) This Master Agreement duly executed by Developer;
- (b) Receipt of the Master Facility Due Diligence Documents;
- (c) As required by Lender, the Guaranty executed by the Guarantor(s); and
- (d) Payment by Developer to Lender of the Master Facility Fees in an amount determined by Lender.

**Section 2.02 Condition Precedent to Initial Advance of a Loan.** Lender shall make the initial disbursement of the proceeds of a Property Loan subject to compliance with Section 2.03 and the further condition precedent that the Lender shall have received the following:

- (a) The Loan Due Diligence Documents;
- (b) The Loan Documents duly executed by Developer (Exhibits A, B and C);
- (c) Lender's title proforma;
- (d) Payment by Developer to Lender of the Origination Fee; and
- (e) Payment by Developer to Lender of Loan Fees in connection with a Property Loan.

**Section 2.03 Conditions Precedent to All Loan Disbursements.** The obligation of Lender to make each disbursement of a Property Loan shall be subject to the condition precedent that Developer shall be in compliance with all conditions set forth in Sections 2.01 and 2.02, as applicable, and the further conditions precedent that on the date of such disbursement:

(a) No Event of Default hereunder or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing and all representations and warranties made by Developer in Article III shall continue to be true and correct as of the date of such disbursement;

(b) Title has received or shall simultaneously receive a lien waiver from each contractor, subcontractor or materials supplier for all work done and for all materials furnished to the Qualifying Property, and Developer has complied with all of the terms and conditions of the Escrow and Disbursement Agreement;

(c) No determination shall have been made by Lender that the undisbursed amount of a Property Loan, other project funds or other equity is less than the amount required to pay Qualifying Costs of any kind which reasonably may be anticipated in connection with the acquisition and rehabilitation or new construction of a Qualifying Property; or if such a determination has been made and notice thereof sent to Developer, Developer has deposited with Title the sum necessary to make the available funds between the deposit and undisbursed proceeds of the Property Loan equal to the unpaid Qualifying Costs;

(d) Developer shall have provided to Lender such evidence of compliance with all of the provisions of this Master Agreement as the Lender may reasonably request;

(e) No license or permit necessary for the acquisition and rehabilitation or new construction of a Qualifying Property shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover; and

(f) Lender shall have the right to inspect the Qualifying Property prior to each draw to ensure the work has been completed in a proper and complete manner and may charge Developer for the cost of such inspections.

**Section 2.04 Disbursal of a Loan.**

(a) Developer will originate each request for disbursement in accordance with the Escrow and Disbursement Agreement. Developer may submit a draw request with respect to each Property Loan no more than twice per month.

(b) Within five (5) business days after receipt of the disbursement request and supporting documentation, Lender will approve or disapprove the request. In the event of disapproval, Lender will provide reasons for the disapproval within five (5) business days after receipt of the disbursement request and documentation.

Any disapproval of a disbursement must be reasonable and based upon the Developer's non-compliance with the Escrow and Disbursement Agreement or Master Agreement, and the Developer will be provided five (5) business days to cure any such non-compliance. In the event Lender fails to approve or disapprove the disbursement request within five (5) business days of receipt thereof, Lender will be deemed to have approved such disbursement request, and Title is hereby required to automatically disburse as provided herein.

- (c) Upon receipt of an approved disbursement request and sufficient funds to pay such request, Title will obtain partial and/or full lien waivers, lien releases or lien satisfactions, in the customary form, from the General Contractor and all subcontractors and material suppliers with whom the General Contractor has contracted in connection with a Qualifying Property. Title shall promptly notify Lender of its inability to obtain satisfactions with respect to any disbursement request. Upon receipt of any such notice, Lender will be entitled, but not obligated, to revoke its approval of such disbursement request.
- (d) Title agrees to act as the disbursing agent under this Master Agreement and the Escrow and Disbursement Agreement and will account for all funds deposited with it. For each Qualifying Property, Lender shall disburse the funds to Title following each draw request from Developer, as approved by Lender. Title shall deposit such funds in a non-risk account. If the Qualifying Property is rehabilitation, the interest, if any, earned on the undisbursed funds may be disbursed to Developer for eligible expenditures upon approval of Lender. Any interest deemed by Lender to be in excess of amounts necessary to pay Qualifying Costs must be returned to Lender upon its request and applied to the Property Loan.
- (e) Title may rely on the statements made by Developer, Lender or others in any documents submitted to it under this Master Agreement and will not be required to verify the accuracy of such statements and will not be liable for any disbursements of funds made in reliance on any such statement, unless Title is negligent with respect thereto.
- (f) Developer agrees to indemnify and hold harmless Lender from any and all claims, demands or costs associated with the disbursement of the proceeds of a Property Loan, including any attorney's fees arising therefrom.
- (g) The functions and duties of Title include only those set forth in the Escrow and Disbursement Agreement and Title is not entitled to act and must not act, except in accordance with the terms and conditions of such agreement.

**Section 2.05 Conditions Precedent to a Loan Payoff and Home Buyer Closing.** The payoff of a Property Loan and closing with an Eligible Home Buyer under this Master Agreement shall be subject to the condition precedent that Developer is in compliance with all conditions set forth in Article III and the further condition precedent that the Lender shall have received the following:

- (a) The home buyer purchase agreement, including a copy of the Eligible Home Buyer Income Qualification Worksheet (Exhibit G) and supporting documentation or a Fannie Mae 1003 application signed by the Eligible Home Buyer and approved by the underwriter of the Lender;
- (b) The Certification of Eligible Home Buyer and Household Demographics (Exhibit H) signed by the Eligible Home Buyer and Developer and approved by Lender
- (c) Documentation satisfactory to Lender that the primary financing for the Eligible Home Buyer is a fixed rate FHA, VA, Conventional insured or uninsured loan product that is generally considered in the lending industry to be an “A” or “prime” product. (Pending approval by HUD and MHFA, if applicable, and Lender, a contract for deed financing or Sharia compliant product may be allowed on a case by case basis; provided it has the indicia of an “A” or “prime” product and is generally accepted in the lending industry as such);
- (d) Documentation satisfactory to Lender that Developer has obtained for the Eligible Home Buyer at least a one (1) year basic systems warranty;
- (e) Documentation satisfactory to Lender that the Improvements meet all applicable local building code requirements and that the Qualifying Property is ready for occupancy, including copies of a certificate of occupancy, if required by the municipality, and a point of sale/code compliance inspection report, or truth in housing/sale of housing report, if applicable;
- (f) Documentation satisfactory to Lender that all first time home buyers listed on the Mortgage have completed home buyer counseling by attendance at a home buyer education class offered by a certified home buyer education provider, which may be completed online or in person. A list of home buyer counselors is available on the Minnesota Homeownership Center website:  
  
<http://www.hocmn.org/en/firstTimeHomeBuyers-providerResults.cfm>;
- (g) A Developer’s Closing Certificate (Exhibit I) confirming that the Loan Proceeds were used only to pay for Qualifying Costs, and certifying to Lender that: (i) to the best of Developer’s knowledge, the furnace in and roof on the Qualifying Property have an estimated useful life of at least 5 years from the date thereof; (ii) with respect to lead paint for homes built before 1978, all work was conducted and completed in compliance with guidelines provided by HUD; (iii) with respect to any friable asbestos, those materials have been disclosed and properly remediated, as required by law; and (iv) all Improvements were completed in conformity with the Construction Plans, HUD Housing Quality Standards (Appendix A thereof), and that the Qualifying Property meets all rehabilitation or new construction standards equal to or greater than those used by FHA to meet FHA financing requirements;
- (h) A Community Employment Utilization Report (Exhibit K);

- (i) A final As Completed Value Appraisal of the Qualifying Property; and
- (j) A final Sworn Construction Statement.

**ARTICLE III.  
COVENANTS, WARRANTIES,  
REPRESENTATIONS AND AGREEMENTS OF DEVELOPER**

Developer covenants, warrants, represents and agrees throughout the term of this Master Agreement:

**Section 3.01 Enforceable Documents.** Developer is an entity duly formed and in good standing under the laws of the State of Minnesota, is lawfully authorized to acquire, construct, equip, operate and maintain each Qualifying Property and has full power and authority to enter into this Master Agreement, the Loan Documents, the Master Facility Due Diligence Documents and the Loan Due Diligence Documents, if any. This Master Agreement, the Loan Documents, the Master Facility Due Diligence Documents and the Loan Due Diligence Documents, if any, have all been or will be duly executed and delivered, and assuming due execution and delivery by the other parties thereto, such documents constitute the legal binding obligations of Developer, enforceable against Developer in accordance with their respective terms.

**Section 3.02 Ownership.** At all times while a Property Loan is outstanding, Developer will be the owner of a good and marketable title in fee simple absolute in and to the Qualifying Property, subject to no lien, charge, mortgage, restriction or encumbrance, except the Permitted Encumbrances.

**Section 3.03 Financial Statements.** The financial statements of Developer previously or hereafter delivered to Lender have been prepared in accordance with generally accepted accounting principles (or other accounting methods reasonably acceptable to Lender) and accurately present Developer's financial condition as of the date of such statements.

**Section 3.04 Use of Loan Proceeds.** That all proceeds of a Property Loan will be used solely to pay Qualifying Costs for a Qualifying Property actually incurred by Developer. In addition, Developer agrees, upon completion of the Improvements to a Qualifying Property, to sell such Qualifying Property to an Eligible Home Buyer thereby providing affordable and low income housing to individuals in accordance with the mission of the Lender.

**Section 3.05 Construction of Improvements.** Developer will construct the Improvements substantially in accordance with the Construction Plans, such Improvements to be located entirely on a Qualifying Property. The Improvements do not and will not impermissibly encroach upon or overhang any easement or right-of-way located within a Qualifying Property or any land not constituting part of a Qualifying Property. To the best of Developer's knowledge, a Qualifying Property, both during construction and at the time of completion, and the contemplated use thereof, will not violate any applicable zoning, subdivision, or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record.

**Section 3.06 Additional Documents.** Developer will, upon the reasonable demand of Lender, from time to time and at any time, deliver to Lender updated and recertified copies of the

Loan Documents, Master Facility Due Diligence Documents and the Loan Due Diligence Documents, if any. Further, Developer will, upon the reasonable demand of Lender, from time to time and at any time, deliver to Lender updated financial statements and tax returns.

**Section 3.07 No Prior Liens.** Developer will not grant a security interest in a Qualifying Property or related portion of a Qualifying Property or create, permit to be created or allow to exist any liens, charges or encumbrances on a Qualifying Property or related portion of a Qualifying Property prior to the lien of the Mortgage, other than the Permitted Encumbrances.

**Section 3.08 Books and Records.** Developer will establish and maintain accurate and complete books, accounts and records pertaining to each Qualifying Property in a manner that is consistent with generally accepted accounting practices. Developer shall retain all such books, accounts and records for a period of six (6) years from the date of this Master Agreement or six (6) years from the date that each Qualifying Property is sold, whichever is more. Lender and Title, and their representatives, will have the right but not the obligation, at all reasonable times to inspect, examine and copy all books and records of Developer relating to each Qualifying Property and to inspect all work done, labor performed and material furnished to or about each Qualifying Property. Notwithstanding the foregoing, Developer shall be responsible for making inspections to each Qualifying Property during the course of construction and shall determine to its own satisfaction that the work done or materials supplied by all contractors have been properly supplied in accordance with the applicable contract. Developer will hold Lender harmless and Lender will have no liability or obligation of any kind to Developer or creditors of Developer, in connection with any defective, improper or inadequate workmanship or material brought in or related to each Qualifying Property, or any mechanic's liens arising as a result of such workmanship or materials. Lender shall also have the ability to visit Developer's principal place of business upon any change in the management, ownership or general operation of Developer.

**Section 3.09 Taxes and Assessments.** Developer will pay and discharge, when due, all taxes, assessments and other government charges upon each Qualifying Property, as well as claims for labor and materials which, if unpaid, might by law become a lien or charge upon a Qualifying Property; provided, that any such taxes, assessments, charges or claims need not be paid so long as Developer is contesting such payment in good faith by appropriate proceedings which avoid foreclosure of liens securing such items and provided further that Developer has furnished to Lender such security and assurances as are acceptable to Lender in order to protect the priority of the lien of the Mortgage. Developer and Lender agree that, notwithstanding the foregoing, special assessments on each Qualifying Property arising out of improvements made thereon in connection with the development of the same will be paid by Developer in annual installments and will be Permitted Encumbrances so long as the same are not delinquent.

**Section 3.10** INTENTIONALLY OMITTED.

**Section 3.11 Evidence of Insurance.** Developer will at all times maintain in effect and upon reasonable request, by the Lender, furnish Lender with policies of and proof of payment of premiums on the insurance policies described in the Master Facility Due Diligence Documents or the Loan Due Diligence Documents.

**Section 3.12 Start of Construction.** Developer will substantially complete construction of the Improvements for each Qualifying Property within six (6) months after the Construction Start Date.

**Section 3.13 Qualifying Property Sales; Home Buyer Covenants.** Developer will comply with its marketing plan and sell each completed Qualifying Property to an Eligible Home Buyer that intends to occupy the Qualifying Property as its primary residence and for which the Qualifying Property is affordable. Developer further agrees to provide to Lender copies of the documentation required by Section 2.05 herein.

**Section 3.14 Community Engagement/Employment Covenants.** For each Qualifying Property, Developer will use its best efforts to employ, contract with and/or purchase services, materials or products from minorities or minority-owned businesses at a level of thirty-two percent (32%) of hours worked and/or dollars expended as a percentage of the total Construction Contract(s). In addition, Developer will use its best efforts to employ, contract with and/or purchase services, material or products from women, women-owned businesses and neighborhood residents. During the term of this Master Agreement, Developer shall certify the number of hours worked or contracted with, and/or services, materials or products purchased from, minorities, minority-owned businesses, women, women-owned businesses, and neighborhood residents on the Community Employment Utilization Report (Exhibit K).

**Section 3.15 Minnesota Green Communities Criteria.** For each Qualifying Property, Developer will comply with the mandatory criteria of the 2011 Enterprise National Green Communities Criteria, as modified by the Minnesota Overlay and Guide, unless the Qualifying Property is exempt, or Lender approves a waiver thereof. Lender may require an inspection of a Qualifying Property, in accordance with the Minnesota Overlay and Guide, if Developer intends to install carpeting (at either "slab on grade" or "below grade" level), as part of the Improvements.

**Section 3.16 Financial Reporting.** Within forty-five (45) days of the end of each quarter, Developer shall deliver to Lender quarterly financial statements, and within one hundred twenty (120) days after the end of each fiscal year, Developer shall deliver to Lender, annual financial statements to consist of profit and loss statements and balance sheets prepared in accordance with generally accepted accounting procedures, all in form and content satisfactory to Lender. Further, Developer shall cause any Guarantor to deliver to Lender within one hundred twenty (120) days of the end of each fiscal year, annual personal financial statements and tax returns for each Guarantor, all in form and content satisfactory to Lender.

**Section 3.17 Notice.** Developer shall give prompt notice to Lender of an Event of Default and any other action, event or condition of any nature that could lead to or result in a Material Adverse Change in the business, operations, assets or financial condition of Developer. Material Adverse Change shall be any event which materially impairs Developer's ability to repay the Master Facility, materially perform under the terms of this Master Agreement or any document referenced herein or materially impacts Developer's business or operations.

**ARTICLE IV.  
DEFAULTS AND REMEDIES**

**Section 4.01 Events of Default.** Any of the following events will constitute an “Event of Default” under this Master Agreement:

- (a) Developer fails to pay when due principal on a Property Loan made by Lender whether at stated Maturity Date of the Property Loan (as defined in the Note), by acceleration or otherwise, or fails to pay any installment of interest to Lender by the due date; or
- (b) Developer fails to materially perform or comply with any agreements or conditions required to be performed or observed by Developer under the terms of this Master Agreement; or
- (c) Developer makes any representation or warranty in this Master Agreement or in any of the Loan Documents, Master Facility Due Diligence Documents or Loan Due Diligence Documents, if any, fails to be true in any material respect or is materially misleading as of the time such representation or warranty was made; or
- (d) Developer fails to materially perform or comply with the terms of the Loan Documents, the Master Facility Due Diligence Documents, the Loan Due Diligence Documents, or the Other Funding Documents; or
- (e) Construction of the Improvements on a Qualifying Property is abandoned or unreasonably delayed or discontinued for a period of thirty (30) consecutive days or more (for reasons other than Unavoidable Delays or Lender’s failure to perform any of its obligations under this Agreement or any other agreement between the parties, including but not limited to, failure of the Lender to disburse funds; provided, Developer has complied with all conditions to disbursement of funds and is not in default under this Master Agreement) after construction has commenced; or
- (f) Developer or Guarantor becomes unable to pay its debts as the same becomes due, or makes an assignment for the benefit of creditors or is adjudicated a bankrupt; or files a voluntary petition in bankruptcy or to effect a plan or other arrangement with creditors, or to liquidate assets under court supervision; or has applied for or permitted the appointment of a receiver or trustee or custodian for any of the property or assets of Developer or Guarantor or a trustee, receiver or custodian has been appointed for any property or assets of Developer or Guarantor who has not been discharged within ninety (90) days after the date of such appointment, or has made application to a court of competent jurisdiction to become dissolved; or
- (g) Execution has been levied against a Qualifying Property or any lien creditor’s suit to enforce a judgment against a Qualifying Property has been brought and (in

either case) continues unstayed and in effect for a period of more than ninety (90) business days; or

- (h) A Qualifying Property is materially damaged or destroyed by fire or other casualty and the loss is not adequately covered by insurance proceeds actually collected or in the process of collection, or other funds of Developer; or
- (i) Developer fails to maintain a Qualifying Property in a safe condition during construction, allows trash or rubbish to accumulate at the Qualifying Property, allows the performance of shoddy workmanship in the construction of the Improvements on the Qualifying Property so that a notice or citation is issued by any governmental authority with respect to the Qualifying Property; or
- (j) An “event of default” (however defined) occurs under any agreement, contract, financing or any other arrangement to provide credit between Developer or Guarantor and Lender regardless if pursuant to this Master Agreement and the Loan Documents or pursuant to other documentation.

**Section 4.02 Notice of Default.** Upon the occurrence of a non-monetary Event of Default as defined in Section 4.01 hereof, Lender shall give written notice to Developer specifying: (i) the Event of Default; and (ii) the action required to cure the Event of Default. For all non-monetary defaults, Developer shall have not less than thirty (30) days from the date Lender mails the notice by which Developer must cure the Event of Default unless a longer period of time is specifically stated with respect to such Event of Default, except an Event of Default under Section 4.01(c) or (f) which shall not be entitled to a right to cure and shall be an automatic Event of Default. Developer’s failure to cure the Event of Default on or before the date specified in any cure notice shall constitute an immediate Event of Default.

**Section 4.03 Remedies.** Upon the occurrence of an Event of Default which is not cured within the applicable cure period as provided in Section 4.02, Lender, at its option, in addition to any other remedies to which it might by law be entitled to, will have the right to do one or more of the following:

- (a) To enter into possession of a Qualifying Property for which an Event of Default has occurred and perform any and all work and labor reasonably necessary to complete all or any part of the Improvements to a Qualifying Property, at the cost and expense of Developer, and to do all things necessary or incidental thereto; provided, however, that Lender will not be obligated in any way to complete the Improvements to a Qualifying Property or to pay for costs of construction thereof; or
- (b) To perform such other acts or deeds which may be necessary to cure any default existing under this Master Agreement, the Loan Documents, the Master Facility Due Diligence documents or the Loan Due Diligence Documents; or
- (c) To cancel this Master Agreement; or

- (d) To bring appropriate action to enforce such performance and the correction of such failure or default; or
- (e) To declare the entire unpaid principal of the defaulted Property Loan, plus all accrued interest thereon, including any default interest, plus late fees, together with all other sums payable hereunder, immediately due and payable without presentment, demand, protest, notice of dishonor or any other notice; or
- (f) To foreclose the Mortgage or realize upon any other security securing the defaulted Property Loan; or
- (g) To suspend its performance under this Master Agreement during the continuance of an Event of Default beyond any applicable cure period; or
- (h) To suspend disbursement of the defaulted Property Loan proceeds during the continuance of an Event of Default; or
- (i) To terminate the Master Facility or Property Loan if an Event of Default continues beyond any applicable cure period, if written notice is required; or
- (j) To proceed against Guarantor under the Guaranty.

**Section 4.04 Remedies Not Exclusive.** No right or remedy by this Master Agreement or by any document or instrument delivered by Developer or Guarantor pursuant hereto, conferred upon or reserved to Lender shall be or is intended to be exclusive of any other right or remedy, and each and every right and remedy will be cumulative and in addition to any other right or remedy now or hereafter existing at law or in equity or by statute.

**Section 4.05 Waiver; Forbearance.** Except as Lender may hereafter otherwise agree in writing, no waiver by Lender of any breach or default of Developer, of any of its obligations, agreements or covenants under this Master Agreement will be deemed to be a waiver of any subsequent breach of the same, or any other obligation, agreement or covenants under this Master Agreement, nor will any forbearance by Lender to seek a remedy for such breach be deemed a waiver of its rights and remedies with respect to such breach, nor will Lender be deemed to have waived any of its rights and remedies unless it be in writing and executed with the same formality as this Master Agreement.

## ARTICLE V. ADDITIONAL PROVISIONS

Notwithstanding any provisions of this Master Agreement that may be construed to be apparently to the contrary, the following provisions will apply:

**Section 5.01 Indemnification by Developer.** Developer will defend, protect, indemnify and save Lender, its agents, officers and employees harmless from and against any and all liabilities, losses, damages, costs and expenses, whether personal, property, or contractual, including reasonable attorney's fees, arising out of, or related to, the use, non-use, ownership, or occupancy of a Qualifying Property and the construction, condition or maintenance of a

Qualifying Property, and from any act of gross negligence of Developer, its officers, employees, servants, agents or contractors; provided, however, that nothing herein shall be construed to obligate Developer to protect, indemnify, and save Lender and its officers, members and employees harmless from and against liabilities, losses, damages, costs, expenses (including attorney's fees) arising from the grossly negligent acts of Lender, or any of its agents, employees or officers. Developer's liability hereunder shall not be limited to the extent of insurance carried by or provided by Developer or subject to any exclusion from coverage in any insurance policy. The obligations of Developer under this Section 5.01 will survive payment or forgiveness of the Master Facility or Property Loan.

**Section 5.02 Damage, Destruction and Condemnation.** If prior to full payment or forgiveness of a Property Loan, including any interest thereon, (i) a Qualifying Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or (ii) title to or any interest in, or the temporary use of, a Qualifying Property or any part thereof is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority and, to the extent the insurance or the gross proceeds or payments do not cover the outstanding amounts under this Agreement, Developer shall be obligated to continue to pay the amounts specified in the Note.

**Section 5.03 Application of Net Proceeds.** All Net Proceeds will be applied to the prompt repair, restoration, modification or improvement of the applicable Qualifying Property by Developer. Any net proceeds remaining after such work is completed may be retained by the Developer or applied against the Property Loan, at Developer's discretion.

**Section 5.04 Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 5.03 hereof, at Developer's election, Developer will either complete such work in accordance with the Construction Plans for such Qualifying Property and shall pay any cost in excess of the amount of the Net Proceeds or the Developer shall immediately pay the Property Loan with respect to the Qualifying Property in full. Developer agrees that if by reason of any such insufficiency of the Net Proceeds, Developer shall make any payments pursuant to the provisions of this Section 5.04, Developer will not be entitled to any reimbursement therefor from Lender, nor will Developer be entitled to any diminution of the amounts payable under the Note.

**Section 5.05 Cooperation of Lender.** Lender shall cooperate with Developer in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 5.02 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to a Qualifying Property or any part thereof or any property of Developer in connection with which a Qualifying Property is used. Developer will be responsible for the fees and expenses it incurs with respect to an insurance claim or condemnation proceeding with respect to a Qualifying Property and will not seek reimbursement of such fees and expenses from the Property Loan. In no event will Lender voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to a Qualifying Property or any part thereof without the written consent of Developer so long as there has not occurred and is continuing an Event of Default hereunder.

**Section 5.06 Lender Representatives Not Individually Liable.** No member, officer, or employee of Lender will be personally liable to Developer or any successor in interest, in the event of any default or breach by Lender or for any amount which may become due to Developer or successor or on any obligations under the terms of this Master Agreement.

**Section 5.07 Prohibited Activity.** Developer is prohibited from using proceeds of the Master Facility or any Property Loan provided herein for political activities, sectarian, religious or anti-religious activities, lobbying, patronage, nepotism, unionization or anti-unionization activities.

## **ARTICLE VI. MISCELLANEOUS**

**Section 6.01 Notices.** All notices provided for herein must be in writing and will be deemed to have been given when delivered personally or three (3) days after being deposited in the United States mail, registered or certified, postage prepaid or same day given in electronic mail with confirmation of receipt, addressed as follows:

If to Developer, at: Community Enhancement Group, LLC  
774 University Avenue West  
St. Paul, Minnesota 55104  
Attention: Nieeta Presley  
Email: [nieeta@gmail.com](mailto:nieeta@gmail.com)

If to Lender, at: Twin Cities Community Land Bank LLC  
615 1st Avenue NE, Suite 410  
Minneapolis, Minnesota 55413  
Attention: Sandra L. Oakes  
Email: [Sandra.Oakes@tcclandbank.org](mailto:Sandra.Oakes@tcclandbank.org)

If to Title, at: Land Title Inc.  
2200 County Road C West, Suite 2205  
Roseville, Minnesota 55113  
Attention: Annette Theis/Nancy MacLeod  
Email: [atheis@landtitleinc.com](mailto:atheis@landtitleinc.com); [nmacleod@landtitleinc.com](mailto:nmacleod@landtitleinc.com)

or addressed to any such party at such other address as such party hereafter furnishes by notice to the other parties as above provided.

**Section 6.02 Delay and Non-Waiver of Rights.** The provisions of this Master Agreement will inure to the benefit of and be binding upon Developer and Lender and their respective successors and assigns. No delay on the part of Lender in exercising any right, power or privilege will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege constitute such waiver nor exhaust the same, which will be continuing. The rights and remedies of Lender specified in this Master Agreement will be in addition to and not exclusive of any other right or remedy which Lender, by operation of law, would otherwise have.

**Section 6.03 Survival of Warranties.** The agreements, representations and warranties made in this Master Agreement will survive its execution and the execution of the Loan Documents and continue until Lender receives payment in full for all indebtedness of Developer incurred under this Master Agreement, unless this Master Agreement is terminated as herein provided.

**Section 6.04 Governing Law.** This Master Agreement will be construed and enforced according to and governed by the laws of the State of Minnesota.

**Section 6.05 Counterparts.** This Master Agreement may be executed in any number of counterparts, all of which will constitute a single agreement, any one of which bearing signatures of all parties will be deemed an original.

**Section 6.06 Time.** Time is of the essence in the performance of this Master Agreement.

**Section 6.07 Entire Agreement.** This Master Agreement contains the entire agreement of the parties hereto on the matters covered herein. No other agreement, statement or promise made by any party or by any employees, officer, or agent of any party hereto that is not in writing and signed by all the parties to this Master Agreement will be binding.

**Section 6.08 Severability.** Any term, condition or provision of this Master Agreement or the application thereof to any person or circumstance is, to any extent, held to be invalid or unenforceable, the remainder thereof and the application of such term, provision and condition to persons or circumstances other than those as to whom it has been held invalid or unenforceable will not be affected thereby, and this Master Agreement and all the terms, provisions and conditions hereof will, in all other respects, continue to be effective and to be complied with to the full extent permitted by law.

**Section 6.09 Signs; Public Events.**

- (a) INTENTIONALLY OMITTED.
- (b) If applicable, Developer shall furnish ample notice to Lender of ground breaking, opening ceremonies and similar events so that Lender may obtain publicity of and participation in such events. Developer agrees to assist and cooperate in such publicity and participation. Developer further agrees that Lender will have the right to issue press releases concerning each Qualifying Property, and shall supply Lender photographs and other reasonable information requested by the Lender regarding each Qualifying Property

**Section 6.10 No Joint Venture.** The relationship between Lender and Developer is solely that of lender and borrower and is not, nor shall it be deemed to create, a partnership or joint venture in any Qualifying Property.

**Section 6.11 Limitation on Liability.** No provisions contained in this Master Agreement nor any agreement, covenant or undertaking by Lender contained in any document executed by Lender in connection with any Qualifying Property will give rise to any indirect, special, incidental, punitive or consequential damages, including, but not limited to damages for loss of

business profits or revenues, except with respect to willful misconduct in not funding of any given Property Loan.

**Section 6.12 Lender Consent.** If Developer requests Lender consent or approval pursuant to a provision in this Master Agreement requiring same, such consent or approval may not be unreasonably withheld or delayed.

## **ARTICLE VII. DEFINITIONS**

**Section 7.01 Definitions.** For the purposes of this Master Agreement, the following terms shall have the following meanings:

**“Acquisition Date”** means the date on which a Qualifying Property is acquired by Developer.

**“As Completed Value Appraisal”** means an appraisal prepared by a licensed appraiser acceptable to Lender based on the Construction Plans and providing the value after completion of Improvements with respect to a Qualifying Property.

**“Certificate of Funding Sources”** means the certificate of total funding sources with respect to a Qualifying Property for the benefit of Lender, substantially in the form of Exhibit D to this Master Agreement.

**“Certificate of Eligible Home Buyer and Household Demographics”** means the certification form completed and executed by the Eligible Home Buyer and Developer certifying as such matters set forth on and substantially in the form of Exhibit H to this Master Agreement.

**“Certificate of Estimated Total Development Costs”** means the certificate of the Estimated Total Development Costs to be incurred by Developer for the Qualifying Property, substantially in the form of Exhibit E to this Master Agreement.

**“Community Employment Utilization Report”** means the report completed by Developer for a Qualifying Property, certifying the number of hours worked or contracted with and/or services, materials, or products purchased were from minorities, minority-owned businesses, women, women-owned businesses and neighborhood residents, substantially in the form of Exhibit K to this Master Agreement.

**“Completion Date”** means the date when the Improvements to a Qualifying Property are completed and a certificate of occupancy has been issued by the applicable municipality, if required by the municipality, which date shall be not later than six (6) months after the Acquisition Date.

**“Construction Contract”** means the construction contract, if any, between Developer and the General Contractor with respect to the rehabilitation or new construction of a Qualifying Property.

**“Construction Plans”** means the written plans and specifications for rehabilitation or new construction of a Qualifying Property. The Construction Plans must be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the applicable municipality, if required by the municipality, and should include a scope of work for each Qualifying Property.

**“Construction Start Date”** means the date when Developer commences construction of the Improvements on a Qualifying Property, which date shall be not later than thirty (30) days after the Acquisition Date.

**“Developer’s Closing Certificate”** means the closing certificate signed by Developer for the benefit of Lender certifying that Developer is in compliance with the matters set forth on and substantially in the form described as Exhibit I to this Master Agreement.

**“Effective Date”** means the date of this Master Agreement as set forth in the first paragraph of this Master Agreement.

**“Eligible Home Buyer”** means a buyer or co-buyers who intend(s) to occupy a Qualifying Property as a primary household residence and (collectively, if co-buyers) has/have income at or less than 115% of area Median Family Income.

**“Eligible Home Buyer Income Qualification Worksheet”** means an Eligible Home Buyer who completes and complies with the Eligible Home Buyer Income Qualification Worksheet, substantially in the form of Exhibit G to this Master Agreement.

**“Escrow and Disbursement Agreement”** means the Escrow and Disbursement Agreement by and among Developer, Lender and Title setting forth the terms and conditions of Title disbursing a Property Loan made by Lender to Developer, substantially in the form of Exhibit C to this Master Agreement.

**“Estimated Total Development Costs”** means the aggregate amount of all allowable hard and soft costs estimated by Developer as necessary for the acquisition, rehabilitation or new construction and resale of a Qualifying Property.

**“General Contractor”** means Developer’s general contractor, if any, with respect to the Improvements to be rehabilitated or constructed on a Qualifying Property.

**“Guarantor”** means the parent, sponsor or any affiliate entity of Developer, including all members or shareholders of such entities who execute a Guaranty in favor of Lender.

**“Guaranty”** means a guaranty executed by Guarantor for the benefit of Lender as of the Effective Date, guarantying all obligations of Developer under this Master Agreement, the Master Facility, and the Loan Documents, substantially in the form of Exhibit L to this Master Agreement.

**“Home Buyer Closing Date”** means the date when Developer transfers title to and possession of a completed Qualifying Property to an Eligible Home Buyer.

**“HUD”** means the United States Department of Housing and Urban Development.

**“Improvements”** means rehabilitation work or new construction of a single family, duplex, tri-plex, four-plex (or larger as approved by Lender) residential structure on a Qualifying Property by Developer in accordance with the approved Construction Plans.

**“Loan Documents”** means the following documents for a Property Loan with respect to a Qualifying Property, each of which shall be in form and substance acceptable to Lender:

- (a) A Note (Exhibit A);
- (b) A Mortgage (Exhibit B); and
- (c) An Escrow and Disbursement Agreement (Exhibit C).

**“Loan Due Diligence Documents”** means the following documents for a Qualifying Property, all of which shall be in form and substance reasonably acceptable to Lender:

- (a) A standard form sworn construction cost statement or a scope of work;
- (b) A copy of the construction contract or a statement by Developer that it acts as the General Contractor;
- (c) A Certificate of Funding Sources (Exhibit D) certified by Developer;
- (d) A Certificate of Estimated Total Development Costs (Exhibit E) certified by Developer to be a true, complete and accurate account of all costs actually incurred to date and a reasonable estimate of future costs to be incurred for a Qualifying Property;
- (e) An As Completed Value Appraisal;
- (f) One copy of the Construction Plans;
- (g) Copies or certificates of the following insurance policies placed with a financially sound and reputable insurer licensed to transact business in the State of Minnesota, naming Lender as mortgagee or additional insured, as appropriate, containing a provision to the effect that the policy may not be cancelled or revoked by the insurer until thirty (30) days from the date of delivery to Lender of notice of cancellation or revocation, and accompanied by evidence from the insurer of payment of premiums for the policies for one (1) year’s coverage from and after the Construction Start Date: (i) in the event Developer is the General Contractor, worker’s compensation insurance in amounts and coverages required by law, with Lender listed as a certificate holder; (ii) property insurance and builders’ risk completed value nonreporting form of fire, extended coverage, vandalism and malicious mischief hazard insurance covering the full replacement value of a Qualifying Property with a “no-co-insurance clause”, naming Lender as

mortgagee/loss payee; (iii) general contractor liability insurance in an amount not less than \$1,000,000.00 per occurrence with aggregate coverage of \$2,000,000.00, with Lender named as an additional insured; and (iv) any other insurance related to a Qualifying Property that Lender may reasonably request;

- (h) A title binder issued by Title, at Developer's expense, with such title binder constituting a commitment by Title to issue a mortgagee's title policy in favor of Lender as mortgagee under the Mortgage, that will be free from all standard exceptions, including mechanics' liens and all other exceptions not previously approved by Lender and that will insure the Mortgage to be a valid first lien on a Qualifying Property, subject only to the Permitted Encumbrances and such prior liens and encumbrances as are approved by Lender, in an amount not less than the amount of the Property Loan, together with fully executed duplicate originals or photocopies, showing recording data, of utility easements or any other encumbrances, as well as appurtenant easements, if any are required or appropriate in the reasonable judgment of Lender;
- (i) Copies of any soil tests for new construction, and any environmental audits in the possession of Developer, regarding any asbestos, urea-formaldehyde insulation or other toxic or hazardous substances on, about or beneath the surface of a Qualifying Property;
- (j) A purchase agreement for Developer to acquire the Qualifying Property;
- (k) A list of major subcontractors for a Qualifying Property;
- (l) The Method of Satisfying Green Communities Criteria and Certification for a Qualifying Property, including all mandatory criteria of the 2011 Enterprise National Green Communities Criteria, as modified by the Minnesota Overlay and Guide;
- (m) A Carpet Waiver Request Form, in accordance with the Minnesota Overlay and Guide, for a Qualifying Property in which Developer intends to install carpeting at "slab on grade" level (no basement) or "below grade" level (basement); and
- (n) The Other Funding Documents.

**"Loan Fees"** means all reasonable fees other than the Origination Fee incurred by or on behalf of Developer in connection with a Property Loan for the rehabilitation or new construction of a Qualifying Property, which shall include, but not be limited to, inspections, draws, recording, wire transfer, outside attorneys' fees and related fees.

**"Master Facility"** has the meaning given such term in the Recitals.

**"Master Facility Due Diligence Documents"** means the following documents, all of which shall be provided by Developer in form and substance acceptable to Lender, on or before the Effective Date of this Master Agreement:

- (a) Copies or certificates of the following insurance policies placed with a financially sound and reputable insurer licensed to transact business in the State of Minnesota, naming Lender as mortgagee or additional insured, as appropriate, containing a provision to the effect that the policy may not be cancelled or revoked by the insurer until thirty (30) calendar days from the date of delivery to Lender of notice of cancellation or revocation, and shall be accompanied by evidence from the insurer of payment of premiums for the policies for one (1) year's coverage from and after the Effective Date: commercial general liability insurance in the name of Developer in an amount not less than \$1,000,000.00 per occurrence with aggregate coverage of \$2,000,000.00 (to accomplish this limit, an umbrella excess liability policy may be used, written on an occurrence basis) naming Lender and its successor and assigns as additional insureds;
- (b) Organizational documents of Developer and organizational documents of Guarantor(s), if one or more Guaranties are required by Lender, including articles of incorporation and bylaws or partnership agreement(s), or articles of organization and member control/operating agreement(s), and 501(c)(3) certifications, as applicable, certified to be true and correct by an authorized officer of Developer and Guarantor, if required by Lender.
- (c) A marketing plan describing how and through whom Developer will source Eligible Home Buyers to purchase Qualifying Properties;
- (d) A borrowing resolution from Developer authorizing Developer to enter into this Master Agreement, and certifying as to the authority of signatory(ies) for this Master Agreement and any Loan Documents; and
- (e) A signed copy of a favorable opinion of counsel on behalf of Developer and Guarantor(s), if one or more Guaranties are required by Lender, addressed to Lender, substantially in the form of Exhibit F to this Master Agreement.

**"Master Facility Fees"** means all fees incurred by Developer and paid to Lender in connection with the Master Facility, including a \$500.00 documentation fee and all outside attorneys' fees incurred by the Lender in documenting the Master Agreement and related documents.

**"Master Facility Maturity Date"** has the meaning given such term in this Master Agreement.

**"Master Facility Origination End Date"** has the meaning given such term in this Master Agreement.

**"Median Family Income"** means the Median Family Income as most recently established by HUD for the Minneapolis/St. Paul standard metropolitan statistical area for a family of four.

**"Mortgage"** means a mortgage, security agreement and fixture financing statement executed by Developer in favor of Lender dated as of the Acquisition Date, securing

payment of the Note and constituting a first lien on a Qualifying Property, subject only to Permitted Encumbrances, substantially in the form of Exhibit B to this Master Agreement.

**“Net Proceeds”** means, when used with respect to any insurance or condemnation award, the gross proceeds from the insurance or condemnation award remaining after payment of all expenses incurred to collect such award with respect to a Qualifying Property.

**“Note”** means a promissory note of Developer dated as of the Acquisition Date in the original principal amount of the Property Loan payable to Lender, substantially in the form of Exhibit A to this Master Agreement.

**“Origination Fee”** means the fee to be paid by Developer to Lender in the amount of one percent (1.0%) of the Loan for the granting of a Property Loan.

**“Other Funding Documents”** means all documents creating, evidencing and securing the additional funds necessary for acquisition of a Qualifying Property and rehabilitation or construction of the Improvements to be constructed on a Qualifying Property.

**“Permitted Encumbrances”** means those liens, encumbrances, exceptions and other matters satisfactory to and approved by Lender encumbering a Qualifying Property and set forth on the title binder for a Qualifying Property.

**“Property Loan”** means a loan granted by Lender to Developer under the Master Facility pursuant to this Master Agreement, as secured by a Qualifying Property.

**“Property Loan Amount”** means the actual amount of a Property Loan obtained by Developer from Lender as secured by a Qualifying Property.

**“Qualifying Costs”** means the costs that are associated with and incurred by Developer in the acquisition, demolition, interim holding management, rehabilitation or new construction of a Qualifying Property, with such allowable qualifying costs as listed on Exhibit J to this Master Agreement.

**“Qualifying Property(ies)”** means a property that is or the properties that are collectively acquired and rehabilitated or constructed by Developer for sale to an Eligible Home Buyer.

**“Reservation Amount”** has the meaning given such term of this Master Agreement.

**“Reservation Fee”** means the fee in the amount of \$500.00 charged by Lender to Developer for approval and access to the Master Facility.

**“Subsidy”** means one or more grants or forgivable loans being used by Developer as sources to fund the Qualifying Costs.

**“Title”** means Land Title, Inc., a Minnesota corporation unless another title insurance company is approved by Lender.

**"Total Development Costs"** means the aggregate amount of all allowable hard and soft costs actually incurred by Developer for the acquisition, rehabilitation or new construction and resale of a Qualifying Property.

**"Unavoidable Delays"** means delays in the performance of obligations for construction of the Improvements hereunder due to unforeseeable causes beyond the control of Developer and without Developer's fault or negligence, including but not limited to acts of God, acts of terrorism, acts of public enemy, the direct result of strikes, other labor troubles, fire, floods, epidemics, quarantines, restrictions, unavailability of power, unavailability of materials, acts of governmental entities including legislative or administrative action, unusually severe weather or delays of subcontractors due to such causes, or other casualty to the improvements and litigation commenced by third parties which by injunction or other similar judicial action directly results in delays and other events beyond the control of Developer.

**IN FURTHERANCE WHEREOF**, the parties hereto have executed this Master Agreement as of the day and year first above written.

**DEVELOPER:**

**COMMUNITY ENHANCEMENT GROUP,  
LLC,**

a Minnesota nonprofit limited liability company

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Federal Tax ID #: 47-4308004

**LENDER:**

**TWIN CITIES COMMUNITY LAND BANK  
LLC,**

a Minnesota nonprofit limited liability company

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

*Sandra L. Oakes*

Sandra L. Oakes

Its: President and Chief Manager

Unsigned and undated

**EXHIBIT A**  
**PROMISSORY NOTE**

Property Loan Amount: \$     Minneapolis, Minnesota

Interest Rate:     Date:     , 20\_\_\_\_

Qualifying Property Address:     ?? Property not listed

FOR VALUE RECEIVED, the undersigned (“Developer”), promises to pay to the order of Twin Cities Community Land Bank LLC, a Minnesota nonprofit limited liability company (“Lender”), with an office at 615 First Avenue NE, Suite 410, Minneapolis, Minnesota 55413, or its assigns, the Property Loan Amount with simple interest at the Interest Rate on the unpaid balance thereof on the Maturity Date. Said sum was made available to Developer pursuant to that certain Master Credit Facility Agreement by and between Developer and Lender dated \_\_\_\_\_, 20\_\_\_\_ (the “Master Agreement”) to enable Developer to acquire and rehabilitate or construct the Qualifying Property, to be sold to a household with income at or below 115% of the Median Family Income. Capitalized terms not defined in this Note will have the meaning set forth in the Master Agreement.

A.     Developer shall pay to Lender an Origination Fee in the amount of one percent (1.0%) of the principal amount of the Property Loan and all Loan Fees.

B.     Payments hereunder shall be in lawful money of the United States. Payments under this Note shall be made as follows:

- (i)     All accrued interest on the principal amount of the Property Loan shall be repaid to Lender on a monthly basis, such payments being due on the 1st day of each calendar month.
- (ii)    The outstanding principal amount of the Property Loan and any unpaid accrued interest thereon, if any, shall be due and payable in one lump sum on the Maturity Date (as defined below).

C.     The entire outstanding principal amount of the Property Loan and any unpaid accrued interest thereon, if any, will be due and payable on the earliest to occur of the following (the “Maturity Date”):

- (i)     An Event of Default under the Master Agreement;
- (ii)    A written declaration by Developer that it desires to prepay this Note;
- (iii)   The Home Buyer Closing Date;

(iv) [12/18/24 months from the date of this Note – Insert date].

D. If any payment is made more than fifteen (15) days past its due date, Developer shall pay Lender a late charge of five percent (5.0%) of the amount of such payment(s), including the payment due on the Maturity Date.

E. This Note may be prepaid in whole or in part at any time without penalty or premium.

F. Upon an Event of Default, Lender may increase the Interest Rate charged under this Note by five percent (5.0%) per annum until such Event of Default is cured.

If suit is instituted by Lender, its successors or assigns to recover on this Note, the undersigned agrees to pay all costs of such collection including reasonable attorney's fees and court costs.

This Note is secured by a Mortgage dated of even date herewith duly filed for record in the appropriate office of the county recorder/registrar of titles for the Qualifying Property.

Demand, protest and notice of demand and protest are hereby waived, and the undersigned waives, to the extent authorized by law, any and all homestead and other exemption rights which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned, as of the day and year above first written.

DEVELOPER:

\_\_\_\_\_

a \_\_\_\_\_

By:

Its: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

**EXHIBIT B**  
**MORTGAGE**

Unsigned and undated, no dollar amount listed, note, Exhibit A of this document was to list specific property and does not.

THIS MORTGAGE IS EXEMPT  
FROM REGISTRATION TAX  
PURSUANT TO MINNESOTA  
STATUTE SECTION 287.04(f)  
Maximum Indebtedness Secured: \$  
\_\_\_\_\_

**THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT** made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, a \_\_\_\_\_ doing business at \_\_\_\_\_ (“Developer”), to Twin Cities Community Land Bank LLC, a Minnesota nonprofit limited liability company, with an office located at 615 First Avenue NE, Suite 410, Minneapolis, Minnesota 55413 (“Lender”).

WITNESSETH: That Developer hereby mortgages and conveys to Lender the following described premises situated in the County of \_\_\_\_\_, State of Minnesota, to wit:

See attached Exhibit A (“Qualifying Property”).

This Mortgage is given in consideration of and as security for the payment of the following: a) \_\_\_\_\_ and \_\_\_\_/100 Dollars (\$ \_\_\_\_\_) (the “Property Loan”), receipt of which is hereby acknowledged and which is made to provide acquisition, rehabilitation or new construction assistance to Developer to enable Developer to acquire, rehabilitate or construct a home located on the Qualifying Property, to be sold to a household with income at or below 115% of Median Family Income; b) any and all other loans, credit, financing, or amounts due and owing by Developer to Lender whether now existing or created hereafter, including any such financing made pursuant to the Master Credit Facility Agreement dated \_\_\_\_\_ 20\_\_ (the “Master Agreement”), or any other agreement, documentation or arrangement by and between Developer and Lender (the “Other Loans” together with the Property Loan, collectively referred to as the “Indebtedness”). The Property Loan is evidenced by a Promissory Note payable to the order of Lender and dated of even date herewith (the “Note”). According to the terms of the Note, the outstanding principal amount of the Property Loan will be due and payable on or before \_\_\_\_\_, or upon the default by Developer in the performance of any covenant, term, or condition of the Master Agreement, whichever occurs first, unless otherwise stated in the Master Agreement or the Note.

Developer further covenants the following statutory covenants:

- (1) To warrant title to the Qualifying Property.
- (2) To pay the Indebtedness as herein provided.
- (3) To pay all real estate taxes on the Qualifying Property.
- (4) To keep the Qualifying Property in repair and not commit waste.

- (5) To keep any buildings on the Qualifying Property insured against loss by fire and other hazards in accordance with the terms of the Master Agreement.

Developer further covenants that the Qualifying Property is free from all liens, security interests and encumbrances except as listed in Exhibit B attached hereto; that Developer will warrant and defend the title to the Qualifying Property and the lien and priority of this Mortgage against all claims and demands of all persons whomsoever, whether now existing or hereafter arising, not listed in Exhibit B.

This Mortgage shall constitute a security agreement with respect to (and Developer hereby grants Lender a security interest in) all personal property and fixtures included in the Qualifying Property. Developer will from time to time, at the request of Lender, execute any and all financing statements covering such personal property and fixtures (in a form satisfactory to Lender) which Lender may reasonably consider necessary or appropriate to perfect its security interest.

From the date of its recording, this Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Qualifying Property which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

- (1) Name and Address of Developer:

Attention:

- (2) Organizational Identification Number: 828213900034

- (3) Name and Address of Lender:  
Twin Cities Community Land Bank LLC  
615 First Avenue NE, Suite 410  
Minneapolis, Minnesota 55413  
Attention: President and Chief Manager

- (4) This document covers goods which are or are to become fixtures.

- (5) The name of the record owner of the Qualifying Property is Developer described above.

THIS MORTGAGE SECURES AN OBLIGATION FOR THE CONSTRUCTION OF AN IMPROVEMENT ON LAND AND IS A CONSTRUCTION MORTGAGE.

If Developer pays Lender herein, its successors or assigns, the sum of the Property Indebtedness, when it becomes due according to the terms of the Master Agreement or any documents executed in connection therewith, then this Mortgage will be null and void, otherwise to remain in full force and effect. If Developer defaults in payment of said sum when due or in any of the covenants or agreements contained herein, then Lender may declare immediately due and payable the entire unpaid unforgiven principal balance together with interest thereon, if any, and Lender, its successors and assigns, are hereby authorized and empowered to foreclose this

Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota in such case made and provided, power being expressly granted to sell the Qualifying Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Note, any other amounts owing under the Master Agreement, and the Indebtedness together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law.

Lender prior to acceleration shall mail notice to Developer specifying: (1) the default; (2) the action required to cure such default; and (3) a date, not less than thirty (30) days from the date of the notice is mailed to Developer, by which failure to cure the default may result in acceleration of the sums secured by this Mortgage and sale of the Qualifying Property. The notice shall further inform Developer of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Developer to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Developer shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to the earlier of (i) sale of the Qualifying Property pursuant to the power of sale contained in this Mortgage, or (ii) a judgment enforcing this Mortgage, if: (a) Developer pays Lender all sums constituting the default actually existing under this Mortgage and the Note at the commencement of foreclosure proceedings under this Mortgage; (b) Developer cures all breaches of any other covenants or agreements of Developer contained in this Mortgage, (c) Developer pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Developer contained in this Mortgage and in enforcing Lender's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and (d) Developer takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Qualifying Property and Developer's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Developer, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

If Developer fails to perform any of the covenants and agreements contained in this Mortgage and such failure is an Event of Default (as defined in the Master Agreement), or if any action or proceeding is commenced which affects the Qualifying Property or the interest of Lender therein, or the title thereto, then Lender, at Lender's option, may perform such covenants and agreements, defend against and/or investigate such action or proceeding, and take such other action as Lender deems necessary to protect Lender's interest. Lender shall be the sole judge of the legality, validity and priority of any claim, lien, encumbrance, tax, assessment, charge and premium paid by it and of the amount necessary to be paid in satisfaction thereof. Upon an occurrence and during the continuation of an Event of Default (as defined in the Master Agreement), Lender is hereby given the irrevocable power of attorney (which power is coupled with an interest and is irrevocable) to enter upon the Qualifying Property as Developer's agent in Developer's name to perform any and all covenants and agreements to be performed by Developer as herein provided. Any amounts or expenses disbursed or incurred by Lender pursuant to this paragraph, with interest thereon, shall become additional indebtedness of Developer secured by this Mortgage. Unless Developer and Lender agree in writing to other

terms of repayment, such amounts shall be immediately due and payable, and shall bear interest from the date of disbursement at the annual rate stated in the Note, unless collection from Developer of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Developer under applicable law.

DEVELOPER HEREBY: EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE QUALIFYING PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES CHAPTER 581 OR, AT THE OPTION OF LENDER, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE QUALIFYING PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE QUALIFYING PROPERTY IS SITUATED; ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON DEVELOPER PERSONALLY UNLESS DEVELOPER IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE; AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES, EXPRESSLY WAIVES ANY AND ALL RIGHT TO PRIOR NOTICE OF SALE OF THE QUALIFYING PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE QUALIFYING PROPERTY.

DEVELOPER ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS MORTGAGE THIS SECTION AND DEVELOPER'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL; AND THAT DEVELOPER UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

Unless otherwise defined, capitalized terms shall have the meanings ascribed to them in the Master Facility Agreement.

This Mortgage, the Master Agreement and Note shall be construed according to the laws of the State of Minnesota.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

**IN WITNESS WHEREOF**, Developer has caused this Mortgage to be duly executed as of the day and year first-above written.

DEVELOPER:

\_\_\_\_\_  
a \_\_\_\_\_

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

Its: \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF                    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_, a Minnesota \_\_\_\_\_, on behalf of said company.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:  
Twin Cities Community Land Bank LLC  
615 First Avenue NE, Suite 410  
Minneapolis, MN 55413

EXHIBIT A TO MORTGAGE

Developer:

Lender: Twin Cities Community Land Bank LLC

The land described in the referenced instrument is located in \_\_\_\_\_ County, Minnesota, and is described as follows:

Property Address Reference:

## EXHIBIT B TO MORTGAGE

Developer:

Lender: Twin Cities Community Land Bank LLC

The Qualifying Property is subject to the following encumbrances and no others:

- (1) Liens for taxes and special assessments not then delinquent, or delinquent but being contested by Developer pursuant to Section 3.09 of the Master Agreement.
- (2) Utility, access and other easements and rights-of-way, restrictions and exceptions that Developer certifies will not interfere with or impair the operation of the Qualifying Property.
- (3) Any mechanic's, laborer's, materialman's, supplier's, or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with Section 3.09 of the Master Agreement.
- (4) Any building, zoning and subdivision ordinances and any other applicable development, pollution control, water conservation and other laws, regulations, rules and ordinances of the federal government and State of Minnesota and respective agencies thereof and the political subdivisions in which the Qualifying Property is located.
- (5) Reservation of mineral rights by the State of Minnesota.
- (6) The subordinated mortgage(s) securing the loan(s) identified in the Other Funding Documents, if any.
- (7) Other encumbrances approved in writing by Lender and shown on Lender's title policy.

## EXHIBIT C

### ESCROW AND DISBURSEMENT AGREEMENT

THIS ESCROW AND DISBURSEMENT AGREEMENT (this "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among the TWIN CITIES COMMUNITY LAND BANK LLC, a Minnesota nonprofit limited liability company ("Lender"), \_\_\_\_\_, a \_\_\_\_\_ ("Developer"), and LAND TITLE, INC., a Minnesota corporation ("Title").

WHEREAS, pursuant to the Master Credit Facility Agreement between Lender and Developer dated \_\_\_\_\_, 20\_\_\_\_ ("Master Agreement"), Lender is this day making a loan of \$ \_\_\_\_\_ ("Property Loan") pursuant to a promissory note of even date herewith; and

WHEREAS, Lender requires that all of the proceeds of Property Loan ("Loan Proceeds") be used exclusively to pay for expenditures approved by Lender pursuant to this Agreement and the Master Agreement ("Permitted Uses") in connection with the property located at ("Qualifying Property"); and

WHEREAS, Title will serve as the disbursing agent for the Loan Proceeds;

NOW, THEREFORE, it is agreed by and among the parties as follows:

1. The Loan Proceeds, or a portion thereof, are herewith paid by Lender to Title to be held and disbursed pursuant to this Agreement and the Master Agreement.

2. Title is hereby authorized to make periodic disbursements of Loan Proceeds available to Developer in an amount not to exceed the maximum amount of the Property Loan.

3. Disbursal of a Loan.

(a) Requests for disbursement of the Loan Proceeds pursuant to the Master Agreement shall be originated by Developer by delivering to Lender a written disbursement request ("Disbursement Request") in the form attached hereto as Exhibit A, to which shall be attached AIA Documents G702 and 703, and an invoice from each provider of service to be paid (the Disbursement Request and the supporting documents are sometimes collectively referred to as the "Disbursement Documents"). Developer may submit a disbursement request with respect to each Property Loan no more than twice per month.

(b) Within five (5) business days after receipt of the Disbursement Documents, Lender will approve or disapprove the request. In the event of disapproval, Lender will provide reasons for the disapproval within five (5) business days after receipt of the Disbursement Documents. In the event Lender fails to approve or disapprove the Disbursement Request within five (5) business days of receipt thereof, Lender will be deemed to have disapproved such Disbursement Request, and Title is hereby required to automatically deny the disbursement as provided herein.

(c) Upon receipt of an approved Disbursement Request and sufficient funds to pay such request, Title will obtain partial and/or full lien waivers, lien releases or lien satisfactions, in the customary form, from General Contractor and all subcontractors and material suppliers with whom General Contractor has contracted in connection with a Qualifying Property. Title shall promptly notify Lender of its inability to obtain satisfactions with respect to any Disbursement Request. Upon receipt of any such notice, Lender will be entitled, but not obligated, to revoke its approval of such disbursement request.

(d) Title agrees to act as the disbursing agent under the Master Agreement and this Escrow and Disbursement Agreement and will account for all funds deposited with it. Title shall deposit such funds in a non-risk account. If the Qualifying Property is rehabilitation, the interest, if any, earned on the undisbursed funds may be disbursed to Developer for eligible expenditures upon approval of Lender. Any interest deemed by Lender to be in excess of amounts necessary to pay Qualifying Costs must be returned to Lender upon its request and applied to the Property Loan.

(e) If at any time during the course of construction, the total of the unpaid disclosed Qualifying Costs with respect to a Qualifying Property exceeds the amount of the aggregate undisbursed proceeds of a Property Loan, as calculated by subtracting the total amount of liability on Title's endorsements from the aggregate undisbursed proceeds of the Property Loan, Title will not make further disbursements of a Property Loan under the terms of this Master Agreement until Developer has deposited with Title the sum necessary to make the available funds equal to the shortfall of the Estimated Development Costs of the Qualifying Property, or unless specifically directed to do so by Lender.

(f) Title may rely on the statements made by Developer, Lender or others in any documents submitted to it under this Agreement and will not be required to verify the accuracy of such statements and will not be liable for any disbursements of funds made in reliance on any such statement, unless Title is negligent with respect thereto.

(g) Developer agrees to indemnify and hold harmless Lender from any and all claims, demands or costs associated with the disbursement of the proceeds of a Property Loan, including any attorney's fees arising therefrom.

(h) The functions and duties of Title include only those set forth in this Agreement, and it is not entitled to act and must not act, except in accordance with the terms and conditions of such agreement.

4. Requests for disbursements of the Loan Proceeds will be subject to applicable disbursement fees by Title and Lender, including \$250.00 for the first four (4) draws.

5. Upon receipt of an approved Disbursement Request, specified in Paragraph 3, Title shall obtain partial and/or full lien waivers, lien releases or lien satisfactions, in the customary form, from all contractors and material suppliers with whom Developer has contracted with in connection with the Permitted Uses. Title shall promptly notify Lender and Developer of its inability with respect to any Disbursement Request to obtain customary and

satisfactory lien waivers, releases or satisfactions. Upon the receipt of any such notice Lender shall be entitled, but not obligated, to revoke its approval of such Disbursement Request.

6. Upon receipt of an approved Disbursement Request and all partial and/or full lien waivers, lien releases or lien satisfactions from the prior Disbursement Request, Title shall perform an updated title search, and if the title search shows no intervening mechanic's or material supplier's liens, Title shall instruct Lender to wire the approved amount into the trust account for disbursement.

7. Title agrees to act as the disbursing agent under this Agreement, and shall account for all funds deposited with it.

8. Title may rely on the statements made by Developer, Lender or others in any documents submitted to it under this Agreement and shall not be required to verify the accuracy of such statements and shall not be liable for any disbursements of funds made in reliance on any such statement, unless Title is grossly negligent with respect thereto.

9. Developer agrees to indemnify and hold harmless Title and Lender from any and all claims, demands, or costs associated with the disbursement of the Loan Proceeds, including any attorneys' fees arising therefrom.

10. The functions and duties of Title include only those set forth in this Agreement, and it is not entitled to act, and shall not act, except in accordance with the terms and conditions of this Agreement.

11. This Agreement shall be in full force and effect, from the date of the initial disbursement; provided, however, that in the event the Master Agreement is terminated in accordance with Section 4.03 therewith, Title shall return to Lender any Loan Proceeds it holds, upon notification by Lender of such termination.

12. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

14. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have set their hands on the day and year first above written.

**LENDER:**

TWIN CITIES COMMUNITY LAND BANK LLC,  
a Minnesota nonprofit limited liability company

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

Its: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_, a

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**TITLE:**

LAND TITLE, INC.,  
a Minnesota corporation

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A TO ESCROW AND DISBURSEMENT AGREEMENT

DISBURSEMENT REQUEST

Number:

Date:

The undersigned, pursuant to that certain Escrow and Disbursement Agreement dated \_\_\_\_\_, 20\_\_\_\_, by and among Twin Cities Community Land Bank LLC, a Minnesota nonprofit limited liability company ("Lender"), \_\_\_\_\_, a \_\_\_\_\_ ("Developer"), and Land Title, Inc., a Minnesota corporation ("Title") hereby certifies and requests as follows:

1. Developer requests that the following amounts be paid by Title to the following persons from the Loan Proceeds as described in the Escrow and Disbursement Agreement:

Name and Address of Payee	Amount Requested to be Paid
---------------------------	-----------------------------

a. _____	\$
----------	----

\_\_\_\_\_

b. _____	\$
----------	----

\_\_\_\_\_

c. _____	\$
----------	----

\_\_\_\_\_

d. _____	\$
----------	----

\_\_\_\_\_

Total Amount of Requested Disbursement	\$
--	----

2. Attached hereto are completed AIA Documents G702 and 703.

3. Attached hereto are invoices with respect to each item for which payment is requested pursuant to paragraph 1 hereof.

4. Developer certifies that the disbursements are for Permitted Uses as defined in the Escrow and Disbursement Agreement.

5. Developer hereby requests Lender to approve this Disbursement Request and forward it to Title for payment of the amounts listed in paragraph 1 hereof.

DEVELOPER:

\_\_\_\_\_, a

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

Its: \_\_\_\_\_

## EXHIBIT D

### CERTIFICATE OF FUNDING SOURCES

The undersigned hereby certifies that the following is a true and correct statement of the funding sources for the Qualifying Property referred to in that certain Master Credit Facility Agreement between the undersigned and Twin Cities Community Land Bank LLC dated \_\_\_\_\_, 20\_\_\_\_. Developer equity, if applicable, will be required as a first source of funding.

Qualifying Property Address:

### FUNDING SOURCES

#### *Source 1*

Name of Source:	Amount: \$
Rate: %	Term:
Contact Name:	Telephone:
Street Address	Facsimile:
City:	State: ZIP Code:

#### *Source 2*

Name of Source:	Amount: \$
Rate: %	Term:
Contact Name:	Telephone:
Street Address	Facsimile:
City:	State: ZIP Code:

#### *Source 3*

Name of Source:	Amount: \$
Rate: %	Term:
Contact Name:	Telephone:
Street Address	Facsimile:
City:	State: ZIP Code:

#### *Source 4*

Name of Source:	Amount: \$
Rate: %	Term:
Contact Name:	Telephone:
Street Address	Facsimile:
City:	State: ZIP Code:

**Total Financing**

**Amount \$**

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

DEVELOPER:

a \_\_\_\_\_

By:

Its: ,

**EXHIBIT E**  
**CERTIFICATE OF ESTIMATED TOTAL DEVELOPMENT COSTS**

The undersigned hereby certifies that the following is a true and correct statement of the estimated Qualifying Costs of the Qualifying Property contemplated by that certain Master Credit Facility Agreement between the undersigned and Twin Cities Community Land Bank LLC dated \_\_\_\_\_, 20\_\_\_\_, and that the Estimated Total Development Costs are \$\_\_\_\_\_.

Qualifying Property Address: \_\_\_\_\_

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Hard Costs

- |    |   |                 |
|----|---|-----------------|
| 1. | Construction Contract:<br>(Sworn Construction Statement attached) | \$ _____        |
| 2. | Other Hard Costs separately bid:                                  | \$ _____        |
|    | _____   | \$ _____        |
|    | _____   | \$ _____        |
|    | _____   | \$ _____        |
|    | _____   | \$ _____        |
|    | <b>HARD COSTS SUBTOTAL</b>  | <b>\$ _____</b> |

Soft Costs

- |    |  |          |
|----|--|----------|
| 1. | Architect Fees:                            | \$ _____ |
| 2. | Land and Structure Cost:                   | \$ _____ |
| 3. | Real Estate Taxes:                         | \$ _____ |
| 4. | Special Assessments:                       | \$ _____ |
| 5. | Lender's Title Insurance Coverage Premium: | \$ _____ |
| 6. | Insurance Premiums (Hazards, etc.):        | \$ _____ |

7.	Mortgage Registry Tax, Recording Fees and Closing Costs:	\$ _____
8.	Legal Fees:	\$ _____
9.	Disbursing Fees (to title company):	\$ _____
10.	Survey Fees:	\$ _____
11.	Appraisal Fees:	\$ _____
12.	Municipal Fees:	\$ _____
13.	Utility Hookup Costs:	\$ _____
14.	Contingency:	\$ _____
15.	Other: _____	\$ _____
16.	Marketing	\$ _____
17.	Utilities	\$ _____
18.	Construction Loan Interest and Fees (to be paid by Developer)	\$ _____
19.	Brokerage Fee	\$ _____
20.	Developer's Fee (to be deferred)	\$ _____
	SOFT COSTS SUBTOTAL	\$ _____
	ESTIMATED TOTAL DEVELOPMENT COSTS:	_____

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

DEVELOPER:

\_\_\_\_\_,  
a \_\_\_\_\_

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

Its: \_\_\_\_\_