

**MASTER SUBORDINATION AGREEMENT
AND ESTOPPEL CERTIFICATE –
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY
FIRST-GENERATION DOWN PAYMENT ASSISTANCE DEFERRED LOAN**

THIS MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE (this “**Agreement**”) shall have an effective date of _____, 20__ and is made and entered into by and among [Borrower], a [single person/married couple], at [address] (the “**Borrower**”), ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota, with offices located at 2660 Civic Center Drive, Roseville, Minnesota 55113 (“**EDA Lender**”), [lender entity 1], a [type of entity], with offices located at [Lender1 address] (“**Lender1**”), and [lender entity 2], a [type of entity], with offices located at [Lender2 address] (“**Lender2**”).

STATEMENTS OF FACT

WHEREAS, the Borrower has applied to and obtained certain loans from parties hereto and will use the proceeds of such loans and additional equity to finance the acquisition of a single-family home (hereinafter referred to as the “**Home**”), which will be situated on that certain real property located in the County of Ramsey, State of Minnesota, and legally described in **Exhibit A** attached hereto and incorporated herein by reference (the “**Real Property**”); and

WHEREAS, the following is a listing and description of the loans that the Borrower has obtained from the parties hereto (collectively, the “**Loans**”), which will be used to fund the acquisition of the Home and the repayment of which will be secured by liens on the Real Property, and a listing of the documents that evidence and secure the repayment of such Loans (collectively, the “**Loan Documents**”):

| <u>Description of Loan</u> | <u>Amount of Loan</u> | <u>Documents Evidencing and Securing Repayment</u> |
|----------------------------|-----------------------|--|
| FIRST MORTGAGE | AMOUNT | Those documents set forth on <u>Exhibit B</u> attached hereto. |

EDA First-Generation
Down Payment
Assistance Loan

AMOUNT

Those documents set forth on
Exhibit C attached hereto.

3rd Mortgage NAME
HERE

AMOUNT

Those documents set forth on
Exhibit D attached hereto.

WHEREAS, it is intended that the Loans, the corresponding Loan Documents, and other documents referred to herein shall have a certain order of priority; and

WHEREAS, it is further intended that the parties hereto wish to specify how the terms and conditions contained in the Loan Documents shall be interpreted in the event of a conflict or inconsistency therein.

AGREEMENTS

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, and in further consideration of the parties hereto making and entering into the loans referred to herein, the parties hereto do hereby agree as follows:

1. **Definitions.** The definitions set forth hereinabove are hereby incorporated into this Section 1 by reference. The following terms shall have the respective meanings set forth below and such meaning shall be equally applicable to the singular and plural forms of the terms defined:

(a) “Lender1 Loan” – means a mortgage loan from Lender1 in the original principal amount of [Amount] and No/100 Dollars (\$ [redacted]).

(b) “Lender1 Loan Documents” – means those documents set forth on Exhibit B attached hereto.

(c) “Event of Default” – means a default or event of default as defined in the applicable Loan Documents as the context requires.

(d) “EDA Loan” – means a mortgage loan from EDA Lender in the original principal amount of \$ [redacted].

(e) “EDA Loan Documents” – means those documents set forth on Exhibit C attached hereto.

(f) “Lender2 Loan” – means a loan from Lender2 in the original principal amount of [redacted].

(g) “Lender2 Loan Documents” – means those documents set forth on Exhibit D attached hereto.

2. **Consent to Loans, Liens and Encumbrances.** Each of the parties hereto consents and agrees to the making and borrowing of all of the Loans and further agrees that all of the liens

and/or encumbrances created by the Loan Documents shall be deemed to be permitted encumbrances under the respective Loan Documents. The parties hereto further agree to execute any and all documents that any party hereto may reasonably request in order to document that such liens and/or encumbrances are permitted encumbrances under their respective Loan Documents.

3. **Use of Documents.** The parties hereto agree and consent to the use of the Loan Documents set forth in the Exhibits attached hereto in conjunction with the Loan referenced in each Exhibit.

In addition, each party hereto, as to the Loan Documents that correspond to one of its Loans, does hereby covenant, warrant, consent and agree that (i) the described Loan Documents are all of the documents that the party has entered into regarding the corresponding Loan, (ii) there are no documents relating to such Loan other than the described Loan Documents for such Loan, (iii) it will not enter into any other documents for such Loan that would adversely impact any other party or parties hereto without the prior written consent of such party or parties, (iv) any existing document or documents that may come into existence in the future to which a party hereto is or becomes a party or from which a party hereto obtains a benefit that is different from the benefits that the other parties hereto have received or will receive, and that is not listed in the Loan Documents set forth herein for such Loan, shall be of no force or effect until approved and consented to in writing by all of the parties hereto upon which such document has, or will have, an adverse effect, and upon such written approval, such document has, or will have, an adverse effect, and upon such written approval, such document(s) shall be automatically considered to be included in the Exhibit hereto setting forth the Loan Documents for such Loan. The other parties hereto shall execute any document that may reasonably be requested in order to include such document in such exhibit.

4. **Subordination of Loans and Loan Documents.** Except as specifically provided below, each party hereto agrees to the following priority for the provisions contained in the Loan Documents and any and all liens and/or encumbrances created thereby and subordinates its respective Documents and liens and/or encumbrances created thereby to those Documents and liens and/or encumbrances that are listed as having a priority over its Documents and liens and/or encumbrances created thereby:

| Documents and Liens and/or Encumbrances Created Thereby | Party to the Documents and Holder of Liens and/or Encumbrances Created Thereby | Order of Priority |
|---|--|-------------------|
| Exhibit B | NAME OF FIRST LENDER 1 | First |
| Exhibit C | ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY | Second |
| Exhibit D | LENDER 2 | Third |

5. **Interpretation.** The parties hereto are entering into and executing this Agreement in order to establish the subordination and priority of the loans and documents referred to herein, and to resolve any inconsistencies or conflicts in such documents and, accordingly, such parties

hereby agree, understand and acknowledge that the enforceability of this Agreement is not, and shall not, be restricted, limited, or impaired by the fact that not all of such parties are signatories to each or any of the documents referred to and incorporated by reference herein.

6. **Control by Most Stringent Requirements.** Notwithstanding any provision to the contrary contained herein, if any of the provisions contained in the Loan Documents impose requirements that are inconsistent with any other requirement contained in such documents, then the most stringent provision contained in such documents shall control.

7. **Compliance with Closing Requirements and Absence of Events of Default.** Each party hereto states, represents, and warrants that as to each of its individual Loans, (i) such Loans have been duly closed or will be closed in connection with the delivery of this Agreement, (ii) there are no Events of Default, or events that with the passage of time could constitute an Event of Default, currently existing with respect to any of its Loans, and (iii) all of its Loans are in good standing.

8. **Notice of Default and Cure Rights.** Each party will deliver to the other parties a default notice within five business days in each case where a party has given a default notice to Borrower (provided that each party will have no liability to any party for failure to timely give notice). Failure of the notifying party to send a default notice to the other parties will not prevent the exercise of the notifying party's rights and remedies under the Loan Documents, subject to the provisions of this Agreement. The other parties will have the opportunity, but not the obligation, to cure any default within 60 days following the date of the notice; provided, however that the notifying party will be entitled, during the 60-day period, to continue to pursue its rights and remedies under the Loan Documents.

9. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

[No further text on this page.]

IN WITNESS WHEREOF, the parties hereto have executed this Master Subordination Agreement and Estoppel Certificate on the date indicated immediately below their signatures.

BORROWER: _____

BORROWER: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by [Borrower], a _____.

Witness my hand and official seal.

Notary Public

My commission expires:_____.

[Borrower Signature Page to Master Subordination Agreement and Estoppel Certificate]

EDA LENDER:

**ROSEVILLE ECONOMIC DEVELOPMENT
AUTHORITY**, a public body corporate and politic
and political subdivision of the State of Minnesota

By: _____
Dan Roe, President

By: _____
Patrick Trudgeon, Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this ____ day of _____,
20__ by Dan Roe and Patrick Trudgeon, the President and Executive Director, respectively, of
the Roseville Economic Development Authority, a public body politic and corporate under the
laws of the State of Minnesota, on behalf of the Authority.

Witness my hand and official seal.

Notary Public

My commission expires: _____.

[EDA Signature Page to Master Subordination Agreement and Estoppel Certificate]

LENDER1:

[Lender1], a [type of entity]

By: _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by _____, the _____ of **[Lender1], a [type of entity]**, for and on behalf of said **[entity]**.

Witness my hand and official seal.

Notary Public

My commission expires: _____.

[Lender1 Signature Page to Master Subordination Agreement and Estoppel Certificate]

LENDER2:

[Lender2], a [type of entity]

By: _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, the _____ of [Lender2], a [type of entity], on behalf of said [entity].

Witness my hand and official seal.

Notary Public

My commission expires: _____.

This instrument was drafted by:
Kennedy & Graven, Chartered
150 South 5th Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

[Lender2 Signature Page to Master Subordination Agreement and Estoppel Certificate]

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property located in the County of Ramsey, State of Minnesota, described as follows:

EXHIBIT B

LENDER1 LOAN DOCUMENTS

1.

EXHIBIT C

EDA LOAN DOCUMENTS

1. Mortgage executed by [Borrower], for the benefit of the Roseville Economic Development Authority, securing the repayment of a loan in an original principal amount of [\$amount].
2. Promissory Note in the original principal amount of [amount] made by [Borrower] in favor of the Roseville Economic Development Authority.
3. Loan Agreement between [Borrower] and the Roseville Economic Development Authority.
4. Affidavit of Borrower.

EXHIBIT D
LENDER2 LOAN DOCUMENTS

1.