

INVESTMENT AGREEMENT

THIS INVESTMENT AGREEMENT dated as of _____, 2013 (together with all future amendments and supplements hereto, this "Investment Agreement"), is hereby entered into with Friends of the Saint Paul Public Library, a Minnesota nonprofit corporation ("The Friends"), and the City of Saint Paul, ("City").

RECITALS

- I. The City of Saint Paul, ("The City") owns and operates the Highland Park and Sun Ray Library ("Libraries"); and
- II. Identified renovations to the Libraries are budgeted at \$13,475,000; and
- III. The City's Adopted 2012 and 2013 Capital Improvement Budgets include \$7,000,000 in Library bonds to help finance renovation projects at the Highland Park and Sun Ray libraries; and
- IV. The planned bond sale of Library Bonds is not until the Spring of 2014; and
- V. The Friends are currently conducting a capital campaign to fundraise for the library renovation to supplement the City's bond funding; and
- VI. The Friends have pledged a total of \$6,475,000 from capital campaign fundraising to the project; and
- VII. The Friends have received over \$3,800,000 in cash contributions to date ("Current Contribution"); and
- VIII. Libraries have begun to incur expenses as a result of contracting with an architect to create plans for the renovations; and
- IX. A portion of the private donations generated by The Friends campaign will pay for those costs; and
- X. The Friends wish to make their Current Contribution available to the City to assist with expenses incurred before the 2014 Bond Sale; and

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Friends agree to the following:

Section 1. The City agrees to accept and deposit The Friends Current Contribution into the City's investment pool.

Section 2. The City agrees to hold the Current Contribution in a segregated account.

Section 3. The City agrees to apply any and all interest generated from The Friends segregated account towards The Friends total pledged amount of \$6,475,000.

Section 4. The City agrees to provide expense and interest statements to The Friends on a quarterly basis.

Section 5. The Friends agree, as authorized by the resolution regarding Investment of Funds Received dated December 11, 2013 to give to the City their Current Contribution of up to \$3,800,000.

Section 6. The Friends agree that their Current Contribution will be credited against their pledged goal of \$6,475,000.

Section 7. The Friends agree that their Current Contribution will be deposited into the City's investment pool.

Section 8. The Friends agree that their Current Contribution will be held in a segregated account.

Section 9. The Friends agree that any interest earned by their Current Contribution will remain in the segregated account and be credited against The Friends total pledged amount.

Section 10. The Friends agree that the City will provide expense and interest statements on a quarterly basis to The Friends.

Section 11. Notice. All notices hereunder shall be in writing and shall be deemed to have been given if sent by hand delivery, overnight courier or certified mail, postage prepaid, addressed to:

If to The Friends: Friends of the Saint Paul Public Library
325 Cedar Street, Suite 555
St. Paul, Minnesota, 55101

If to The City: City of Saint Paul
Office of Financial Services
700 City Hall
15 West Kellogg Blvd.
St. Paul, Minnesota, 55102

Section 12. Governing Law. This Investment Agreement shall be construed in accordance with the laws of the State of Minnesota.

Section 13. Modification. This Investment Agreement may not be modified, supplemented or amended except by written agreement duly executed by The Friends and the City.

Section 14. Binding Effect. This Investment Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties hereto and their respective heirs, successors and assigns.

Section 15. Captions. The captions herein are for ease of reference only and shall in no way define or limit the provisions hereof.