

FUNDING AGREEMENT

(Soccer Stadium Site Infrastructure and Remediation)

[Version Feb 25, 2016]

This Funding Agreement is executed on April 1, 2016 (“Agreement”) by and between the City of Saint Paul, a home rule charter city (the “City”) and the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, a public body organized under Minn Stat Chapter 469 (the “HRA”).

WHEREAS, the City has executed a Development Agreement dated April 1, 2016 (“Development Agreement”) with MUSC Holdings, LLC (“Developer”) for the construction of a soccer stadium (“Stadium”) in Saint Paul, Minnesota (“Site”); and

WHEREAS, under the Development Agreement and in order to prepare the Site for the construction of the Stadium, the City has certain responsibilities for performing remediation work (“Remediation”) and the installation of infrastructure (“Infrastructure”) (Remediation and Infrastructure are collectively referred to as the “City Work”) at the Site, including adjacent development areas, and/or paying the costs of such City Work in the event the Developer or its contractor(s) performs such City Work instead of the City as permitted under the Development Agreement; and

WHEREAS, under the Development Agreement the Developer has the exclusive responsibility for the construction of the Stadium and the payment of all costs therefor, and no part of the Funding Amount, as defined in the next paragraph, shall be used for the payment of costs for the Stadium; and

WHEREAS, the City has asked the HRA to provide grant funding for: a) the payment of Remediation costs in an amount not to exceed \$1,500,000.00, (contingent on the HRA receiving this amount from the Saint Paul Port Authority), b) the payment of Infrastructure costs in an amount not to exceed \$16,100,000.00, and c) for payment of soft costs that the City is responsible to pay outside of the Development Agreement in an amount not to exceed \$710,000.00 (“Soft Costs”) (Remediation costs, Infrastructure costs and Soft Costs in the aggregate amount of \$18,310,000.00 are collectively referred to as the “Funding Amount”); and

WHEREAS, the total combined City and HRA costs for Remediation, Infrastructure, and Soft Costs are not to exceed \$18,400,000; and

WHEREAS, the HRA has available in its parking fund balance (“Parking Fund”), and expects to have available in its Tax Increment balances, upon approval of all future actions required by Minnesota law to amend certain tax increment financing plans and budgets (including required notices and public hearings) to reflect receipt and spending of tax increment revenues generated from the sale of the Penfield project (“TI Funds”), sufficient funds to provide the Funding Amount to assist the City in performing its obligations under the Development Agreement; and

WHEREAS, the City intends to cause the application for grants for the Remediation from any and all appropriate private and public entities that have available grant funds for such purposes and upon receipt of any awards, the City intends to assign the grant(s) to the HRA to be used for the payment of Remediation costs and/or the reimbursement to the Saint Paul Port Authority for any expenditures it had previously made; and

WHEREAS, the sole restriction on the use of the Parking Fund is the requirement of a nexus between the use of the Parking Fund and parking purposes ("Parking Fund Requirements"); and

WHEREAS, the TI Funds can only be used for payment of eligible costs under Minnesota law and attached hereto and made a part hereof is Exhibit A which lists eligible and non-eligible costs and uses of TI Funds ("TI Funds Requirements"); and

WHEREAS, on March 2, 2016 the City Council, by RES PH 16-64 approved this Agreement, and

WHEREAS, on March 2, 2016 the HRA Board of Commissioners, by RES 16-376 approved this Agreement and also adopted a budget to provide for the Funding Amount to the City, with the HRA's funding obligations under this Agreement contingent on the approval of all future actions required by Minnesota law to amend certain tax increment financing plans and budgets (including notices and public hearings) to reflect the receipt and spending of tax increment revenues generated from the sale of the Penfield project; and

WHEREAS, the purpose of this Agreement is to memorialize the agreement between the City and HRA for the Funding Amount.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained in this Agreement, the City and HRA agree as follows:

1. Grant of Funding Amount. Subject to full compliance of all the terms and conditions contained in this Agreement, including without limitation the satisfaction of the contingency described in the 6th Whereas clause above, the HRA hereby agrees to provide the Funding Amount to the City for payment of eligible costs related to the City Work for the Stadium Site project. The City agrees that all costs to be paid under this Agreement from the Parking Fund must satisfy the Parking Fund Requirements, and that all costs to be paid from the TI Funds must satisfy the TI Funds Requirements.

2. Draws. Whenever the City desires a draw of the Funding Amount, the City shall submit to the HRA a draw request that includes the payee(s) of such draw, the nature of the cost, documentation for the cost, and identity of the fund the cost is being paid from. The draws shall be submitted no more frequently than on a monthly basis. Within ten business days of receiving the request and upon satisfaction of all the conditions for the draw, the HRA shall transmit to the payee(s) as directed by the City the amount(s) set forth in the draw request. The City is responsible to assure that all other City and State contract compliance requirements are complied with in connection with the disbursements under this Agreement.

3. Remediation Grants. The City agrees to cause the application for grants for the Remediation work from any and all appropriate private and public entities that have available grant funds for such purposes and upon receipt of any awards, the City agrees to assign the grants to the HRA to be used for the payment of Remediation costs under this Agreement and/or the reimbursement to the HRA for any costs it had previously made under this Agreement.

4. No Repayment by City. Subject to the City's obligations under Section 3 above, the City is not obligated to repay the HRA for the Funding Amount since this constitutes a grant from the HRA.

5. General Provisions.

(a) This Agreement shall be construed in accordance with the laws of Minnesota.

(b) Each of the parties has duly authorized the execution and delivery of this Agreement by a resolution duly and properly adopted by its governing body.

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument.

(d) This Agreement constitutes the entire agreement of the parties and shall supersede and replace any prior agreement, or parts of any other agreement and/or resolutions of the City Council that are germane to this Agreement or understanding with respect to the subject hereof. This Agreement may be amended by a writing signed by the City and HRA.

(e) An electronic signature is deemed as effective as an original signature on this Agreement.

IN WITNESS WHEREOF, the City and HRA have each caused this Agreement to be executed by its duly authorized officers, all as of the day and year first above written.

City of Saint Paul, a home rule charter city

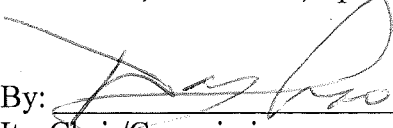
By: Kuzhi Bukhman
Its: Mayor

By: [Signature]
Its: Director, Office of Financial Services

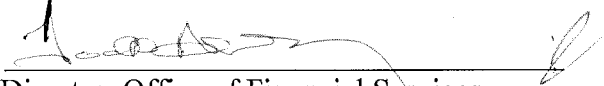
By: [Signature]
Its: Director, Planning and Economic Development

Approved as to form:
[Signature]
Assistant City Attorney

**Housing and Redevelopment Authority of the City of
Saint Paul, Minnesota, a public body**

By: 
Its: Chair/Commissioner

By: 
Its: Executive Director

By: 
Its: Director, Office of Financial Services

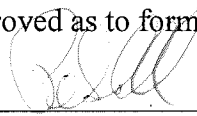
Approved as to form:

Assistant City Attorney

EXHIBIT A

Eligible and Non Eligible Costs to be paid for with Tax Increment funds

Eligible Uses of Tax Increment Funds are the following:

- Public stadium site streets, standard sized sidewalks and lighting, including landscaping, which infrastructure also provides access to adjacent development areas
- Water, sanitary and storm sewer lines installed under ROW
- Parking improvements – grading, blacktopping, striping, curbing, landscaping
- Concrete plazas adjacent to development areas, including landscaping, benches, lighting, etc.
- Environmental remediation of area under streets or development areas
- 58% of professional services for Snelling Midway site (pro-rated to separate development area) from stadium site, including Design Center, Parking/Transportation Study and Stormwater Plan
- Owner's representative services for non-stadium construction, including public infrastructure (for budgeting purposes this amount is assumed to be 50% of total agreement amount with owner's representative)

Non-Eligible Uses of Tax Increment Funds are the following:

- Portion of sidewalk in excess of standard size
- Water, sanitary and storm sewer lines installed from the ROW to the stadium
- Concrete plazas accessing stadium entrance (North plaza)
- Environmental remediation of area under stadium site
- 42% of professional services for Snelling Midway site (pro-rated to separate stadium site) from development area, including Design Center, Parking/Transportation Study and Stormwater Plan
- Owner's representative services for stadium construction oversight (assumed to be other 50% of total agreement amount with owner's representative)