

## JOINT POWERS AGREEMENT

This Agreement, made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the Port Authority of the City of Saint Paul (the “Port Authority”), a body corporate and politic, and the City of Saint Paul, Minnesota, a municipal corporation (the “City”), provides as follows:

WHEREAS, the Port Authority has been engaged in governmental programs for providing financing in the City of Saint Paul and in other areas of the State of Minnesota (the “State”) by making loans evidenced by various financing leases and loan agreements; and

WHEREAS, Minnesota Statutes, Sections 216C.435 and 216C.436 and Chapter 429 (the “Act”) authorize the City to provide for the financing of the acquisition and construction or installation of energy efficiency and conservation improvements (the “Improvements”) on properties located within the boundaries of the City through the use of special assessments; and

WHEREAS, the Act authorizes the City to designate a local government unit other than the City to implement the program under the Act on behalf of the City; and

WHEREAS, the City has one or more projects within the boundaries of the City that have Improvements in need of financing, and has adopted its Resolution No. \_\_\_\_\_ (a copy of which is attached hereto as Exhibit A) to designate the Port Authority to implement and administer a program on behalf of the City to finance such Improvements; and

WHEREAS, the Port Authority has created a program under the Act known as the Property Assessed Clean Energy Program (“PACE OF MN”) for purposes of implementing and administering the activities described in the Act, and the Port Authority is willing to implement and administer that program on behalf of the City as requested herein; and

WHEREAS, the City has expressed a desire to make energy improvement financing programs of the kind managed by the Port Authority available for improvements of eligible properties within its boundaries, including but not limited to the Energy Savings Partnership, Trillion BTU (within the portion of the City served by Xcel Energy) and PACE OF MN, and a joint powers agreement is required between the City and the Port Authority for PACE OF MN; and

WHEREAS, the Improvements will serve citizens of the City of Saint Paul and the City, as well as Ramsey County and the State of Minnesota.

NOW THEREFORE, in consideration of the mutual covenants herein made, the parties to this Agreement hereby agree as follows:

1. The Port Authority will exercise the powers of the Act on behalf of the City by utilizing the PACE of MN program to provide financing for Improvements located within the

boundaries of the City. Except as otherwise provided in this Joint Powers Agreement, the Port Authority shall be solely responsible for the implementation and administration of PACE OF MN and the financing of the Improvements.

2. In connection with its implementation and administration of PACE OF MN, and its financing of the Improvements located within the boundaries of the City, it is anticipated that the Port Authority will enter into various agreements with persons wishing to obtain financing for Improvements located within the boundaries of the City as well as with sources of financing for such Improvements (collectively the “Program Documents”).

3. The Port Authority will charge a fee for its implementation and administration of PACE OF MN, which fee will be described in, and payable under, the Program Documents.

4. The Port Authority will have the sole duty and responsibility to comply with or enforce covenants and agreements contained in the Program Documents. This power specifically includes the responsibility for monitoring and enforcing compliance with the provisions of the Program Documents.

5. The source of funds to finance the Improvements will be either financing from a designated lending institution’s (the “Lender”) using its own financial resources (the “Loan”) or a taxable special assessment revenue bond(s) (the “Bond(s)”) issued by the Port Authority in favor of the Lender. Under either financing mechanism, the Lender will advance funds under the Program Documents to be paid from special assessments levied by the City.

6. The Loan(s) or Bond(s) must be a special/limited obligation of the Port Authority, payable solely from special assessments levied by the Cities participating in the program. The Loan(s) or Bond(s) and interest thereon must neither constitute nor give rise to a general indebtedness or pecuniary liability, or a general or moral obligation, or a pledge or loan of credit of the Port Authority, the City, the City of Saint Paul or the State of Minnesota, within the meaning of any constitutional or statutory provision. To that end, the Port Authority hereby agrees to indemnify and hold harmless the City from and against any claims or losses arising out of the failure of the Port Authority to provide for the payment of principal of, and the interest or any premium on the Loan(s) or Bond(s), from special assessment payments actually paid to the Port Authority by the City.

7. As and for its contribution to the financing of the Improvements located within the boundaries of the City, and as provided in the Act, the City must impose and collect special assessments necessary to pay debt service on that portion of the Loan(s) or Bond(s) attributable to the Improvements located within the boundaries of the City. The term of said levied assessments shall not exceed 20 years. The City shall charge an administrative fee which will be added to the Special Assessments as described within the Program Documents. Evidence that the City has imposed such special assessments is a precondition to the Port Authority’s obligation to provide financing to any Improvements located within the boundaries of the City.

8. Once the City has imposed special assessments to finance Improvements located within the boundaries of the City, the City must transfer to the Port Authority all collections of the assessments received either directly by the City from the assessed properties or indirectly

from Ramsey County of amounts certified annually by the City for collection with property taxes for application to the payment of the applicable Loan(s) or Bond(s) minus the City administrative fee. If any assessed properties become tax delinquent, the City's only obligation is to transfer to the Port Authority any collections of the assessments actually received for application to the payment of the applicable Loan(s) or Bond(s). If any assessed properties become forfeited to the State of Minnesota for failure to pay property taxes, when the properties return to private ownership the City will re-assess the properties for the outstanding balance of the Improvements per Chapter 14 of the Saint Paul City Charter and/or Minn. Stat. Section 429.071, Subd. 4.

9. Unless otherwise provided by concurrent action of the Port Authority and the City, this Agreement will terminate upon the retirement or defeasance of all Loan(s) or Bond(s) issued to finance improvements with the boundaries of the City, and this Agreement may not be terminated in advance of such retirement or defeasance.

10. This Agreement may be amended by the Port Authority and the City, at any time, by an instrument executed by both of them. The Port Authority or the City may not amend this Agreement, however, if the effect of the amendment would impair the rights of the holder of the Loan(s) or Bond(s), unless the holder has consented to the amendment.

11. This Agreement may be executed in any number of counterparts, each of which when taken together will constitute a single agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Port Authority and the City have caused this Agreement to be executed on their behalf, by their duly authorized officers, as of the day and year first above written.

PORT AUTHORITY OF THE  
CITY OF SAINT PAUL

By: \_\_\_\_\_  
Its: President

By: \_\_\_\_\_  
Its: Chief Financial Officer

CITY OF SAINT PAUL, MINNESOTA

By: \_\_\_\_\_  
Its: Mayor or designee

By: \_\_\_\_\_  
Its: Finance Director or designee

By: \_\_\_\_\_  
Its: City Clerk or designee

EXHIBIT A