

Executive Summary of Development Agreement*

Purpose of the Development Agreement

The Development Agreement establishes the agreements among Hennepin County (“County”), the Minnesota Baseball Authority (“Authority”) and the Minnesota Twins, LLC (“Team”) regarding the process for construction of the Ballpark and Public Infrastructure and acquisition of the Site. The Development Agreement also addresses the financing obligations of the Parties.

Legal Basis for the Development Agreement

Laws 2006, Chapter 257 provides in Section 11, Subdivision 12 that the Authority, County and Team may enter into a development agreement relating to the construction, financing and use of the ballpark and related facilities and public infrastructure.

Article-By-Article Summary

Article 1. Definitions. This article states the definitions for various terms used in the document.

Article 2. Architect and Design. This article addresses the requirements of the Architect, the Project Representatives and the Design Review process.

Architect Agreement: The County consents to the Team entering into the Architect Agreement with HOK Sport, Inc., provided the Architect Agreement meets a number of terms required by the County.

Project Representatives: The Team Representative is John Gockel; the County Representative is Rick Johnson; and the Authority Representative is Ed Hunter. Collectively they are referred to as the Project Representatives.

Design Review Process: The Board of County Commissioners and the Authority Board shall review and approve the Ballpark Design Documents on or before April 26, 2007. The Board of County Commissioners and the Authority Board shall review and approve the Public Infrastructure Design Documents on or before April 26, 2007. The Board of County Commissioners and the Authority Board also shall review and approve the GMP Documents for the Ballpark and infrastructure with such review scheduled to occur before July 31, 2007, but no later than August 31, 2007. Construction Drawings must be based upon the approved designs and construction drawings must be approved by the Project Representatives.

* This executive summary is for background purposes only. It is not a legally binding document, and it is not intended to be used, nor may it properly be used, to ascertain or represent the legal intent of any of the respective parties with respect to the agreement it summarizes.

Cost: The Construction Manager (M.A. Mortenson) must provide a detailed cost estimate along with Ballpark Design Documents and the Public Infrastructure Design Documents. The initial Contract Sum must be provided by the Construction Manager upon execution of the CM Agreement, which is to be on or before May 15, 2007. A certification that the Project can be built within the budget shall be provided by the Construction Manager with the GMP Documents.

Ballpark Implementation Committee: The Project Representatives shall meet with the Ballpark Implementation Committee as necessary to assist its review under the Act. The recommendations of the Ballpark Implementation Committee shall be forwarded to the City of Minneapolis planning commission for an advisory recommendation and to the City Council for final action. The Board of County Commissioners and the Authority Board shall meet to formally receive the City Council resolution promptly after it is passed.

Article 3. Site Acquisition and Public Infrastructure. This article provides that the County and the Authority must take the necessary actions to provide access to portions of the site and acquire title to the site by the dates set forth in the Agreement. The cost of the Site Acquisition is part of the \$90 million County Site Acquisition and Public Infrastructure Contribution. Under its termination rights, the County may elect not to acquire the Site if the cost is at a cost that is unacceptable to the County. As part of the Site Acquisition and Public Infrastructure Work, the Team will cause the Construction Manager to undertake environmental remediation, the removal of foundations and utility relocation. The costs of such work shall be a County Site Acquisition and Public Infrastructure Cost.

Article 4. Construction Matters. This article addresses the requirements for construction, including the Construction Manager, the Team oversight of construction, insurance and the project labor agreement. The County consents to the Team entering into the Construction Management Agreement provided the agreement meets a number of terms required by the County.

Project Labor Agreement: The Authority and the Team shall cause the Construction Manager to enter into a Project Labor Agreement with the applicable trade unions so as to prevent strikes or lockouts that would halt, delay or impede construction of the Ballpark or the infrastructure.

Insurance: The Parties are implementing an owner controlled insurance program ("OCIP") that will provide workers' compensation, employer's liability, general liability and excess liability. Willis of Minnesota, Inc. will serve as the OCIP Program Administrator. The County, the Authority and the Team may require additional insurance as agreed, including builder's risk, owner protective professional indemnity insurance and railroad protective liability insurance.

Article 5. Financing of the Project. This article addresses financing of the Ballpark and the infrastructure. The County Ballpark Contribution shall be \$260 million which shall be granted to the Authority. The Team Ballpark Contribution shall be \$130 million. The Team shall be responsible for cost overruns on the Ballpark. The County Site Acquisition and Public Infrastructure Contribution shall not exceed \$90 million. If the Site Acquisition and Public Infrastructure Costs exceed \$90 million, plus the amount the Team has agreed to contribute as Team Additional Funds, the Authority, in consultation with the County, may reduce the scope or eliminate items of infrastructure unless the Team or other third party provides the additional

funds. The County shall authorize the issuance of bonds in connection with the approval of the Development Agreement for the Ballpark Contribution and the Site Acquisition and Public Infrastructure Contribution. The County anticipates issuing three series of bonds no later than June 29, 2007, March 31, 2008 and June 30, 2008. The bond proceeds shall be granted to the Authority for deposit to the Project Accounts. This article provides for the establishment of the Project Accounts and for the parties to establish disbursement procedures.

Team Additional Funds: Subject to a separate joint litigation agreement between the Team and the County, and any agreements thereunder, the Team will pay certain amounts to the Authority for additional County Site Acquisition and Public Infrastructure Costs in excess of the County's \$90 million contribution. The Team Additional will first be used to mitigate the impact on non-land infrastructure items from acquisition costs for the Site in excess of \$23 million which is the total amount allocated by the County for the acquisition of the Site. Any Additional Team Funds not needed for such costs may be spent as mutually agreed on Public Infrastructure Work and any remaining funds may be spent on Ballpark enhancements not included in the original Design Documents.

Ballpark Cost Savings: The Parties intend that \$390 million shall be spent towards Ballpark Costs. The Parties shall cooperate with each other to assure that as many program elements, amenities and design features as are reasonable for a first class MLB ballpark with an equivalent budget for Ballpark Costs are included in the Ballpark. To that end, as part of the bid documents for the construction of the Ballpark, the Parties shall include a list of agreed to bid alternates that will contain additional amenities and design features that will be added to the Ballpark so long as their addition does not cause the Ballpark Budget to exceed \$390 million.

Sales Tax Exemption: As necessary, the County and the Authority shall cooperate with the Team to utilize the sales tax exemptions for materials and equipment under the Act.

Capital Expenditures to Maintain Public Infrastructure: The County agrees to fund, as and when needed from sales tax revenues, the capital repair obligations of the Authority with respect to public infrastructure related to the Ballpark, including but not limited to, plaza and bridge infrastructure as set forth in the Lease Agreement, excluding obligations of the Team.

Article 6. Representations and Warranties of the Authority. The Authority makes typical representations and warranties as to such items as authorization, validity and enforceability.

Article 7. Representations and Warranties of the Team. The Team makes typical representations and warranties as to such items as authorization, validity and enforceability. In addition, the Team represents and warrants that the Development Agreement does not violate, among other things, the Constitution, by-laws, rules and regulations of Major League Baseball.

Article 8. Representations and Warranties of the County. The Authority makes typical representations and warranties as to such items as authorization, validity and enforceability.

Article 9. Additional Covenants and Conditions. This article sets forth a number of covenants of the various parties including that: (i) the County shall operate the Hennepin Energy Recovery Center in accordance with all Permits relating to air emissions issued by the Minnesota Pollution Control Agency and in a manner that minimizes any interference with the use of the

Ballpark, and (ii) provisions regarding providing certain utility service from HERC. This article sets forth required dates for the execution of other documents and the termination rights of the Parties, including those if such agreements are not executed.

County and Authority Termination Rights: The County and the Authority have the right to terminate the Development Agreement if: (i) by August 31, 2007, the County and the Authority determine the costs of the Ballpark construction or Site Acquisition and Public Infrastructure Costs exceed the budget and no additional funds are provided, (ii) by August 31, 2007, the County is unable to acquire the Site at a cost acceptable to the County, (iii) if the Bonds cannot be issued for an interest rate less than seven percent (7%), (iv) the Team assigns the Development Agreement in violation thereof, (v) the Team fails to make its required contributions, (vi) the City imposes unreasonable conditions or terms in its resolution acting upon the Ballpark Implementation Committee recommendations, (vii) the Team fails to enter into an agreement regarding liability issues with the BNSF by July 31, 2007, or (viii) any of the key documents are not executed by the dates set forth in the Development Agreement.

If termination occurs for the reasons set forth in (i), (ii), (iii) or (vi) above, the County and the Authority shall reimburse the Team for two-thirds (2/3) of Ballpark Advanced Funds and all of the Team's Public Infrastructure Advanced Funds.

If the termination occurs for reasons set forth in (iv) or (v) above, the Team is not entitled to reimbursement and shall reimburse the County and Authority for all non-land Public Infrastructure Cost.

If the termination occurs for reasons (vii) or (viii), the Team shall not be reimbursed for Ballpark Advanced Funds, but shall be reimbursed for Public Infrastructure Advanced Funds unless the reason under (viii) is that the County failed to approve a bond resolution in which case the Team is also reimbursed for two-thirds (2/3) of Ballpark Advanced Funds.

Team Termination Rights: The Team shall have the right to terminate the Development Agreement if: (i) the County does not provide access to the necessary portions of the Site on or before June 1, 2007, or other subsequent dates established in the Agreement, (ii) by August 31, 2007, the costs of Ballpark Construction or Site Acquisition and Public Infrastructure Costs exceed the budget, (iii) the Funding Date does not occur on or before June 29, 2007, (iv) the County assigns the Development Agreement in violation thereof, (v) the City imposes unreasonable conditions in its resolution acting upon the Ballpark Implementation Committee recommendations, or (vi) any of the key documents are not executed by the dates set for in the Development Agreement.

If the Team terminates for the reasons set forth in (i), (iii), (iv) or (v) above, the County and the Authority shall reimburse the Team for two-thirds (2/3) of the Ballpark Advanced Funds and for all of the Team's Public Infrastructure Advanced Funds.

If the Agreement is terminated by the Team based upon the reason set forth in (ii), the Team shall not be entitled to any reimbursement and the Team shall reimburse the Authority for expenses paid by the County or Authority Ballpark Costs and non-land Public Infrastructure costs.

If the Team terminates for reasons set forth in (vi), the Team shall not be reimbursed for Ballpark Advanced Funds but shall be reimbursed for the Team's Public Infrastructure Advanced Funds, unless the reason under (vi) is that the County failed to approve a bond resolution in which case the Team is also reimbursed for two-thirds (2/3) of Ballpark Advanced Funds.

Article 10. Default and Remedies. This article defines breaches of the agreement and remedies for defaults. The article also provides for limited recourse against the County and the Authority for construction of the Project to the extent of Project Funds.

Article 11. Indemnification. This article provides for the defense and indemnification by one party of the other parties for losses arising out of a breach of any representation or warranty covenant, or obligation under the Development Agreement.

Article 12. Miscellaneous. This article contains miscellaneous legal provisions that are typical in contract documents.

Article 13. Dispute Resolution. This article provides for arbitration of disputes and an expedited arbitration process for certain disputes, such as those that could impact the construction or design schedule.