

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT
CASE TYPE: OTHER CIVIL

Roland J. Jensen, et al.,

Court File No. 62-CV-10-6099

Plaintiffs,

**ORDER CERTIFYING CLASS AND
PRELIMINARILY APPROVING
SETTLEMENT**

v.

Port Authority of the City of Saint Paul,

Defendant.

Before the Court is the joint application of the Plaintiffs, who are holders, owners or beneficial owners of more than twenty percent in aggregate principal amount of the General Revenue Bonds issued by the Port Authority of the City of Saint Paul ("Port Authority") under its Basic Resolution No. 876 (the "Basic Resolution") for preliminary approval of a proposed settlement in this litigation (the "Action"). The Plaintiffs and the Port Authority will be collectively referred to as the "Parties." The Parties have applied for an order preliminarily approving a proposed settlement of the Action in accordance with the Mediated Settlement Agreement and the exhibits attached thereto (or such subsequent final settlement agreement to which both Parties agree in accordance with the terms of the Mediated Settlement Agreement) (collectively, the "Mediated Settlement Agreement"), which is incorporated herein by reference, and dismissing the Action with prejudice upon the terms and conditions set forth in the Mediated Settlement Agreement.

The Court, having considered the submissions of the parties, the Mediated Settlement Agreement, and all of the files, records, and proceedings previously before the Court in this litigation, ORDERS as follows:

1. Proposed Settlement Preliminarily Approved

The proposed settlement, as embodied in the Mediated Settlement Agreement, is preliminarily approved pending a final hearing on the proposed settlement. The proposed settlement appears to be fair, reasonable and adequate to each and all of the Holders of General Revenue Bonds issued under the Basic Resolution and consistent with the terms of Basic Resolution.

2. The Plaintiffs and their Counsel

The Court finds and determines that Plaintiffs are Holders of more than twenty percent in aggregate principal amount of 876 Bonds in accordance with and for purposes of Section 4.12 of Basic Resolution. The Court's Order Denying Port Authority's Motion for Summary Judgment on Standing Issue dated April 25, 2011, is reconfirmed and incorporated herein. The Court further finds and determines that Plaintiffs are authorized under Section 4-12 of Basic Resolution to represent each and all 876 Bondholders to protect and enforce the rights of the 876 Bondholders and to enforce the performance of all covenants and duties of the Port Authority as set forth in Basic Resolution. The Court further finds and determines that Plaintiffs will fairly and adequately fulfill their duties under Section 4-12 of Basic Resolution. The Court further finds and determines that Plaintiffs' counsel, the law firm of Lommen, Abdo, Cole and King P.A. ("Lommen Firm"), will continue to fairly and adequately represent the

interests of Plaintiffs and each and all 876 Bondholders and the Court appoints the Lommen Firm to act on behalf of Plaintiffs and each and all 876 Bondholders with respect to the proposed settlement and Mediated Settlement Agreement. The Court authorizes the one or more of the named Plaintiffs and the Lommen Firm to enter into the Mediated Settlement Agreement on behalf of Plaintiffs and each and all 876 Bondholders, subject to final approval of the proposed settlement by the Court.

3. Class Certified

For purpose of providing a process by which holders, or beneficial owners of the General Revenue Bonds issued under the Basic Resolution (“876 Bonds”) can be informed of the settlement and make their views known, the Court certifies the following class:

All Holders, owners, or beneficial owners of 876 Bonds, whether of record or otherwise, and all persons (whether individuals or legal entities of any type) as of June 1, 2010, or who acquired an interest of any type in 876 Bonds between June 1, 2010 and September 8, 2011, or who was a Holder, owner or beneficial owner on September 8, 2011, or who become Holders, owners or beneficial owners of 876 Bonds after September 8, 2011.

4. Final Settlement Hearing and Notice

a. The Court will hold a hearing (“Final Settlement Hearing”) on October 27, 2011, beginning at 1:30 p.m. The hearing will be held in the Ramsey County Courthouse in Saint Paul, Minnesota, to consider among other things (i) whether the proposed settlement should be approved as fair, reasonable, adequate, and in the best interests of each and all 876 Bondholders; (ii) whether final judgment should be entered dismissing

Plaintiffs claims with prejudice and on the merits, as required by the Mediated Settlement Agreement; (iii) whether to approve the Lommen Firm's application for attorneys' fees and costs, of approximately \$2,200,000.00, to be paid from the 876 Bond Fund; and (iv) whether to approve any additional fees and costs of Schecter Dokken not previously approved for payment.

b. Notice of the proposed settlement shall be provided to each and all 876 Bondholders, as far as possible, for their consideration prior to the Final Settlement Hearing. The Parties shall provide Notice of Settlement and Hearing ("Settlement Notice") to each and all 876 Bondholders in substantially the same form as the Settlement Notice attached to this Order. The Parties shall be deemed to have provided the Settlement Notice to each and all 876 Bondholders if the procedures of this paragraph are followed. The form of Settlement Notice, attached as Exhibit A, is expressly approved by the Court. The Settlement Notice shall be provided to each and all 876 Bondholders by First Class Mail at the address listed in the records of the Port Authority pursuant to Section 4-6 of Basic Resolution, U.S. Bank National Association ("U.S. Bank") and/or the Depository Trust Corporation ("DTC"). The Settlement Notice shall be mailed no more than ten days after entry of this Order. Further, the Parties shall publish the form of Settlement Notice, attached as Exhibit B, in the Star Tribune, Pioneer Press, St. Paul Legal Ledger, Finance and Commerce, and the Bond Buyer. The Port Authority shall also post the Settlement Notice on its website and maintain a copy of the Settlement Notice in its office for public review upon request. The Port Authority shall also file a copy of the Settlement Notice at the office of U.S. Bank. The Court finds and determines

that these actions in providing notice constitute the best notice practicable under the circumstances, constitute due and sufficient notice of the proposed settlement to all persons entitled to receive notice, and fully satisfy the requirements of Basic Resolution No. 876 and due process. The cost of mailing and publishing the Settlement Notices shall be paid from the Common Revenue Bond Fund established under Basic Resolution No. 876 ("876 Fund"). The Court hereby authorizes and directs that the Settlement Notice be issued in the name of the Court Administrator of the Ramsey County District Court.

c. Subject to the provisions of Sections 4-12 and 9-4 of Basic Resolution, the Court will hear the objections of any 876 Bondholders to the Mediated Settlement Agreement, including the award of attorneys' fees, costs and expenses, at the Final Settlement Hearing. No 876 Bondholder or other person will be entitled to object to the Mediated Settlement Agreement, to the final judgment to be entered in this Action, or to an award of attorneys' fees, costs and expenses, except by serving and filing a written notice of intention to appear at the Final Settlement Hearing, and a written objection in the form and manner required by the Settlement Notice. Such written notice of intention to appear and written objection must be filed with the Court and served on the Parties at the addresses set forth herein by October 20, 2011:

Ramsey County District Court Administrator
Ramsey County Courthouse
Suite 600
15 W. Kellogg Blvd.
St. Paul, MN 55102

Keith J. Broady
Lommen, Abdo, Cole,
King & Stageberg, P.A.
2000 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

Attorneys for Plaintiffs

Scott G. Knudson
Briggs and Morgan
2200 IDS Center
80 South Eighth Street
Minneapolis MN 555402

Attorneys for Port Authority

Any person who fails to object in the manner and by the date required will waive any objections and shall be bound by the mutual release of claims agreed upon in the Mediated Settlement Agreement.

4. The Parties shall be prepared at the Final Settlement Hearing to respond to any objections filed by 876 Bondholders and to provide other information, as appropriate, bearing on whether or not the Mediated Settlement Agreement should be finally approved.

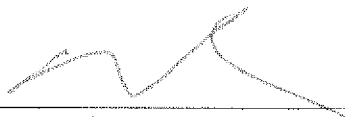
Court Approval

The Court reserves the right to adjourn or continue the Final Settlement Conference without further notice to the 876 Bondholders.

SO ORDERED

Dated: _____

9/22/11



Hon. Robert A. Awsumb
Judge for the District Court

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT
Case Type: Other Civil

Roland J. Jensen, *et al.*,

Court File No. 62 CV-10-6099

Plaintiffs,

vs.

**NOTICE OF FINAL SETTLEMENT
HEARING AND MEDIATED
SETTLEMENT AGREEMENT**

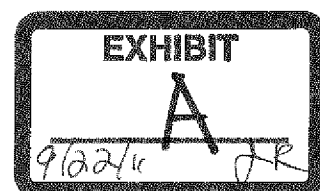
Port Authority of the City of Saint Paul,

Defendant

You are receiving this notice because you are the owner or holder of bonds issued by the Port Authority of the City of Saint Paul ("Port Authority") under Basic Resolution No. 876 ("Basic Resolution"). The Plaintiffs and the Port Authority have entered into a Mediated Settlement Agreement and agreed to the form of a Final Class Action Settlement Agreement ("Settlement Agreement"). On October 27, 2011, at 1:30 p.m., the Court will conduct its Final Settlement Hearing to approve the Mediated Settlement Agreement (or such subsequent final settlement agreement to which both Parties agree in accordance with the terms of the Mediated Settlement Agreement) (referred to as the "Settlement Agreement"). The Final Settlement Hearing will take place at the Ramsey County Courthouse, Room 1350, 15 W. Kellogg Blvd., St. Paul, MN 55102. Copies of this notice, the settlement documents and related court papers are available for review as well at www.876Fund.org.

PLEASE REVIEW THE FOLLOWING INFORMATION CAREFULLY.

THIS IS A LEGAL DOCUMENT.



1. The Action. In this lawsuit, Plaintiffs, who are owners of bonds issued under Basic Resolution No. 876 (“876 Bonds”), claim that the Port Authority breached the Basic Resolution by failing to deposit all funds allegedly pledged to the 876 Bond Fund in the fund. Plaintiffs also seek a declaratory judgment on the meaning of the Basic Resolution and whether the pledges and covenants terminated on September 1, 2022. The Port Authority denies it breached the Basic Resolution or wasted assets and asserts several affirmative defenses. The Plaintiffs and the Port Authority (the “Parties”) have conducted extensive discovery and made extensive legal arguments before the Court.

The Court has certified a class under Minn. R. Civ. P. 23. The class includes:

All Holders, owners, or beneficial owners of 876 Bonds, whether of record or otherwise, and all persons (whether individuals or legal entities of any type) as of June 1, 2010, or who acquired an interest of any type in 876 Bonds between June 1, 2010 and September 8, 2011, or who was a Holder, owner or beneficial owner on September 8, 2011, or who become Holders, owners or beneficial owners of 876 Bonds after September 8, 2011.

If you are a member of the class, you may object in the manner described later in this notice, but you cannot opt out of the class.

The Parties have agreed to settle the claims in this lawsuit, and resolve all other claims concerning the 876 Bonds and the Port Authority’s administration of the 876 Bond Fund, under the terms of the Mediated Settlement Agreement. If the Settlement Agreement is approved, the lawsuit will be dismissed.

2. The Settlement Agreement. **You should review the terms of the Settlement Agreement attached as Exhibit A. The following is a summary.** The Settlement Agreement requires the Port Authority to pledge or contribute the following

money to the 876 Bond Fund to pay 876 Bondholders: (a) approximately \$22,200,000 in Prepaid Net Revenues and Special Funds currently held in trust by the Port Authority; (b) an additional \$1,500,000 from Port Authority resources; and (3) "Available Net Revenues" as defined and identified on Exhibit 1 of the Settlement Agreement, including the Net Sales Proceeds from the sale of any property that is among the sources of "Available Net Revenues" as defined by Exhibit 1 that is sold before September 1, 2032. The pledge of "Available Net Revenues," and all pledges under the Basic Resolution and the Settlement Agreement, is extended to and shall terminate on September 1, 2032, and all 876 Bondholders' rights under the Basic Resolution shall be fully discharged on September 1, 2032.

The money in the 876 Bond Fund shall be used as follows: (a) to pay all past due and current interest due on 876 Bonds through December 1, 2011 or such later date as the Court approves, (2) to pay approximately \$2.2 million in attorneys' fees and costs to the Plaintiffs' attorneys through September 8, 2011 subject to court approval, (3) to pay costs incurred in mailing notices of the Settlement Agreement to 876 Bondholders, (4) to cover any additional attorneys' fees and costs incurred by Plaintiffs' attorneys from September 9, 2011 through completion of the settlement process subject to court approval, (5) to pay Scheckter Dokken their full fees incurred as experts for the Plaintiffs in this litigation, (6) to pay third party expenses, including attorneys' fees and costs, incurred by the Port Authority through September 8, 2011, (7) to pay up to an estimated \$10,000,000 to 876 Bondholders who tender 876 Bonds for sale in a Dutch Auction to be conducted by the Port Authority within a reasonable time after court approval of the Settlement

Agreement; and (8) to pay the fees of an independent Trustee for the 876 Fund. Remaining funds, including all future "Available Net Revenues" generated by the properties listed in Exhibit 1 of the Settlement Agreement, shall be used to pay 876 Bondholders as provided in the Basic Resolution until September 1, 2032. The Port Authority shall be responsible for its own attorneys' fees incurred after September 8, 2011 and shall not take third-party costs from the 876 Fund or revenues pledged to the 876 Fund thereafter. In the event a trustee is not in place on December 1, 2011, paying agent expenses shall be paid from the 876 Fund for payments made on that date or until a trustee is in place.

Port Authority further agreed to use the remaining balance in its River Maintenance Fund as well as fleeting and tonnage payments retained by the Port Authority through September 1, 2032, for river maintenance including dredging and dock wall repair, but the Port Authority is not required to use its own resources outside of those identified resources to repair or replace dock walls or other physical infrastructure.

An independent Trustee will be retained to assume the duties of paying agent, with authority to review and audit all books and records of the Port Authority relating to the 876 Bonds and to enforce covenants of the Basic Resolution and the Settlement Agreement for the benefit of all 876 Bondholders.

There will be a Mutual Release of all Claims asserted in the Action signed by the Parties.

3. Objections to Settlement. The Court will hold a hearing ("Final Settlement Hearing") on October 27, 2011, beginning at 1:30 p.m. The hearing will be held in the

Ramsey County Courthouse in Saint Paul, Minnesota, to consider among other things (i) whether the proposed settlement should be approved as fair, adequate, and in the best interests of each and all 876 Bondholders; (ii) whether final judgment should be entered dismissing Plaintiffs claims with prejudice and on the merits, as required by the Settlement Agreement; (iii) whether to approve the payment of attorneys' fees and costs to be paid from the 876 Bond Fund; and (iv) whether to approve payment of Schechter Dokken's expert fees and costs to be paid from the 876 Bond Fund. The Court Order Preliminarily Approving Settlement is attached as Exhibit B.

The Settlement Agreement is binding under Section 4-12 of the Basic Resolution. Subject to the provisions of Sections 4-12 and 9-4 of the Basic Resolution and Minn. R. Civ. P. 23.05, the Court will hear the objections of any 876 Bondholders to the Settlement Agreement at the Final Settlement Hearing. If you wish to object, you must file with the Court, and serve on all parties, a written notice of intention to appear at the Final Settlement Hearing and a written objection. You must file and serve a written notice of intention to appear and written objection by October 20, 2011. Any person who fails to object in the manner and by the date required will waive any objections. The following addresses may be used for filing and service:

Ramsey County District Court Administrator
Ramsey County Courthouse
15 West Kellogg Blvd.
St. Paul, MN 55102

Keith J. Broady
Lommen, Abdo, Cole, King & Stageberg, P.A.
2000 IDS Center
80 South Eighth Street

Minneapolis, MN 55402
Attorneys for Plaintiffs

Scott G. Knudson
Briggs and Morgan
2000 IDS Center
80 South Eighth Street
Minneapolis MN 555402
Attorneys for Port Authority

Dated: September 23, 2011

Issued by Court Administrator
Ramsey County District Court
Ramsey County Courthouse
15 West Kellogg Blvd.
St. Paul, MN 55102

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil

Roland J. Jensen, *et al.*,

Court File No. 62 CV-10-6099

Plaintiffs,

vs.

**NOTICE AND ORDER FOR
HEARING TO APPROVE
SETTLEMENT AGREEMENT**

Port Authority of the City of Saint Paul,

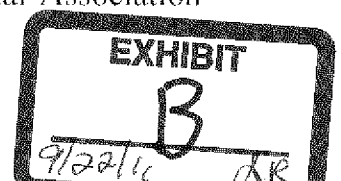
Defendant

The Plaintiffs, Roland J. Jensen, *et al.*, and the Port Authority of the City of Saint Paul ("Port Authority") have entered into a Settlement Agreement to resolve this matter. For purposes of this litigation and settlement, the Court has preliminarily approved the Settlement Agreement and certified a class of "All Holders, owners, or beneficial owners of 876 Bonds, whether of record or otherwise, and all persons (whether individuals or legal entities of any type) as of June 1, 2010, or who acquired an interest of any type in 876 Bonds between June 1, 2010 and September 8, 2011, or who was a Holder, owner or beneficial owner on September 8, 2011, or who become Holders, owners or beneficial owners of 876 Bonds after September 8, 2011." Now upon the joint motion of Plaintiffs and Port Authority:

IT IS HEREBY ORDERED, that on October 27, 2011, at 1:30 p.m., the Honorable Robert A. Awsumb, Ramsey County District Court Judge, will conduct a Final Settlement Hearing to approve the Settlement Agreement. The Final Settlement Hearing will take place at the Ramsey County Courthouse, Room 1360, 15 W. Kellogg Blvd., St. Paul, MN 55102. Copies of this notice, the settlement documents and related court papers are available for review as well at www.876Fund.org;


IT IS FURTHER ORDERED, that persons wishing to object to the Settlement Agreement shall, by October 20, 2011, file with the Court a written notice of intention to appear at the Final Settlement Hearing and a written objection. Any person who fails to object in the manner and by the date required will waive any objections. Objections must be filed with the Administrator of the Ramsey County District Court, bearing the court file number set forth above, and delivered to Court Administrator, Ramsey County Courthouse, 15 West Kellogg Blvd., St. Paul, MN 55102;

IT IS FURTHER ORDERED, that this Notice shall be provided to each and all 876 Bondholders by First Class Mail at the address listed in the records of the Port Authority pursuant to Section 4-6 of Basic Resolution, U.S. Bank National Association



and/or the Depository Trust Corporation and shall be published in the Star Tribune, Pioneer Press, St. Paul Legal Ledger, Finance and Commerce, and the Bond Buyer within ten (10) days of the date of this order.

Dated: September 22, 2011



Hon. Robert A. Awsumb
Judge for the District Court

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