

Minnesota Sports Facilities Authority in conjunction with the Minnesota Vikings LLC
New Multipurpose Stadium
Real Estate Title Insurance and Related Services – Request for Proposals
Minneapolis, MN 55415

ADDENDUM NO. ONE

September 25, 2013

This Addendum documents the questions submitted to the Minnesota Sports Facilities Authority (MSFA) by Respondents to the RFP with the responses to the questions.

This Addendum consists of the following:

1. We would like to maximize the Minnesota Sports Facilities Authority's ability to hire a women owned firm by assisting us in this transaction. What are the guideline/rules to achieve this result?

The Authority encourages participation. No specific guidelines or rules are applicable.

2. It appears that the parties are only interested in reinsurance and not co-insurance. Please confirm.

Yes

3. Please confirm that direct access provided under the 2006 ALTA Facultative Reinsurance Agreement is acceptable to the parties.

Yes, the 2006 ALTA Facultative Reinsurance Agreement is acceptable.

4. From how many tiers of subcontractors and suppliers will the parties want us to collect unconditional lien waivers?

- a. With respect to advances made to M.A. Mortenson under the contract with M.A. Mortenson, all lien waivers required under that contract.
- b. With respect to all other persons providing lienable labor and/or materials to the project who have direct contracts with either the Authority or Team, lien waivers from all persons having lien rights, including any applicable subcontractors.

If there is a price difference between tiers, please so include in your response.

5. We anticipate that we will make payments not only to M.A. Mortenson, but also to additional lienable and non-lienable contractors, service providers, and vendors. Do you also anticipate that we will be paying M.A. Mortenson's subs and suppliers? Please confirm.

- a. With respect to M. A. Mortenson, disbursements will be made only to M.A. Mortenson under the M.A. Mortenson contract.
- b. With respect to any other persons providing lienable labor and/or materials to the project, disbursements directly to such persons having direct contracts with either the Authority or the Team.

6. What information would the parties like to see captured in the disbursing reports?

It is anticipated that the title company will be provided with (i) statements of sources and funding comprised of contributions by the Team, Authority and financing sources, (ii) a statement of total project costs (the "Total Project Cost Statement") by various categories which will include all anticipated project costs including construction, land acquisition, equipment and furniture, other soft costs, etc. and (iii) a separate sworn construction cost statement (the "Sworn Construction Cost Statement") from M.A. Mortenson regarding construction costs. We expect the title company to disburse and report all contributions and advances by the Team, Authority and various lenders to the project and the project costs paid and advanced against each of the categories under the Total Project Cost Statement and Sworn Construction Cost Statement as well as the amounts remaining to be advanced against each of the categories.

7. The RFP does not state that the selected title company will be handling the acquisition closings. Do you need pricing or any information regarding these closings?

The selected title company will handle these acquisition closings. The proposal should include related pricing information.

8. Under the Lease/Use Agreement, who will own the constructed improvements that constitute the Stadium?

The Authority will own the constructed improvements subject to the use rights of the Team (Stadco) under the Use Agreement and certain other enumerated property described in the Use Agreement as the "Team's Stadium Property".

9. Will FinCo require the standard ALTA 3.0-06 for zoning and ALTA 9.3-06 for covenants, conditions and restrictions or the new ALTA 3.2-06 and ALTA 9.7-06 specifically for land under development?

The Team's lender will require ALTA 3.2-06 and ALTA 9.7-06 for the lender's policy. The MSFA and the Team (Stadco) will require 3.2-06 and 9.8-06 for the owner's policy and leasehold policy, respectively.

10. The completion date for the title commitment is October 10, 2013 which is three days after the RFP will be awarded. Each of the Proposers will have to start working on the title commitments prior to October 7th in order to meet this deadline. Please confirm that this is your intention.

Yes

11. What specific services do you require relating to the re-platting or registration of the Project property?

The MSFA anticipates that it will engage legal counsel and a surveyor in connection with the potential re-platting or registration of the Project property. The title company would provide the following services: (i) updating the abstracts of title as appropriate/required; (ii) a status of title report for use by the City and surveyor; and (iii) an owners and occupants report for third parties that require notice pursuant to local ordinance.

12. What are your standards relating to maximizing the cost-effectiveness to the Authority and the Team?

The Authority and Team define overall cost-effectiveness as not just the direct costs but also the related indirect costs of processing and administrating the entire engagement. Respondents should describe how their service approach facilitates the timeliness of processing and the ease of administration for the Authority and the Team.

13. What is your idea of standards of prudent financial management?

Monies coming from the Authority are public funds. In addition all funds will be used for the construction and ownership of a public asset. The standards for the processing and retention of public funds are stringent and can be subject to public auditing requirements. Respondents should process, manage and report all funds such that they facilitate these standards and provide transparency to all parties.

14. Which parties will have authority to approve each of the disbursements for the cost of construction?

The Development Agreement is the controlling document in this area. The Development Agreement is in draft form. An updated draft Development Agreement will be circulated to all title companies that have signed a Confidentiality and Non-Disclosure Agreement when the draft is available.

15. What is the timing of the Authority and the Team deciding on the method of project delivery?

The Authority and Team have decided upon the Construction Manager at risk method of project delivery.

16. In conjunction with the request that we report beginning and ending balances by participant, will each of the participants whose funds we are disbursing provide a breakdown of their approved disbursements when disbursed?

Yes

17. What else is expected to be reported in the reporting system?

It is anticipated that the title company will be provided with (i) statements of sources and funding comprised of contributions by the Team, Authority and financing sources, (ii) a statement of total project costs (the "Total Project Cost Statement") by various categories which will include all anticipated project costs including construction, land acquisition, equipment and furniture, other soft costs, etc. and (iii) a separate sworn construction cost statement (the "Sworn Construction Cost Statement") from M.A. Mortenson regarding construction costs. We expect the title company to disburse and report all contributions and advances by the Team, Authority and various lenders to the project and the project costs paid and advanced against each of the categories under the Total Project Cost Statement and Sworn Construction Cost Statement as well as the amounts remaining to be advanced against each of the categories.

18. In Exhibit B, page 2 you have indicated that you believe the number of disbursements per month will peak at 80. Does this reference the individual subcontractors who will be paid per draw (as opposed to 80 draw requests)?

Yes one draw per month with up to 80 separate payees.

19. On Exhibit C, are you asking for the costs of two leasehold policies or are those dollar amounts in the alternative?

Those are alternative dollar amounts – we are asking for one leasehold policy insuring all of the Team's (Stadco's) use rights under the Use Agreement.

20. If an Owner's policy is issued, the premium for additional loan or leasehold policies issued simultaneously is minimal. In quoting premium, may we add a note where a premium quote on one policy is contingent on the issuance of an Owner's policy?

Yes, please provide premium by category as requested.

21. The North Central Division (the Division) is a distinct, corporately-held business entity of ORNTIC. The Division provides direct and agency-based title services, and employs 38 people. ORNTIC is the parent company, and is a national title insurance underwriter that is headquartered in Minneapolis, MN. For the purposes of Exhibit D: Affirmative Action, Box A, is the inquiry regarding number of employees limited to the individual and distinct business unit that will be providing the requested title services, or is the inquiry regarding the entire corporate staff in ORNTIC's Minneapolis headquarters? Further, if the latter, does the lack of a current or pending Certificate of Compliance issued by the MDHR constitute immediate disqualification?

Each respondent should complete the form. If a respondent has questions they should contact the listed state office for clarification. Such clarification should include whether the parent and/or subsidiary complete the form.

22. At what liability limits will reinsurance be required by the various participants? Will reinsurance be determined individually by the proposed insured parties, or will it instead be based on amounts in excess of each applicant underwriter's statutory retention limit?

We are confirming the amounts of the reinsurance and will provide as soon as available.

23. To estimate overall disbursement costs, a disbursement schedule will be required, or in the alternative, will you please provide an indication of how frequently disbursements will be required?

Monthly draws

24. Will disbursements be required for funds other than the direct construction costs (i.e., furnishings, equipment or other soft costs)?

Yes

25. What parties or entities will be providing indemnification (guarantee) for excess costs, change orders and the like?

In the case of cost overruns, the Stadium Developer, which will be one of the parties. At this point, the Stadium Developer decision has not been made.

26. Are items A-H (RFP pages 4-6) intended to be included within the 2-page transmittal letter, or do you prefer that items B-H be answered individually outside of the letter?

Can attach separately.

END OF ADDENDUM NO. ONE