

Stimson Building, 700 Hennepin, Sale.

Major Terms.

1. Buyer: Stimson RenoVentures LLC; partnership of Dominic Barranco, Todd Schachtman, Anthony Strauss, David Kutoff and David Fhima, hereinafter, Buyer.
2. Sale Price: \$2,800,000 cash at closing. \$20,000 good faith deposit applied to purchase price.
3. As is: The property is being sold “as is” to the Buyer.
4. Uses: Restaurant (operated by David Fhima): first floor and mezzanine.
Offices: second floor.
Nightclub and storage: lower level.
5. Concept: The restaurant will be a David Fhima signature, “one of a kind” white tablecloth restaurant; complimentary to both the adjoining Pantages Theatre and to the Downtown Minneapolis Entertainment District.
6. Timing: Entry into sales agreement between City of Minneapolis and Buyer upon City approval. Buyer to have 120 days from date of sales agreement to raise equity and obtain binding commitment for debt financing.
7. Closing: Closing (est. to be 2/01/05) will be upon (a) full debt and equity financing completed by the Buyer and (b) perfection of title, completion of Torrens proceeding and filing of three dimensional registered land survey by the City.
8. Easement/
agreement: A reciprocal easement and operating agreement will be executed between the City and the Buyer at closing providing for the operation and maintenance of the Pantages Theatre and Stimson Building properties.
9. Roof-top
signage: The City’s interest in the lease between the City and ClearChannel Outdoor, Inc. will be sold to the Buyer on a contract for deed. The contract for deed will be executed upon sale of the Stimson Building. The actual purchase and assignment of the sign lease will occur after the long-term revenue bonds used to finance the City’s acquisition and renovation of the Stimson Building are retired (at this time estimated to be approx. 17 years).

If the long term bonds are themselves refinanced at a future date, extending the term on the bonds beyond the initial term, the Buyer shall have the right of closing on the contract for deed and purchasing the City's signage interest, upon the earlier of 25 years from the date of the initial long term issue or after the term on the refinanced long term bonds has passed.

Until such purchase, the City retains all rights, including rent, and obligations under the lease. The purchase price will be 8.5 times the net signage revenue stream to owner, annualized over the prior 36 months, at the time of purchase. Under the contract for deed, a monthly payment of \$500 will be made, with such payments accruing toward the sign purchase price on a dollar for dollar basis. In the event that conditions cause the signage to be no longer economically viable, prior payments made under the contract shall be returned to Buyer and the contract shall become void. The contract for deed will be assignable to any future owner of the Stimson Building.

10. Early
access:

The Buyer will be allowed early access to the Stimson Building for the purpose of build-out of tenant improvements on a right of entry basis. Under the right of entry, the City/MCDA will be indemnified from risks of liability, personal injury or death and be named as an additional insured on required insurance. All work will be done under City permits and the City/MCDA will cosign all permit applications. Buyer's costs incurred will be limited in stages until lien waivers clear previous stage's work. Funds will be escrowed in favor of City/MCDA in event of filing of mechanic's liens. Buyer will provide a building owner's policy for the purposes of holding escrowed funds, collection of lien waivers and the disbursement of escrowed funds, if required. In the event of disbursement of escrowed funds to satisfy lien waivers, improvements made to the building by the Buyer will be deemed owned by the City.

11. Labor:

The Buyer will insure that the general construction contractor and all sub-contractors will comply with CPED policies on prevailing wage and apprenticeship programs.

12. Other
terms:

Other terms per City sales offering.