Hubbard Broadcasting, Inc.

3415 UNIVERSITY AVENUE • SAINT PAUL, MINNESOTA 55114-2099

DAVID A. JONES
Vice President & General Counsel

TELEPHONE: 651-642-4333
TELEFAX: 651-642-4302
E-MAIL: djones@hbi.com

August 25, 2009

Mr. Michael D. Christenson, Director
Department of Community Planning & Economic Development
Crown Roller Mill, Suite 200
105 Fifth Avenue South
Minneapolis, Minnesota 55401-2534

Re: Redevelopment Agreement with the Minneapolis Community Development Agency dated February 10, 2007

Dear Mr. Christenson:

As we discussed, St. Croix Partners, LLC (a wholly owned subsidiary of Hubbard Broadcasting, Inc.) ("HBI") owns a parcel of approximately 5.375 acres located within the City of Minneapolis' Bio-Sciences Corridor. The property is located behind HBI's University Avenue headquarters and is adjacent to the University of Minnesota's transit-way ("the St. Croix Property"). This property was originally the subject of a Redevelopment Agreement with the Minneapolis City Development Agency dated February 10, 1997 ("the Redevelopment Agreement"). The purpose of this letter is to request that the City of Minneapolis formally acknowledge that this Redevelopment Agreement is no longer in force and effect.

By way of background, HBI assembled and purchased the St. Croix Property in 1997 in part from the University of Minnesota and in part from Meritex/Space Center which leased their facility to Watkins Trucking to operate a trucking terminal on the western portion of the parcel. This transaction not only eliminated a substantial volume of truck traffic and pollution from the neighborhood, but also enabled the environmental clean up of the former Schnitzer auto salvage and recycling site, one of the most polluted super fund sites in the metropolitan area.

As a "for profit purchaser", HBI enabled the environmental clean up to move forward by entering into the Redevelopment Agreement. This agreement provided that HBI would serve as the source of reimbursement for certain environmental remediation costs through an increased minimum real estate tax assessment. As such, HBI entered into both an Assessment Agreement and a Declaration of Restrictive Covenants, both of which were attached as exhibits to the Redevelopment Agreement. The remediation of the environmental issues was successfully completed and HBI repaid the costs in question. Since all parties agreed that HBI had paid in full the promissory note evidencing its obligations in connection with the cleanup efforts, your office has issued to St. Croix Partners a formal release of both the Assessment Agreement and the Declaration of Restrictive Covenants, which we have now placed of record. The only remaining question, then, is whether the Redevelopment Agreement remains enforceable against HBI despite the occurrence of the "Maturity Date" and the release of the Assessment Agreement and the Declaration of Restrictive Covenants. We believe that it does not. Assuming you agree, it seems only appropriate to confirm the same in writing.

When HBI assembled this property in 1997, it planned to build a headquarters facility for our direct broadcast satellite business, U. S. Satellite Broadcasting. However, before such facility was built, USSB was merged into DIRECTV in 1999, thereby eliminating HBI's intended use for the site. Nonetheless, HBI has spent several hundred thousand dollars examining alternative commercial uses. We have worked first with the MCDA and later CPED concerning possible uses; we offered the property to those interested in bidding on the University Enterprises Laboratory Project; we entered into a Purchase Agreement with McGough Construction to develop the parcel, contingent on McGough finding a suitable anchor tenant; we consulted with the University of Minnesota concerning potential uses consistent with its efforts to develop a life sciences research community in the Bio-Sciences Corridor (and entered into a Purchase Agreement with the University); and we offered to sell the parcel to the City of Minneapolis. Unfortunately, none of these efforts resulted in the development or sale of the parcel.

Although, as mentioned above, HBI no longer needs this property for the headquarters of U.S. Satellite Broadcasting, HBI has nonetheless continued to expand its businesses at its University Avenue campus. Since purchasing this parcel, we have relocated KSTP-AM Radio from Maplewood and created studios for two newly acquired broadcast properties - KSTC-TV and WFMP-FM, thereby demonstrating HBI's ongoing commitment to provide significant jobs in the City.

At present, St. Croix Partners is not actively marketing this property, nor are we aware of any interested potential buyers. However, we believe that this parcel, based on its location (with its proximity to I-94 and Highway 280, the University of Minnesota transit-way, the new Central Corridor Light Rail, the University of Minnesota's Minneapolis campus and the Bio-Sciences Corridor), may become a very desirable parcel for future development. Given the environmental remediation which has already been completed, the parcel may be one of the few sites in the Bio-Sciences Corridor available for immediate construction. So we believe that it is in everyone's interest -- HBI's, the City's and all those who would like to spur development in the Bio-Sciences Corridor -- to remove this impediment to future development.

We understand that the City has an interest in clarifying to potential purchasers or developers of the property that certain City procedures will likely have to be followed, and certain approvals likely have to be obtained, in order for development to proceed on this parcel. In recognition, we negotiated with the City a certain "Restrictive Covenant", a copy of which is attached hereto for your reference, which places all such prospective purchasers on notice of the need to comply with applicable City zoning and development procedures. This Restrictive Covenant has now been recorded.

In light of this, we would respectfully request the City to provide us with written confirmation that the Redevelopment Agreement is no longer in force and effect. To this end, attached please find a letter from our counsel, Winthrop & Weinstine, laying out in detail its analysis as to why the Redevelopment Agreement is no longer in force.

We would be glad to discuss this matter in more detail with City staff if it would be helpful. Thank you in advance for your prompt attention to this matter.

Very truly yours,

David A. Jones

DAJ:dml

Attachments

RESTRICTIVE COVENANT

THIS RESTRICTIVE COVENANT ("Restrictive Covenant") is made and entered into as of this 12th day of September, 2008 by **ST. CROIX PARTNERS, L.L.C.**, a Minnesota limited liability company ("St. Croix") in favor of the **CITY OF MINNEAPOLIS**, a Minnesota municipal corporation.

RECITALS:

WHEREAS, St. Croix is the owner of all that certain real property located in Hennepin County, Minnesota and legally described on **Exhibit A** attached hereto and incorporated herein (the "Restricted Parcel"); and

WHEREAS, the Restricted Parcel was part of a larger parcel of real property owned by St. Croix, the subdivision of which was approved by the Planning Commission of the City of Minneapolis (the "City") by action taken on May 8, 2008; and

WHEREAS, the approval by the City of the above-referenced subdivision was conditioned upon execution by St. Croix of this Restrictive Covenant.

NOW, THEREFORE, in consideration of the Recitals, which are hereby incorporated herein, St. Croix hereby agrees as follows:

1. **Restrictive Covenant**. St. Croix hereby agrees that the Restricted Parcel shall be bound by the following restriction during the term of this Restrictive Covenant:

> Subject to the limitations contained herein, future development or use of the Restricted Parcel will be conditioned upon compliance with all applicable City ordinances, including approval by the City of a development plan as required by the City's zoning ordinances.

2. **Duration of Restrictive Covenant**. This Restrictive Covenant shall remain in full force and effect until the earlier of (i) approval by the City of a development plan with respect to the Restricted Parcel or (ii) construction on or development of the Restricted Parcel by a party or for a purpose exempt from compliance with the ordinances of the City, at which time this Restrictive Covenant shall expire and be of no further force and effect.

3. **Purpose; Recording**. The purpose of this Restrictive Covenant is to place all third parties who are not exempt from compliance with City ordinances on notice that review and approval of any proposed development of the Restricted Parcel by the City may be required under applicable City ordinances. Accordingly, St. Croix agrees to place this Restrictive Covenant of record in the Office of the Hennepin County Recorder and to provide evidence of such recording to the City upon request therefor.

4. **Binding Effect**. So long as this Restrictive Covenant remains in force and effect, this Restrictive Covenant shall be binding upon St. Croix and any successors and assigns which

are not exempt from compliance with City ordinances as they relate to development and use of the Restricted Parcel.

IN WITNESS WHEREOF, this Restrictive Covenant was executed as of the date and year first above written.

ST. CROIX PARTNERS, L.L.C.

By: David A. Jones
Its: Vice President

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 12th day of September, 2008, by David A. Jones, the Vice President of ST. CROIX PARTNERS, L.L.C., a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

KRISTIN D. SHULDES
NOTARY PUBLIC - MINNESOTA
MY COMMISSION
EXPIRES JAN. 31, 2010

THIS INSTRUMENT WAS DRAFTED BY:

Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402
Attn: Thomas M. Hart

EXHIBIT A

(Legal Description of Restricted Parcel)

PARCEL 1:

Tract A:

All that part of Block 2, Prospect Park Third Division to Minneapolis, in Hennepin County, Minnesota, and that part of Block 4, Eustis Park Addition to Minneapolis, in Hennepin County, Minnesota, which lies within the tract of land described as follows: Beginning at the intersection of the Southerly line of Block Two, Prospect Park Third Division to Minneapolis, the same being the Northerly line of Fourth St. S.E. in said City of Minneapolis with the West line of Section 29, Township 29, Range 23, being the West limits line of the City of St. Paul; thence Northerly at right angles with the said Southerly line of Block 2, Prospect Park Third Division, a distance of 160.28 feet to a point; thence Westerly and parallel with the said Southerly line of Block 2, Prospect Park Third Division a distance of 23.98 feet to the said West line of Section 29; thence North along the said West line of Section 29 a distance of 10.11 feet to a point; thence West and parallel with the said South line of Block 2, Prospect Park Third Division a distance of 226.40 feet, more or less, to the intersection with the extension of the line between Lots 5 and 6 in said Block 2, Prospect Park Third Division in a Northerly direction; thence Southerly along said line between Lots 5 and 6 and said line extended a distance of 170.28 feet to the said Southerly line of said Block 2, Prospect Park Third Division; thence East along the said Southerly line of said Block 2, a distance of 252 feet to the place of beginning;

Tract B:

All that part of Lots, 1, 2, 3, 4, and 5, Block 4, Eustis Park Addition to Minneapolis, and Eustis Street, vacated, described as follows: Beginning at the Southwest corner or most Westerly corner of Lot 5, in Block 2, Prospect Park Third Division; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, and same extended a distance of 170.28 feet to the actual point of beginning of the tract of land to be described; thence at right angles Easterly to a point in the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet; thence Westerly in a straight line to the point of intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division with the Northerly line of said Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Southerly along said Northerly extension of the Westerly line of Lot 5, Block 2, Prospect Park Third Division to the actual point of beginning, Hennepin County, Minnesota.

Tract C:

The following additional tract 50 feet (measured 52.73 feet) by 15 feet next adjacent to the North line of the above described Tract B, which is described as follows: Beginning at a point on the North line of the above tract, 156.4 feet West of the Northeast corner of said tract; thence at right angles to the North a distance of 15 feet; thence West on a line parallel with the North line of the above tract a distance to 50 feet (measured 52.73 feet); thence at right angles to the South a distance of 15 feet to the Northwest corner of the above described tract; thence East along the North line of the above described tract to the point of beginning, Hennepin County, Minnesota.

Tract D:

Lots 6 and 7, Block 2, Prospect Park Third Division, Hennepin County, Minnesota.

Tract E:

All of Block 5, Eustis Park Addition to the City of Minneapolis, and all that part of Eustis Street vacated as was laid out in the plat of Eustis Park lying between Block 4 and 5 said Eustis Park, lying Westerly of the Easterly line of said Eustis Park which is the Easterly line of Section 30, Township 29 North, Range 23, West of the 4th Principal Meridian, lying Easterly of line A described below, and lying Northerly of Line B described below.

Line A:

Beginning at the Northwesterly corner of Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Northerly across Eustis Street and Block 5 said addition, to a point in the Southerly line of the former Northern Pacific Railway Company Right-of-Way, which is distant 175.64 feet Westerly from the Easterly line of Section 30, Township 29, Range 23, and there terminating.

Line B:

Commencing at the Southwest or most Westerly corner of Lot 5, Block 2, Prospect Park Third Division to Minneapolis; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, the same extended a distance of 170.28 feet; thence at right angles Easterly to a point on the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet, to the point of beginning of said line; thence Westerly along a straight line which, extended, intersects the intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, with the Northerly line of said Lot 5, Block 4, Eustis Park Addition, a distance of 156.4 feet; thence at right angles to the North, a distance of 15 feet; thence at right angles to the West a distance of 50 feet, more of less, (measured 52.73 feet), along a line to its intersection with said Line A above, and there terminating.

Together with the Northerly one-half of vacated Eustis Street lying between Blocks 4 and 5, in Eustis Park Addition to Minneapolis, lying Easterly of the Easterly line of Malcom Avenue and lying Westerly of said Line A more particularly described above, Hennepin County, Minnesota.

EXCEPTING from said Parcel 1, those portions of said Lots 1, 2, 3 and 4, Block 4; and Lots 7, 8 and 9, said Block 5, EUSTIS PARK; and Lots 1, 2, 3 and 4, said Block 2, PROSPECT PARK THIRD DIVISION, and said vacated Eustis Street, described as beginning at the southeasterly corner of said Lot 1, Block 2, PROSPECT PARK THIRD DIVISION; thence on an assumed bearing of North 81 degrees 14 minutes 52 seconds West, along the south line of said Block 2, a distance of 155.45 feet; thence North 0 degrees 07 minutes 01 second East a distance of 336.67 feet; thence South 89 degrees 50 minutes 12 seconds East a distance of 153.88 feet to the east line of Section 30, Township 29, Range 23; thence South 0 degrees 06 minutes 07 seconds West, along said east line of Section 30, a distance of 236.86 feet to the East Quarter corner of said Section 30; thence South 0 degrees 14 minutes 16 seconds West, along said East line of Section 30, a distance of 123.01 feet to the point of beginning.

Abstract Property

PARCEL 2:

Lots 6 to 17 inclusive, Block 4; that part of Lot 5, Block 4, lying Northwesterly of an extension Northeasterly of the Northwesterly line of Lot 5, Block 2, Prospect Park Third Division, Eustis Park, Hennepin County, Minnesota.

Registered Property
Certificate of Title No. 858109

3956357v1

WINTHROP WEINSTINE

ATTORNEYS AND COUNSELORS AT LAW

July 31, 2009

Thomas M. Hart
Direct Dial: (612) 604-6624
Direct Fax: (612) 604-6824
thart@winthrop.com

Mr. David A. Jones
Hubbard Broadcasting, Inc.
3415 University Avenue
St. Paul, MN 55114

RE: Enforceability of Redevelopment Contract

Dear David:

Last October, we sent to you a letter outlining our analysis as to why the Redevelopment Contract dated February 10, 1997 among MCDA, St Croix Partners, Hubbard Broadcasting, Inc. ("HBI") and Space Center Enterprises (the "Redevelopment Contract") is no longer enforecable. You recently asked us to update that analysis and this letter is meant to accomplish that task. The bottom line is that our analysis reaches the same conclusion: the Redevelopment Contract is no longer enforceable in any respect, based on several considerations described further in this letter.

During negotiations with the City of Minneapolis in 2007 concerning proposed subdivision of the vacant land (owned by St. Croix Partners, LLP) located behind the Hubbard Broadcasting campus, a question was raised as to whether there remain any enforceable contractual obligations of HBI or St. Croix Partners emanating from the Redevelopment Contract. This issue first arose when one CPED representative apparently expressed the view that one certain covenant in the Redevelopment Contract regarding generation of jobs by HBI was still "alive". This assertion was quickly proven wrong. The only HBI covenant regarding jobs or employment in the Redevelopment Contract is set forth in Section 10.3, which requires HBI to enter into a Job Linkage Agreement with the Minneapolis Employment & Training Program. Bob Scroggins, "Project Coordinator" for MCDA, later waived that particular requirement in a letter to Bruce Hagerty of HBI (a copy of which is attached hereto as **Exhibit A**). This letter takes the issue of job generation completely off the table, and, to our knowledge, it hasn't been raised by anyone at the City since we provided a copy of the letter to them.

The only question that remains, therefore, is whether there are other covenants by HBI and/or St. Croix Partners contained in the Redevelopment Contract which have not been terminated, whether by agreement, lapse of time or operation of law. Our analysis begins with the question of whether the parties intended any of the covenants in the Redevelopment Contract to "run with the land" and, therefore, be binding on future owners. The answer to that question is clearly "yes." The parties incorporated specific covenants of HBI and St. Croix (lifted directly from the Redevelopment Contract) into two documents, both of which were attached to the Redevelopment Contract as exhibits and subsequently placed of record: (i) an Assessment

Agreement and (ii) a Declaration of Restrictive Covenants, both dated July 1, 1997. It is quite clear from the Redevelopment Contract, however, that the Assessment Agreement and the Declaration of Restrictive Covenants contained the **only** covenants from the Redevelopment Contract which the parties intended would run with the land. If the City intended any further covenants in the Redevelopment Contract to bind future owners after release of the Assessment Agreement and Declaration, they would naturally have caused those covenants to be placed of record, along with the Assessment Agreement and the Declaration, to put future owners on notice. The City elected not to record the Redevelopment Contract; this was not an oversight, since it is not even prepared in recordable form. As you may know, it is very common for governmental agencies to record similar redevelopment agreements. The election of the City not to record the Redevelopment Contract makes sense only if the Declaration and the Assessment Agreement contained all covenants intended to run with the land. Further, the intent of the parties in this regard seems to be placed beyond question by language contained in the third recital at the beginning of the Declaration, which states that the Declaration is made (and placed of record) "in order to satisfy the requirements of the Redevelopment Contract." Therefore, the only logical conclusion is that, when the Declaration terminates, the requirements of the Redevelopment Contract (virtually all of which were incorporated into the Declaration) are satisfied.

All parties agree that the Assessment Agreement and the Declaration have now terminated, based on the fact that HBI and St. Croix Partners have paid back to the City all amounts due under Redevelopment Contract, and that the "Maturity Date" referenced therein has occurred. To confirm this termination of these two documents, the City recently signed and delivered to us the "Acknowledgement and Release" attached to this letter as **Exhibit B**, which has now been recorded in the Hennepin County Recorder's (and Registrar of Title's) office.

The only purpose of the Declaration was to record those covenants and restrictions contained in the Redevelopment Contract which the parties intended would be binding on the Property. Section 1 of the Declaration, for instance, repeats the restriction set forth in Article VIII of the Redevelopment Contract that HBI and St. Croix agree not to sell or convey the Redevelopment Property to any third party without the MCDA's consent prior to the issuance of a "Certificate of Completion" (i.e. confirmation that the "Minimum Improvements" which St. Croix and HBI agreed to construct on the subject property had been completed). The Declaration makes it clear, however, that this restriction only applies up until the "Maturity Date," which is now long past. Accordingly, there can be no doubt that the requirement of MCDA consent to transfer of title to the Property, whether in the Declaration or the Redevelopment Contract, has expired and is no longer applicable.

Once the restriction on transfers without the City's consent expires, as it now clearly has, the only covenant of substance contained in the Redevelopment Contract which remains to be discussed is the covenant by St. Croix Partners and HBI to complete construction of the "Minimum Improvements" within the time frame set forth in the Redevelopment Contract. The same analysis leads us to the conclusion that this covenant has also now expired. Section 4.3 of the Redevelopment Contract imposes an obligation on St. Croix and HBI to complete the Minimum Improvements by January 1, 2000. The very next sentence, however, directly ties this

completion to the need to ensure that there is sufficient "Available Tax Increment" to pay off the "Note" (i.e. the tax increment note signed by HBI and St. Croix Partners under the Redevelopment Contract). The Note has been paid, and the Maturity Date has occurred; therefore the sole purpose of the covenant regarding Minimum Improvements has been satisfied.

This conclusion is bolstered by the language of the Declaration which terminates the right of the City to exercise any rights or remedies based on a breach by HBI or St. Croix Partners, including breach of the Minimum Improvements covenant, once the Maturity Date occurs (to clarify, the Maturity Date occurs only when the Note is repaid). Section 2 of the Declaration states that the MCDA may exercise remedies against HBI and St. Croix if any one of a listed set of events occurs. One such event is the failure of St. Croix and HBI to complete the Minimum Improvements as and when required pursuant to the Redevelopment Contract. However, the introductory clause of Section 2 of the Declaration states directly that the MCDA can exercise its rights and remedies (including actions for damages, injunctive relief and/or actions for specific performance) only if such events occur "prior to the Maturity Date." Since the Declaration was created under and is a part of the Redevelopment Contract, the City's right to seek any remedy or exercise any rights based on alleged breach of this covenant are now terminated along with the Declaration.

Assuming for purposes of discussion, however, that some covenant contained in the Redevelopment Contract somehow survived the repayment of the Note and the occurrence of the Maturity Date, the issue is rendered moot by the expiration of the applicable statute of limitations. The statute of limitations in Minnesota for breach of a written contract is six (6) years. We are aware of no exceptions to this rule which would extend the statute of limitations in this instance. In fact, Minnesota statutes specifically note that governmental entities are not exempt from the statute. If the covenant to complete construction of the Minimum Improvements were in any way independent of the covenant to repay the Note, it would have been breached on January 2, 2000, since that was the completion deadline imposed on HBI and St. Croix Partners in the Redevelopment Contract. Accordingly, the statute of limitations would begin to run on that date and has now, therefore, expired. Even if that were not the case, one could argue with equal persuasiveness that, since the MCDA has taken no steps to enforce this covenant for over nine (9) years, it has waived the right to do so at this time. The equitable doctrine of "laches," which would again defeat the enforceability of this covenant, also likely applies.

Everyone involved in this issue, including City Attorney Nikki Newman, agrees that (1) the primary purpose of the Redevelopment Contract was to clean up environmentally damaged property, with the public assistance for such "Project" being repaid through Available Tax Increment (i.e. the Note) and (2) this primary purpose has now been fulfilled. When I asked Ms. Newman if she would recommend execution by the City of a document expressly acknowledging expiration of the Redevelopment Contract, she deferred, based on the possibility that there may have been some unstated "secondary" purpose mandating the construction of certain types of facilities and that such an implied covenant might somehow still be enforceable. If that were the case, it would have been a simple matter to insert into the Redevelopment Contract or the Declaration language stating that the covenant to build a specific type of facility would apply

even after the Maturity Date. No such language appears in either document; indeed, a fair reading of the terms of the Redevelopment Contract side by side with the language of the Declaration leads one to the inevitable conclusion that all parts of the Redevelopment Agreement, including the Assessment Agreement and the Declaration, were directly linked together. Once these last two documents were terminated, the Redevelopment Contract effectively ceases to exist.

For the reasons stated above, we cannot reach any other conclusion but that the covenants made by St. Croix and HBI in the Redevelopment Contract are no longer enforceable.

As you know, Chicago Title also agrees with our conclusion. Two senior representatives of Chicago Title (Jeff Lang and John Cornell) have reviewed the Redevelopment Contract and, based on their own analysis, have concluded that they are comfortable providing title insurance over liens or claims arising under the Redevelopment Contract should the property be transferred. We would recommend, however, in order to avoid any potential for future controversy, that you request the City to confirm in writing that the Redevelopment Contract is no longer enforceable.

By the way, as you know, the questions raised by City officials concerning enforceability of the Redevelopment Contract all arose in the context of proposed development of the subject property and the need to comply with City ordinances in so doing. The context of that discussion has now changed. You will recall that, earlier this year when St. Croix Partners and HBI applied to the City for approval of subdivision of the subject property, such approval was granted, but conditioned on St. Croix Partners recording against the property a "Restrictive Covenant" (a copy of which is attached hereto as **Exhibit C**), putting all potential suitors on notice that, unless they are somehow exempt, they will have to go through the City's site plan review process and otherwise comply with City ordinances, prior to development of the property. The wording of this Restrictive Covenant was worked out with Jim Voll of CPED and was approved by the Planning Commission. With the recording of this Restrictive Covenant, the City's concerns should be much reduced, if not eliminated altogether.

Please let me know if you have any questions or comments regarding the foregoing.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

Thomas M. Hart

TMH:cms

Enc.

4656972v1

Progress Through Partnership

MCDA

Rebecca Yanisch
Executive Director

May 16, 1996

Mr. Bruce Hagerty
Director of Building Services/Purchasing
Hubbard Broadcasting Inc.
3415 University Avenue
St. Paul, MN 55114

RECEIVED
MAY 2 0 1997

Re: Job Linkage

Dear Mr. Hagerty:

I have met with Chip Wells of the Minneapolis Employment & Training Program and discussed your development program and the nature of the assistance to be provided to you under the redevelopment contract dated February 10, 1997. We have determined that it is not necessary for you to enter into a Job Linkage Agreement as called for in Section 10.3 of the contract.

Sincerely,

Robert Scroggins
Project Coordinator

cc; F. Wells
A. Van Dellen

Minneapolis Community Development Agency
Crown Roller Mill, Suite 200/105 Fifth Ave. S./Minneapolis, MN 55401-2534

General Information (612) 673-5095
World Wide Web: http://www.mtn.org/mcda/

FAX (612) 673-5100
TTY (612) 673-5154

Equal Housing and Employment Opportunity

[Above Space Reserved for Recording Data]

ACKNOWLEDGEMENT AND RELEASE AGREEMENT

This **ACKNOWLEDGEMENT AND RELEASE AGREEMENT** (this "Agreement") is made and entered into this 20 day of August, 2008, by the **City of Minneapolis**, a Minnesota municipal corporation (the "City"), in favor of **St. Croix Partners, L.L.C.**, a Minnesota limited liability company, and **Hubbard Broadcasting, Inc.**, a Minnesota corporation (collectively, "Developer").

RECITALS:

WHEREAS, the Minneapolis Community Development Agency (the "Agency"), the Developer and Space Center Enterprises, Inc. entered into that certain Redevelopment Contract dated February 10, 1997 (the "Redevelopment Contract") regarding all that certain real property legally described on **Exhibit A** attached hereto and incorporated herein (the "Property"); and

WHEREAS, pursuant to the terms and conditions of the Redevelopment Contract, the Parties entered into that certain Assessment Agreement with the City Assessor of the City of Minneapolis dated July 1, 1997, recorded on August 12, 1997 in the office of the Hennepin County Registrar of Titles as Document No. 2835277 and recorded on July 11, 1997 in the office of the Hennepin County Recorder as Document No. 6757120 (the "Assessment Agreement"); and

WHEREAS, pursuant to the terms and conditions of the Redevelopment Contract, the Parties entered into that certain Declaration of Restrictive Covenants dated July 1, 1997, recorded on August 28, 1997 in the office of the Hennepin County Registrar of Titles as Document No. 2839316 and recorded on July 11, 1997 in the office of the Hennepin County Recorder as Document No. 6757127 (the "Declaration"); and

WHEREAS, the City assumed the rights and obligations of the Agency pursuant to City Resolution 2003R-625, recorded as Hennepin County Register of Titles Doc. No. 4101207; and

WHEREAS, the Assessment Agreement and the Declaration each terminates automatically on the "Maturity Date", as that term is defined in the Redevelopment Contract; and

WHEREAS, the Maturity Date has occurred; and

WHEREAS, Developer has requested that the City confirm in writing that the Assessment Agreement and the Declaration have each terminated and are of no further force and effect; and

WHEREAS, the City is willing to do so.

NOW, THEREFORE, the City hereby confirms, for the benefit of Developer, that the Assessment Agreement and the Declaration have each terminated and are of no further force and effect.

IN WITNESS WHEREOF, the City has caused this Instrument to be duly executed as of the date first written above.

CITY OF MINNEAPOLIS

By: _____
Patrick Born
Its Finance Officer

Department Head Approval:

_____
Deputy Director, CPED

Approved as to form:

_____
Assistant City Attorney

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 20th day of August, 2008, by Patrick Born, the Finance Officer of the City of Minneapolis, a Minnesota municipal corporation, on behalf of the municipal corporation.

CHERYL A. YUZNA
Notary Public-Minnesota
My Commission Expires Jan 31, 2013

Notary Public

This instrument was drafted by:
Winthrop & Weinstine, P.A. (TMH)
225 South Sixth Street, Suite 225
Minneapolis, Minnesota 55402
(612) 604-6400

3509947v2

EXHIBIT A

Parcel A:

Tract A:

All that part of Block 3, Eustis Addition to St. Anthony Park, in Ramsey County, Minnesota, and that part of Block 2, Prospect Park Third Division to Minneapolis, in Hennepin County, Minnesota, and that part of Block 4, and Eustis Street vacated, Eustis Park Addition to Minneapolis, in Hennepin County, Minnesota, consisting of one tract of land described as follows: Beginning at the intersection of the Southerly line of Block 2, Prospect Park Third Division to Minneapolis, the same being the Northerly line of Fourth St. S.E. in said City of Minneapolis with the West line of Section 29, Township 29, Range 23, being the West limits line of the City of St. Paul; thence Northerly at right angle with the said Southerly line of Block 2, Prospect Park Third Division, a distance of 160.28 feet to a point; thence Westerly and parallel with the said Southerly line of Block 2 Prospect Park Third Division a distance of 23.98 feet to the said West line of Section 29; thence North along the said West line of Section 29 a distance of 10.11 feet to a point; thence West and parallel with the said South line of Block 2, Prospect Park Third Division a distance of 226.40 feet, more or less, to the intersection with the extension of the line between Lots 5 and 6 in said Block 2, Prospect Park Third Division in a Northerly direction; thence Southerly along said line between Lots 5 and 6 and said line extended a distance of 170.28 feet to the said Southerly line of said Block 2, Prospect Park Third Division; thence East along the said Southerly line of said Block 2 a distance of 252 feet to the place of beginning;

Together with an easement for ingress and egress over portions of Lots 1, 2 and 12, Block 3, Eustis Addition to St. Anthony Park, being a strip 15 feet in width and 162.30 feet in length, described as follows: Beginning at the Southwest corner of said Lot 12, thence Northerly along the West line of said Lot to the Southeast corner of the main tract above described; thence Northerly along the East line of the main tract above described a distance of 160.28 feet; thence Easterly at right angles a distance of 15 feet; thence Southerly at right angles, along a line parallel to and 15 feet East of the said East line of the said main tract, to the Southerly line of said Lot 12; thence Westerly along the said South line of said lot to the point of beginning of said easement.

(Abstract property - Ramsey and Hennepin Counties)

Tract B:

All that part of Lots 1, 2, 3, 4 and 5, Block 4, Eustis Park Addition to Minneapolis, and Eustis Street, vacated, described as follows: Beginning at the Southwest corner or most Westerly corner of Lot 5, in Block 2, Prospect Park Third Division; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, and same extended a distance of 170.28 feet to the actual point of beginning of the tract of land to be described; thence at right angles Easterly to a point in the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet; thence Westerly in a straight line to the point of intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division with the Northerly line of said Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Southerly along said Northerly extension of the Westerly line of Lot 5, Block 2, Prospect Park Third Division to the actual point of beginning.

(Abstract property - Hennepin County)

-CONTINUED-

Tract C:

The following additional tract 50 feet by 15 feet next adjacent to the North line of the above described Tract B, which is described as follows: Beginning at a point on the North line of the above tract, 156.4 feet West of the Northeast corner of said tract; thence at right angles to the North a distance of 15 feet; thence West on a line parallel with the North line of the above tract a distance of 50 feet; thence at right angles to the South a distance of 15 feet to the Northwest corner of the above described tract; thence East along the North line of the above described tract to the point of beginning.

(Abstract property - Hennepin County)

Tract D:

SAME AS PROPERTY

Lots 6 to 17 inclusive, Block 4; that part of Lot 5, Block 4, lying Northwesterly of an extension Northeasterly of the Northwesterly line of Lot 5, Block 2, Prospect Park Third Division, Eustis Park, according to the plat thereof on file or of record in the office of the Register of Deeds to and for said County, and that part of vacated Eustis Street accruing thereto.

(Torrens property - Hennepin County)

Tract E:

Lots 6 and 7, Block 2, Prospect Park Third Division.

(Abstract property - Hennepin County)

Note: Tract designations are for convenience of reference only and do not constitute an integral part of the legal description.

Parcel B:

All of Block 5, Eustis Park Addition to the City of Minneapolis, and all that part of Eustis Street vacated as was laid out in the plat of Eustis Park lying between Blocks 4 and 5 said Eustis Park, lying Westerly of the Easterly line of said Eustis Park which is the Easterly line of Section 30, Township 29 North, Range 23, West of the 4th Principal Meridian, lying Easterly of Line A described below, and lying Northerly of Line B described below.

Line A:

Beginning at the Northwesterly corner of Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Northerly across Eustis Street and Block 5 said addition, to a point in the Southerly right-of-way line of the Northern Pacific Railway, which is distant 175.64 feet Westerly from the Easterly line of Section 30, Township 29, Range 23, and there terminating.

Line B:

Commencing at the Southwest or most Westerly corner of Lot 5, Block 2, Prospect Park Third Division to Minneapolis; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, the same extended a distance of 170.28 feet; thence at right angles Easterly to a point in the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet, to the point of beginning of said line; thence Westerly along a straight line which, extended, intersects the intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, with the Northerly line of said Lot 5, Block 4, Eustis Park Addition, a distance of 156.4 feet; thence at right angles to the North, a distance of 15 feet; thence at right angles to the West a distance of 50 feet, more or less, along a line to its intersection with said Line A above, and there terminating.

Together with the Northerly one-half of vacated Eustis Street lying between Blocks 4 and 5, in Eustis Park Addition to Minneapolis, lying Easterly of the Easterly line of Malcolm Avenue and, lying Westerly of said Line A more particularly described above.

Parcel C:

That part of vacated Eustis Street between Blocks 4 and 5, Eustis Park Addition to the City of Minneapolis, lying Easterly of Line A described below, Northerly of Line B described below, and Westerly of Line C described below:

Line A:

Beginning at the Northwesterly corner of Lot 5, Block 4, Eustis Park Addition to Minneapolis: thence Northerly across Eustis Street and Block 5 said addition, to a point in the Southerly right-of-way line of the Northern Pacific Railway, which is distant 175.64 feet Westerly from the Easterly line of Section 30, Township 29, Range 23, and there terminating.

Line B:

Commencing at the Southwest or most Westerly corner of Lot 5, Block 2, Prospect Park Third Division to Minneapolis: thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, the same extended a distance of 170.28 feet; thence at right angles Easterly to a point in the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet, to the point of beginning of said line; thence Westerly along a straight line which, extended, intersects the intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, with the Northerly line of said Lot 5, Block 4, Eustis Park Addition, a distance of 156.4 feet; thence at right angles to the North, a distance of 15 feet; thence at right angles to the West a distance of 50 feet, more or less, along a line to its intersection with said Line A above, and there terminating.

Line C:

The Westerly line of Lot 5, Block 2, Prospect Park Third Division, extended Northerly to the Southerly line of Block 5, Eustis Park Addition to the City of Minneapolis and there terminating.

The following described land situated in the County of Hennepin and State of Minnesota, to wit:

SAME AS CTF 133654

J. George Smith's Twin City Addition to Minneapolis, according to the plat thereof on file or of record in the office of the Register of Deeds in and for said Hennepin County.

Doc No 4531797 09/24/2008 09:00 AM
Certified filed and or recorded on above date:
Office of the Registrar of Titles
Hennepin County, Minnesota
Michael H. Cunniff, Registrar of Titles

TransID 443925

New cert

Cert
858109

Deputy 45
Fees
$1.50 AF
$10.50 STATEFEE
$34.00 TDOCFEE
$0.00 TSUR
$2.00 COPY
$48.00 Total

COPY

EXHIBIT C

Doc No 9185979 09/24/2008 09:00 AM
Certified filed and or recorded on above date:
Office of the County Recorder
Hennepin County, Minnesota
Michael H. Cunniff, County Recorder
TransID 443929

Deputy 45
Fees
$35.50 DOC
$10.50 SUR
$2.00 COPY
$48.00 Total

RESTRICTIVE COVENANT

THIS RESTRICTIVE COVENANT ("Restrictive Covenant") is made and entered into as of this 12th day of September, 2008 by **ST. CROIX PARTNERS, L.L.C.**, a Minnesota limited liability company ("St. Croix") in favor of the **CITY OF MINNEAPOLIS,** a Minnesota municipal corporation.

RECITALS:

WHEREAS, St. Croix is the owner of all that certain real property located in Hennepin County, Minnesota and legally described on **Exhibit A** attached hereto and incorporated herein (the "Restricted Parcel"); and

WHEREAS, the Restricted Parcel was part of a larger parcel of real property owned by St. Croix, the subdivision of which was approved by the Planning Commission of the City of Minneapolis (the "City") by action taken on May 8, 2008; and

WHEREAS, the approval by the City of the above-referenced subdivision was conditioned upon execution by St. Croix of this Restrictive Covenant.

NOW, THEREFORE, in consideration of the Recitals, which are hereby incorporated herein, St. Croix hereby agrees as follows:

1. **Restrictive Covenant**. St. Croix hereby agrees that the Restricted Parcel shall be bound by the following restriction during the term of this Restrictive Covenant:

> Subject to the limitations contained herein, future development or use of the Restricted Parcel will be conditioned upon compliance with all applicable City ordinances, including approval by the City of a development plan as required by the City's zoning ordinances.

2. **Duration of Restrictive Covenant**. This Restrictive Covenant shall remain in full force and effect until the earlier of (i) approval by the City of a development plan with respect to the Restricted Parcel or (ii) construction on or development of the Restricted Parcel by a party or for a purpose exempt from compliance with the ordinances of the City, at which time this Restrictive Covenant shall expire and be of no further force and effect.

3. **Purpose; Recording**. The purpose of this Restrictive Covenant is to place all third parties who are not exempt from compliance with City ordinances on notice that review and approval of any proposed development of the Restricted Parcel by the City may be required under applicable City ordinances. Accordingly, St. Croix agrees to place this Restrictive Covenant of record in the Office of the Hennepin County Recorder and to provide evidence of such recording to the City upon request therefor.

4. **Binding Effect**. So long as this Restrictive Covenant remains in force and effect, this Restrictive Covenant shall be binding upon St. Croix and any successors and assigns which

are not exempt from compliance with City ordinances as they relate to development and use of the Restricted Parcel.

IN WITNESS WHEREOF, this Restrictive Covenant was executed as of the date and year first above written.

ST. CROIX PARTNERS, L.L.C.

By: David A. Jones
Its: Vice President

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 12th day of September, 2008, by David A. Jones, the Vice President of ST. CROIX PARTNERS, L.L.C., a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

KRISTIN D. SHULDES
NOTARY PUBLIC - MINNESOTA
MY COMMISSION
EXPIRES JAN. 31, 2010

THIS INSTRUMENT WAS DRAFTED BY:

Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402
Attn: Thomas M. Hart

EXHIBIT A

(Legal Description of Restricted Parcel)

PARCEL 1:

Tract A:

All that part of Block 2, Prospect Park Third Division to Minneapolis, in Hennepin County, Minnesota, and that part of Block 4, Eustis Park Addition to Minneapolis, in Hennepin County, Minnesota, which lies within the tract of land described as follows: Beginning at the intersection of the Southerly line of Block Two, Prospect Park Third Division to Minneapolis, the same being the Northerly line of Fourth St. S.E. in said City of Minneapolis with the West line of Section 29, Township 29, Range 23, being the West limits line of the City of St. Paul; thence Northerly at right angles with the said Southerly line of Block 2, Prospect Park Third Division, a distance of 160.28 feet to a point; thence Westerly and parallel with the said Southerly line of Block 2, Prospect Park Third Division a distance of 23.98 feet to the said West line of Section 29; thence North along the said West line of Section 29 a distance of 10.11 feet to a point; thence West and parallel with the said South line of Block 2, Prospect Park Third Division a distance of 226.40 feet, more or less, to the intersection with the extension of the line between Lots 5 and 6 in said Block 2, Prospect Park Third Division in a Northerly direction; thence Southerly along said line between Lots 5 and 6 and said line extended a distance of 170.28 feet to the said Southerly line of said Block 2, Prospect Park Third Division; thence East along the said Southerly line of said Block 2, a distance of 252 feet to the place of beginning;

Tract B:

All that part of Lots, 1, 2, 3, 4, and 5, Block 4, Eustis Park Addition to Minneapolis, and Eustis Street, vacated, described as follows: Beginning at the Southwest corner or most Westerly corner of Lot 5, in Block 2, Prospect Park Third Division; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, and same extended a distance of 170.28 feet to the actual point of beginning of the tract of land to be described; thence at right angles Easterly to a point in the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet; thence Westerly in a straight line to the point of intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division with the Northerly line of said Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Southerly along said Northerly extension of the Westerly line of Lot 5, Block 2, Prospect Park Third Division to the actual point of beginning, Hennepin County, Minnesota.

Tract C:

The following additional tract 50 feet (measured 52.73 feet) by 15 feet next adjacent to the North line of the above described Tract B, which is described as follows: Beginning at a point on the North line of the above tract, 156.4 feet West of the Northeast corner of said tract; thence at right angles to the North a distance of 15 feet; thence West on a line parallel with the North line of the above tract a distance to 50 feet (measured 52.73 feet); thence at right angles to the South a distance of 15 feet to the Northwest corner of the above described tract; thence East along the North line of the above described tract to the point of beginning, Hennepin County, Minnesota.

Tract D:

Lots 6 and 7, Block 2, Prospect Park Third Division, Hennepin County, Minnesota.

Tract E:

All of Block 5, Eustis Park Addition to the City of Minneapolis, and all that part of Eustis Street vacated as was laid out in the plat of Eustis Park lying between Block 4 and 5 said Eustis Park, lying Westerly of the Easterly line of said Eustis Park which is the Easterly line of Section 30, Township 29 North, Range 23, West of the 4th Principal Meridian, lying Easterly of line A described below, and lying Northerly of Line B described below.

Line A:

Beginning at the Northwesterly corner of Lot 5, Block 4, Eustis Park Addition to Minneapolis; thence Northerly across Eustis Street and Block 5 said addition, to a point in the Southerly line of the former Northern Pacific Railway Company Right-of-Way, which is distant 175.64 feet Westerly from the Easterly line of Section 30, Township 29, Range 23, and there terminating.

Line B:

Commencing at the Southwest or most Westerly corner of Lot 5, Block 2, Prospect Park Third Division to Minneapolis; thence Northerly along the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, the same extended a distance of 170.28 feet; thence at right angles Easterly to a point on the East line of Hennepin County, Minnesota; thence North along said East line of Hennepin County, Minnesota, a distance of 114.44 feet, to the point of beginning of said line; thence Westerly along a straight line which, extended, intersects the intersection of the Northerly extension of the Westerly line of said Lot 5, Block 2, Prospect Park Third Division, with the Northerly line of said Lot 5, Block 4, Eustis Park Addition, a distance of 156.4 feet; thence at right angles to the North, a distance of 15 feet; thence at right angles to the West a distance of 50 feet, more of less, (measured 52.73 feet), along a line to its intersection with said Line A above, and there terminating.

Together with the Northerly one-half of vacated Eustis Street lying between Blocks 4 and 5, in Eustis Park Addition to Minneapolis, lying Easterly of the Easterly line of Malcom Avenue and lying Westerly of said Line A more particularly described above, Hennepin County, Minnesota.

EXCEPTING from said Parcel 1, those portions of said Lots 1, 2, 3 and 4, Block 4; and Lots 7, 8 and 9, said Block 5, EUSTIS PARK; and Lots 1, 2, 3 and 4, said Block 2, PROSPECT PARK THIRD DIVISION, and said vacated Eustis Street, described as beginning at the southeasterly corner of said Lot 1, Block 2, PROSPECT PARK THIRD DIVISION; thence on an assumed bearing of North 81 degrees 14 minutes 52 seconds West, along the south line of said Block 2, a distance of 155.45 feet; thence North 0 degrees 07 minutes 01 second East a distance of 336.67 feet; thence South 89 degrees 50 minutes 12 seconds East a distance of 153.88 feet to the east line of Section 30, Township 29, Range 23; thence South 0 degrees 06 minutes 07 seconds West, along said east line of Section 30, a distance of 236.86 feet to the East Quarter corner of said Section 30; thence South 0 degrees 14 minutes 16 seconds West, along said East line of Section 30, a distance of 123.01 feet to the point of beginning.

Abstract Property

PARCEL 2:

Lots 6 to 17 inclusive, Block 4; that part of Lot 5, Block 4, lying Northwesterly of an extension Northeasterly of the Northwesterly line of Lot 5, Block 2, Prospect Park Third Division, Eustis Park, Hennepin County, Minnesota.

Registered Property
Certificate of Title No. 858109

3956357v1