

DEC 16 1977

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City ClerkLOWER LEVEL LEASE

THIS LEASE, made this 25th day of September, 1978, by and between the City of Minneapolis, a municipal corporation (hereinafter called "Lessor"), and Mart Plaza Hotel, Inc., a Minnesota corporation (hereinafter called "Tenant"),

WITNESSETH THAT:

In consideration of the rents to be paid and of the conditions and covenants to be observed and performed by the parties respectively in accordance herewith:

I.

Lessor hereby demises to Tenant, and Tenant hereby hires and takes from Lessor, the premises located in the City of Minneapolis, County of Hennepin, State of Minnesota, comprised of approximately 30,000 square feet on the lower level of the public parking facility to be built by Lessor on the corner of Nicollet Avenue and Grant Street, together with appurtenant easements of ingress and egress (said premises and easements hereinafter called "demised premises"),

TO HAVE AND TO HOLD the same unto Tenant, its successors and assigns, for the full term of Twenty (20) years commencing on the 1st day of March, 1980, and extending until and including the 29th day of February, 2000. In the event of any delay in the commencement of the term hereof, the expiration date shall be so advanced as to provide for a full term of twenty (20) years.

For and during each and every year of the term of this lease the demised premises shall yield the rent of \$_____ (which is a sum equal to 1/20th of the cost of amortizing \$1,000,000.00 of the bonds to be sold by Lessor to finance construction of the public parking facility or such lesser sum as determined by the City Engineer to be the actual construction cost of the demised premises incurred by the City).

II.

Tenant hereby covenants with Lessor as follows, to-wit:

(a) In lawful money of the United States to pay to Lessor, at Minneapolis, Minnesota or at such other place as will from time to time be prescribed by Lessor, in writing, the aforementioned annual rent, in advance, on or before the 1st day of each and every year throughout the term of this lease, commencing on the first day of the term hereof, and, thereafter, on each anniversary of said date.

(b) Tenant shall pay to Lessor in cash or (at Tenant's election) in the form of a bank certificate of deposit, interest payable to Tenant and principal subject to withdrawal upon the sole authorized signature of Lessor, not later than the commencement of the term hereof, the sum of \$_____ (said sum being equal to 105% of the annual rent hereunder). Said payment shall be deemed a security deposit hereunder and may be applied by Lessor to cure any default by Tenant hereunder or, in the event there is no default, shall be returned to Tenant at the expiration of the term or any extended term of this lease, or at the earlier

termination hereof.

(c) At its own cost and expense, to keep the improvements of the demised premises in good repair and in a clean, sanitary and sightly condition, and to pay for all utilities consumed on the demised premises.

(d) To pay, before penalty attaches thereto, all general real estate taxes and installments of special assessments levied against the demised premises.

(e) At its own cost and expense to make all repairs to the demised premises ordered by civil authority, to keep and maintain the interior buildings walls, the doors, electrical service and the other non-structural parts of the improvements of the demised premises, as well as any heating, ventilating and air-conditioning equipment now or in the future serving the demised premises, in good repair and working order throughout the term of this lease and any extension of said term.

(f) At its own cost and expense to provide heat and air-conditioning, if desired, to the demised premises.

(g) At its own cost and expense to keep unceasingly in force a policy of fire and extended coverage insurance insuring the leasehold improvements located within the demised premises and protecting Lessor and Tenant, which policy shall be written by an insurance company licensed to do business in Minnesota, and shall provide a limit of coverage of not less than 80% of the full replacement value. Provided that Tenant may furnish such insurance under a blanket policy relating, in addition, to other locations.

(h) Not to commit or suffer any waste or

defacement of the improvements of the demised premises.

(i) Not to cause or suffer on the demised premises any illegal or immoral pursuit.

(j) Not to assign or sublet this lease to other than the holder of the Tenant's interest under the Ground Lease for the Hotel Parcel adjacent to the public parking facility, and, notwithstanding any assignment or sublease, to remain fully bound for the full remainder of the term of this lease to the observance and performance of the conditions and covenants imposed upon Tenant. Tenant shall assign this lease to whomsoever shall become the holder of Tenant's interest under said Ground Lease and shall require said holder to assume liability for performance of all Tenant's obligations hereunder. Tenant may make a present assignment of this lease to any holder of a first mortgage on said Hotel Parcel, possession of the demised premises to be effective upon a foreclosure under said mortgage, or upon the grant of a deed in lieu of foreclosure. Such holder's liability for performance of Tenant's obligations hereunder shall continue only so long as it holds the Tenant's interest under this lease.

(k) To indemnify Lessor against and save it harmless from, all damage and expense consequent upon Tenant's negligent failure to keep the improvements of the demised premises in repair, as hereinelsewhere prescribed, or arising as a consequence of any act, omission or occurrence on the demised premises, other than an act or omission by Lessor, its agents or employees; and at Tenant's own cost and expense to keep unceasingly in force a policy of public liability insurance naming Lessor and Tenant as insureds, which policy shall be written by an insurance company licensed to do business in Minnesota, shall not be cancellable without at least thirty (30) days' prior notice to Lessor, and shall provide limits

of coverage not less than \$1,000,000.00 for each occurrence of injury or death to one or more than one person and \$300,000.00 with respect to damage to property. Provided that Tenant may furnish such insurance coverage under a blanket policy relating, in addition, to other locations. Tenant shall provide Lessor with a proper certificate of said insurance.

(l) At the expiration of the term hereof, or at any earlier or later termination of this lease,

(1) at its own cost and expense to remove from the demised premises, but protecting Lessor against damage thereto caused by such removal, all fixtures and equipment purchased or installed by Tenant, and

(2) to quit and deliver the improvements of the demised premises to Lessor in as good condition as when taken or put into during the term hereof, reasonable wear and tear and damage by fire, casualty, the elements and acts of God excepted.

(m) To permit Lessor and its authorized agents to enter upon the demised premises during ordinary business hours for any purpose not harmful to or interfering with Tenant's business operation.

(n) To pay promptly upon receipt of Lessor's statement therefor: (i) the premium cost of any insurance secured by Lessor against loss of rents hereunder and (ii) 1/6th of the premium cost for all fire and extended coverage insurance secured by Lessor, insuring against damage to or destruction of the public parking facility, including the demised premises.

(o) To use the demised premises only as meeting and exhibition space and, at such times as unreserved or uncommitted space is available in the demised premises, to make the same available for the meetings of such non-profit civic groups as are designated by

Lessor, at a charge not to exceed Tenant's cost for said space.

(p) With respect to space in the demised premises which is not reserved or committed under now existing or future subleases or long-term agreements, to charge the public rates for the use thereof which are no lower than rates charged for comparable space in the Minneapolis Auditorium.

III.

Lessor hereby covenants with Tenant as follows, to-wit:

(a) To construct the demised premises to the specifications hereinafter described and to complete such construction not later than March 1, 1980. The cost and expense of said construction shall be at the Lessor's cost and expense, except to the extent of the reimbursement provisions in that certain Contract for the Lease and Development of Certain Land in Development District No. 51 (Loring Park), dated January 11, 1978. The demised premises shall be comprised of approximately 30,000 square feet of space on the lower level of the public parking facility, and shall be all on the same level. The demised premises shall have the following specifications and improvements: There shall be not less than 15 feet from the floor level of the demised premises to the floor level of the floor immediately above the demised premises; there shall be sealed, unpainted concrete floors; there shall be painted, concrete walls; there shall be an exposed concrete ceiling, painted black; there shall be installed a system (including black duct work) for

heating, ventilating and air-conditioning; and there shall be strip fluorescent lighting installed throughout. Lessor shall, when constructing the demised premises, install elevator service to the demised premises from the public parking facility, utilizing all elevators serving the public parking facility. All cost and expense incurred by Lessor for the installation of said service shall be deemed a part of the Lessor's cost to construct the demised premises for the purposes of reimbursement by Tenant, pursuant to the provisions of said Contract for the Lease and Development of Certain Land.

(b) To permit Tenant to make any non-structural alteration or improvement within the demised premises at Tenant's own cost and expense, on condition that Tenant will indemnify and save harmless Lessor against any cost, damage or expense by reason of the making of any such improvements, alterations or repairs, and to save Lessor harmless from the assertion of any mechanic's lien for labor and/or material incorporated by Tenant in the demised premises. In the event of the filing of any said lien, Tenant may contest the same in good faith.

(c) Upon Tenant's observance and performance of its part hereof, to assure, and it hereby does assure, to Tenant the quiet and peaceful possession and enjoyment of the demised premises throughout the term of this lease and any extension of said term.

(d) To grant and hereby does grant to Tenant the right and option to extend the term of this lease up to five (5) successive extended terms of ten (10) years each, from and after the expiration of the initial term

and each subsequent, extended term. Each such extended term shall be upon all the same terms, conditions and covenants as herein contained. Said right and option shall (if exercised) be separately exercised for each successive extended term; and said right and option shall lapse if not exercised for any one extended term. To exercise said right and option, Tenant shall, not earlier than one year prior to the expiration of the initial and each extended term and not later than 180 days prior to such expiration, give Lessor written notice of its election to extend.

IV.

Lessor and Tenant hereby covenant with each other as follows, to-wit:

(a) If at any time during the term of this lease or any extension thereof, the demised premises be destroyed or be injured by fire, the elements or any other cause, Tenant shall, with all reasonable diligence, rebuild or repair the same, and shall complete the work according to the plans and specifications and at least to as good a condition as had obtained immediately prior to such destruction or injury.

During the period of rebuilding or repair, Tenant shall continue to pay rent when due, provided, however, the amount of rent shall be abated for that portion of the demised premises damaged or destroyed. And, provided further, such obligation to continue rent payments shall cease upon the giving of notice of termination in accordance with the next sentence hereof.

Provided, nevertheless that, (i) if

destruction to the improvements of the demised premises is complete, or (ii) if the destruction or injury (although less than complete) occurs within the last two (2) years of the term of this lease, and such destruction or injury is substantial, then either Lessor or Tenant may, by written notice to the other within six (6) months following the date of such destruction or injury, terminate this lease; whereupon Tenant shall vacate and surrender the demised premises, and both parties shall be fully released from all further liability hereunder, excepting only that Lessor shall in such event refund to Tenant any rent prepaid for a time beyond the date of such destruction or injury.

(b) It is the intention and purpose of the parties that this lease shall be a net lease and that all rent shall be paid to Lessor without diminution; the parties agree that all cost or expense of whatever character or kind, general or special, ordinary or extraordinary, foreseen or unforeseen, and of every kind and nature whatsoever that may be necessary in or about the operation of the demised premises, and all improvements installed therein during the entire term of this lease, shall be paid by Tenant.

(c) In the event Tenant defaults in the payment of any installment of rent or in the observance or performance of any other condition or covenant hereof, and if Tenant fails to extinguish the default within thirty (30) days after the receipt of written notice specifying the same, or in the event of the bankruptcy, insolvency, voluntary or involuntary liquidation or winding up of the affairs of Tenant, or in the event of any corporate reorganization or arrangements under the bankruptcy or insolvency laws of the United States or any State involving the interest of Tenant hereunder, or in the event Tenant's interest hereunder be assigned by operation of law, then Lessor may, in addition to other remedies available at law, at its option, (a) re-enter the demised premises,

repossess itself thereof and terminate this lease, or (b) re-enter the demised premises and repossess itself thereof, without terminating this lease or working a forfeiture of the rents to be paid or of the conditions and covenants to be observed and performed by Tenant throughout the remainder of the term hereof.

Provided, nevertheless, that if default be made in any condition or covenant herein contained to be observed or performed by Tenant (other than the payment of rent as herein provided) which cannot with due diligence be cured within a period of thirty (30) days, and if notice thereof in writing be given to Tenant and if Tenant prior to the expiration of thirty (30) days from and after the giving of such notice commences to eliminate or overcome the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default and does in due course cure such default, then Lessor shall not have the right to declare the said term ended by reason of such default. Provided, however, that the curing of any default in such manner shall not be construed to limit or restrict the right of Lessor to declare said term ended and enforce all of its rights and remedies hereunder for any other default not so cured.

A copy of any notice of default given to Tenant shall at the same time be given in the same manner as notice is given to Tenant hereunder to each holder of a mortgage on the aforesaid Hotel Parcel which has notified Lessor of the existence of such mortgage and of the holder's address for notice (which address may be changed by subsequent notice given to Lessor). Lessor shall recognize cure of any such default by said holder, as if by Tenant, and said holder shall be given such further time as may be required for it to take possession of the premises by foreclosure or otherwise, in the event such possession should be required to effect a cure,

provided said holder shall diligently proceed to obtain possession and effect cure. Payment of rent hereunder shall not be deemed to require possession. In the event such default (such as Tenant's bankruptcy) is not susceptible of cure by such holder, such holder shall be deemed to have effected a cure if it shall have succeeded to the Tenant's interest in the demised premises by foreclosure or otherwise. On effecting cure of a default such holder shall be allowed such additional time to get possession of the demised premises as may be required because of delays caused by the Tenant's bankruptcy.

(d) No waiver or forbearance by either party shall constitute a waiver or forbearance in any other instance - the parties hereby acknowledging that all conditions and covenants of this lease are continuing conditions and covenants throughout its term and any extension thereof.

(e) Whenever a notice need be given by either party to the other, the same shall be in writing and be personally delivered or mailed by prepaid registered or certified mail (return receipt card requested) addressed as follows: In the case of Lessor, to the place then designated for the payment of rent; and in the case of Tenant, to its home or registered office. Personal delivery shall be deemed accomplished hereunder when delivery is made to the City Clerk of the City of Minneapolis or to any officer or partner of Tenant.

(f) If any term, condition or covenant hereof shall be determined to be invalid, void or unenforceable by any court of competent jurisdiction, such determination shall not affect the other terms, conditions and covenants hereof, which shall continue in full force and effect.

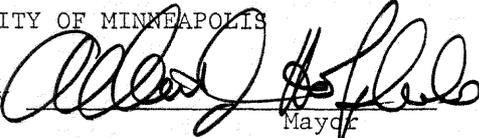
(g) Time is an essential part hereof. Each and every grant, condition and covenant herein contained shall run with the demised premises and shall bind and extend to the benefit, respectively, of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(h) Until such time as a Certificate of Completion has been issued under the said Contract for the Lease and Development of Certain Land this lease shall automatically terminate upon the rightful termination by Lessor or Tenant of said Contract.

(i) All preliminary and contemporaneous negotiations are merged into and incorporated in this lease. This lease contains the entire agreement between the parties and shall not be modified or amended in any manner except by an instrument in writing executed by the party against whom enforcement is sought.

IN WITNESS WHEREOF, this lease has been executed the day and year first above written.

CITY OF MINNEAPOLIS

By 
Mayor
LESSOR

ATTEST:

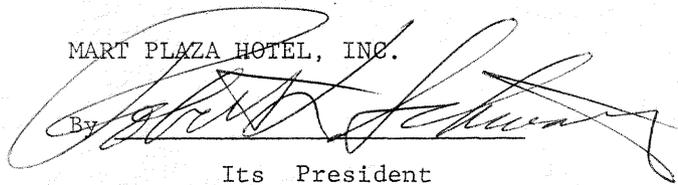
By 
City Clerk

COUNTERSIGNED

By Mary Des Roches
City Comptroller/
Treasurer

APPROVED
DATE 9/26/78
Conrad H. Linn
ASST. CITY ATTORNEY

MART PLAZA HOTEL, INC.

By 
Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 28 day of December, 1978, by Albert Hofstede, Mayor of the City of Minneapolis, a municipal corporation,

RECORDED
1978
OCT 10

ASSIGNMENT AND ASSUMPTION

THIS AGREEMENT made and entered into November 7th, 1978, by and between MART PLAZA HOTEL, INC., a Minnesota corporation, (hereinafter "Assignor") and HYATT MINNEAPOLIS CORP., a Delaware corporation, (hereinafter "Assignee").

WITNESSETH:

WHEREAS, the Assignor is the developer under a Development Contract between itself and the City of Minneapolis dated January 11, 1978, relating to certain property situated within Development District No. 51 (Loring Park), in the City of Minneapolis, County of Hennepin, State of Minnesota; and

WHEREAS, Assignor is, pursuant to said Development Contract, the Lessee under a Ground Lease between itself and the City of Minneapolis dated September 25, 1978, for that tract of land described as follows:

All of Lot 1, Block 5 and Outlot C, and that part of Lot 1, Block 6 which lies Northeasterly of the following described line to wit: Beginning at a point on the Easterly line of said Lot 1, Block 6, distant 97.00 feet Northerly of the Southeasterly corner of said Lot 1, Block 6, as measured along said Easterly line thereof; thence Northeasterly to a point in the Northwesterly line of said Lot 1, Block 6, said point being 39.00 feet Southwesterly of the most Northerly corner of said Lot 1, Block 6, as measured along the Northwesterly line of said Lot 1, Block 6, and there terminating, all in LORING PARK DEVELOPMENT FIRST ADDITION, according to the plat on file and of record in the office of the County Recorder, Hennepin County, Minnesota;

and

WHEREAS, Assignor is the Manager of the municipal parking facility to be located at Nicollet Avenue and Grant Street, Minneapolis, Minnesota, pursuant to a Management Agreement between itself and the City of Minneapolis dated September 25, 1978; and

WHEREAS, Assignor is the Tenant of the lower level of the aforesaid municipal parking facility, pursuant to a Lease between itself and the City of Minneapolis, dated September 25, 1978; and

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES

The foregoing instrument was executed before me this 7th day of November, 1978, by Joseph J. Amoroso, President of Hyatt Minneapolis Corp., a Delaware corporation, on behalf of the corporation.



Michael Hackman
Notary Public

CONSENT

The undersigned does hereby consent to the foregoing assignment of the Development Contract, Ground Lease, Management Agreement, Lower Level Lease, and Subordination Agreement by Assignor to Assignee.

CITY OF MINNEAPOLIS
By Alber Hotstede
MAYOR

ATTEST:

By [Signature]
City Clerk

COUNTERSIGNED

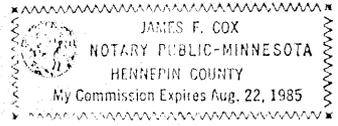
By [Signature]
City Comptroller/
Treasurer

APPROVED AS TO LEGALITY
DATE 12-14-78
[Signature]
ASST. CITY ATTORNEY

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 27th day of November, 1978, by Alber Hotstede, Mayor of the City of Minneapolis, a municipal corporation, and by L. J. Schwurkef, City Clerk, and by Mary DisBach, City Comptroller/Treasurer, on behalf of the City.

James Cox
Notary Public



This Instrument was drafted by
LEONARD, STREET AND DEINARD
510 Marquette Ave.
Mpls., Minn. 55402