

APPROVED BY CITY COUNCIL
MAY 22 1981
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City Clerk

FIRST AMENDMENT TO
CONTRACT FOR LEASE AND DEVELOPMENT
OF AIR RIGHTS FOR CONDOMINIUMS
IN DEVELOPMENT DISTRICT NO. 54

THIS AGREEMENT is made and entered into as of the 22nd day of May, 1981, by and between the CITY OF MINNEAPOLIS, a municipal corporation of the County of Hennepin, State of Minnesota, hereinafter called "City"; and TED GLASRUD ASSOCIATES, INC., a Minnesota corporation, hereinafter called "Developer".

WHEREAS, the parties have entered into an agreement dated December 8, 1980; and

WHEREAS, the parties now wish to amend that agreement;

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties' Contract herein, each of them does hereby request, covenant and agree with the other as follows:

That Section 11.8 is amended to read as follows:

11.8 Failure of Hotel Developer to Construct and Complete Construction.

a. In the event that the City and Inn Management Inc. mutually agree to terminate their contract for the development of the Hotel, the Developer agrees to construct on the Hotel site, a Hotel office space or condominium units. If Developer constructs a Hotel, it shall assume the obligations in accordance with the Hotel Development Agreement and Hotel Parcel Lease. If Developer elects to construct at least four stories of office space or condominiums, the obligations of the Hotel Lease shall be adhered to as closely as possible, taking into consideration the nature of change in development. Prior to the City and Inn Management Inc. mutually terminating their agreement for Hotel Construction the Developer shall post an additional Letter of Credit in the amount of \$432,000. The provisions of this section 11.8a shall only become effective upon the negotiation of no strike agreements from labor in regard to construction of the City parking ramp, Hotel and Condominiums. If this amendment does not become effective, then all provisions of section 11.8 in the original contract remain in full force and effect.

b. In the event that the Hotel Developer is in default with respect to its obligations under the Hotel Development Agreement after the execution and delivery of the Hotel Lease and the City terminates the Hotel Development Agreement, then, if the holder of any Construction Mortgage for the Hotel fails to assume the Hotel Developer's obligations and exercise its option to complete the Hotel Improvements, as provided in the Hotel Development Agreement, then Developer shall have the first right and option to lease the Hotel Parcel and to assume all of the Hotel Developer's



obligations in accordance with the terms and conditions of the Hotel Development Agreement and Hotel Parcel Lease. Such option must be exercised within sixty (60) days after Developer is notified that the holder of said Construction Mortgage has failed to exercise its option. If Developer exercises said option, it shall pay to the City on demand such sum of money as shall be sufficient to cure all defaults of the Hotel Developer including such sums as may be required for the City to purchase any outstanding mortgage against the Hotel Parcel or Hotel Improvements.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto affixed, and the Developer has caused this Agreement to be duly executed in its name and behalf as of the day and year first above written.

APPROVED AS TO LEGALITY
DATE 6-4-81
Juanita K. Stapp
ASST. CITY ATTORNEY

CITY OF MINNEAPOLIS

By: [Signature]
Mayor

Attest: [Signature]
City Clerk

Countersigned: [Signature]
City Comptroller-Treasurer

TED GLASRUD ASSOCIATES, INC.

By: [Signature]
Its President