

Property Agreements Summary
Loring Ramp
Facility Agreement

Terms and Conditions:

The city has built a 750 space parking facility adjacent to and for the purpose of supporting the Hyatt Hotel. The Loring Park Development District is responsible for the management agreement for this parking ramp.

Scheduled Events:

Contract must be renewed for an additional 10 year term in 2009.

Financial Requirements:

As a fee for the operation of the facility the city shall pay the operator a fee of \$1,000 or 5% of the net parking revenues, whichever amount is larger. The city is responsible for reimbursing the operator for all operating expenses. The operator fee of 1,000 (or 5%) is intended to cover all administrative costs. (5.1 to 5.3).

Rental price and schedule of payments:

Length of agreement:

The agreement began in 1978 for an initial term of 20 years. It was renewed for an additional 10 in 1999.

Contacts for the City of Minneapolis:

General

Contacts for other party:

Not provided

LEONARD, STREET AND DEINARD

PROFESSIONAL ASSOCIATION

July 2, 1999

Morris M. Sherman
612-335-1561
mms1561@leonard.com

Mr. Gregory A. Finstad
Director of Transportation and Parking Services
Room 233 - City Hall
350 South Fifth Street
Minneapolis, MN 55415

Re: Loring Park Municipal Parking Ramp and Exhibition Hall

Dear Mr. Finstad:

The undersigned represents Loring Park Associates Limited Partnership and its general partner, Hyatt Minneapolis Corporation, owners of the property at 1300 Nicollet Mall, which is operated as the Hyatt Regency Hotel and Hyatt Merchandise Mart. As you may recall, I have represented the developers and operators of the hotel since its inception and particularly in connection with the various development and ancillary agreements negotiated in the late 1970s between the City of Minneapolis and the predecessor of my client, Mart Plaza Hotel, Inc., which led to the building of the original project. The Development Agreement with the City and ultimately the purchase of the land under the hotel were completed in the early 1980s. There remain two continuing agreements between my client and the City of Minneapolis, those being the management agreement of the adjacent City parking ramp and the lease of the exhibition hall in the parking ramp.

My client believes the Loring Park Municipal Parking Facility Agreement (the ramp management agreement) has worked well for the City and for the hotel. Accordingly, my client wishes to renew the Agreement pursuant to Paragraph 8.7 of the Agreement for an additional ten-year term. As you know, my client and the City have worked throughout the 19 years the ramp has been in operation with Loop Parking, and it is my client's current intention to continue to do so.

The lease of the exhibition hall came about when the hotel was built and the various designs for constructing an exhibition hall were reviewed. It was determined that the most cost effective way of providing exhibit space for the then major tenant of the mart, the Northwest Sales Association, was to build exhibit space on what was to be the ground floor of the adjacent Loring Park Municipal Parking Ramp. The lease agreement and the Development Agreement contemplated that the City would, in effective, advance \$1 Million to the developer by including the then agreed

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LAW OFFICES IN MINNEAPOLIS, SAINT PAUL AND MANKATO

upon cost of the exhibition hall in its budget for the parking ramp and, in turn, rent the exhibition hall to the hotel on a triple net basis for a sum which was equal to that cost fully amortizing that allocated portion of the bonds sold to pay for the ramp over the term of the bond (20 years). The exhibition hall lease, called the Lower Level Lease in the original documents of September 1978, specifically provides that the rent is a sum equal to the amount necessary to amortize the \$1 Million cost of the exhibition hall over the 20-year life of the bond. The City Engineer at a later date actually certified the cost of construction and the annual rent paid has been \$99,545.21 per year. My recollection is that the interest coupon on the bonds was approximately eight percent and that those bonds were refunded some years ago, hopefully at lower rates. Nonetheless the hotel has paid \$100,000 a year for 20 years and has, I believe, deposited one year's rent advance to fund the initial bond reserve. The lease of the exhibition hall, like the parking ramp management agreement, contains options for renewal for additional ten-year terms at the same rent [Article III(d), page 7].

The lease, as noted, is a triple net lease and Hyatt has maintained the exhibition hall space, heated it, lighted it, from time to time upgraded it, and paid real estate taxes on it which over the years have averaged approximately \$50,000 per year. Between the rent and the taxes, the City recovered its cost long ago.

At the time the Development Agreement was negotiated, which included the exhibition hall and ramp agreements, the City was sued over its right to enter into such an agreement. You may remember that this was essentially the first, or one of the first, TIF projects. A lawsuit was brought by Robert Short [R. E. Short v. City of Minneapolis and Mart Plaza Hotel, Inc.] which was defended by the then City Attorney, Walt Duffy, and me. We won the suit and established that the City's authority extended to doing projects such as ours and, in fact, far beyond. In that atmosphere, however, we all took a very conservative position with respect to the economic terms of the lease and the lease renewal. We all realized that by the end of the 20 years, the exhibition hall would be fully paid for by the hotel, and then some, but we were reluctant to set future rents to reflect that fact. We only provided an option to renew.

During the 20-year term the exhibition hall has been rented by the hotel, at rather nominal rents, principally to the Northwest Sales Association for its markets, which was the principal reason for building the space in the first place. In addition, the hotel has rented the space to other users and has used it for hotel functions during the course of the years, again at fairly nominal rents. The cost of running and maintaining the exhibition hall, paying the City's rent, paying the real estate taxes and the like, has, in most years, exceeded the gross revenue from the exhibition hall rentals.

In addition the exhibition hall was, as you may recall, essentially a bare shell, that is, concrete floors, concrete walls, no suspended ceiling, etc. The years have not been kind to the space and it needs substantial upgrading. We have estimated that to bring the exhibition hall even up to minimum acceptable standards will require extensive renovation. We believe that rest room

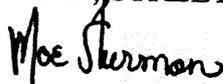
Mr. Gregory A. Finstad
July 2, 1999
Page 3

renovation, code compliance, and upgrading will cost approximately \$120,000. The heating units will need to be either upgraded or replaced at a cost of approximately \$100,000. Door and frame replacement is estimated to cost \$20,000. Drain pipes in the ceiling need to be replaced at an approximate cost of \$70,000. Thus, there is approximately a \$300,000 cost of renovation before my client spends any money on aesthetics which would render the space more attractive to users.

Although my client certainly wishes to keep the space, I believe, based on the history of the Lower Level Lease and the economics of the transaction, that is, my client's payment of \$100,000 a year rent and approximately \$50,000 a year in taxes, it has long since paid for the space. Further, any tenant renewing a long-term lease would, after 20 years, expect the owner to do the renovations needed for the rents it would be getting for the next ten years. I propose, however, a different solution from having the City upgrade the space and my client either exercising its option or developing an alternative event based lease with the City. My client would be willing to undertake the cost of renovation and upgrading in return for the City's agreement to reduce the rent to \$1.00 per year for the remaining option terms. My client will continue to pay the real estate taxes and retain the triple net nature of the Lease. Such an agreement is both equitable and would relieve the City of the need to make capital expenditures on the space or to work out an alternative event based leasing arrangement with the Hyatt and other tenants. I would appreciate your consideration of this proposal and I appreciate the consideration you have already given us. I look forward to hearing from you.

Yours truly,

LEONARD, STREET AND DEINARD

By 
Morris M. Sherman

MMS/bh

cc: Mr. David Eisenman

Dec 16, 1977

AGREEMENT
Between
CITY OF MINNEAPOLIS AND MART PLAZA HOTEL, INC.
for the
OPERATION OF THE CITY OF MINNEAPOLIS
MUNICIPAL PARKING FACILITY
Located at
NICOLLET AVENUE AND GRANT STREET

THIS AGREEMENT, made as of this 25th day of September, 1978, between the City of Minneapolis, a municipal corporation of the State of Minnesota (sometimes hereinafter referred to as "City"), and the Mart Plaza Hotel, Inc., a corporation organized and existing under the laws of the State of Minnesota (sometimes hereinafter referred to as "Operator");

WITNESSETH:

WHEREAS, the City has agreed to construct a public parking facility containing approximately, but not more than, 750 parking spaces and approximately 30,000 square feet of lower level space on part of Lot 1, Block 6, Loring Park Development, First Addition, Minneapolis in connection with the lease and development of the adjacent land, all pursuant to that certain Contract for the Lease and Development of Certain Land in Development District No. 51 (Loring Park) dated January 11, 1978, and

WHEREAS, the Operator is the Developer under the aforesaid Lease and Development Contract and Tenant under the Ground Lease to be executed pursuant thereto; and

WHEREAS, the City deems it to be in its best interest and in furtherance of its development plan for the Loring Park Development District to enter into a Management Agreement with Operator;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE I

TERM

1.1 The term of this Agreement shall be for the period of twenty (20) years beginning on March 1, 1980 and ending on the 28th day of February, 2000 unless said term shall be sooner commenced, terminated, or extended as provided herein.

1.2 In the event the Public Parking Facility has been substantially completed and is available for public parking prior to March 1, 1980, then and in that event, Operator shall commence management of the facility on the first day of the first month following completion of the facility, pursuant to the terms and conditions of this Agreement.

ARTICLE II

OPERATION

2.1 Operation in General. The Operator agrees to manage and operate the facility in a professional, economical and businesslike manner, satisfactory at all times to the City. The Operator agrees to accomplish the following, unless otherwise directed by the City:

- a. Provide such operational and maintenance supplies as are reasonably necessary to operate the facility.
- b. Provide bookkeeping and accounting functions.
- c. Pay for all utilities, including gas, water

and electricity.

d. Maintain all operating equipment.

e. Maintain and furnish a business office in a location within the facility, as designated by the City.

The Operator shall not engage in any other business on the facility premises, other than to provide such services as may be required to activate inoperative vehicles as requested by the customers of the facility.

The Operator shall obtain the approval of the City Engineer prior to entering into any rental agreement in which the Operator has an interest, direct or indirect. The use of the roof of the parking facility for tennis courts and related activities by Operator as Developer of the adjacent Hotel and the lease of the lower level space shall not be considered as a rental agreement or engaging in any other business within the meaning of this Management Agreement.

The Operator shall report in writing to the City Engineer, within seven (7) days of discovery, any damage or injury sustained to persons or property, including the facility itself.

2.2 Hours. The Operator agrees to operate the facility on the days and during the hours established from time to time by the City. Hours of operation may be changed from time to time by the City upon written notice given by the City Engineer, and any such changes shall take effect on the dates stipulated by such notice. It is the present intention of the parties to operate the facility on a 24-hour basis.

2.3 Rates. The Operator agrees to charge and collect the following rates for parking motor vehicles at this

facility:

Hourly rate -- 50¢ not to exceed \$2.50 per day.
Event rate -- \$2.50.
Overnight rate -- \$1.00.

Bicycles shall be allowed to park free in such racks as are provided by the City.

The Operator agrees that the City may change parking rates from time to time at its direction, and that any new rates established shall become effective on the dates stipulated by the City. The City shall consult with Operator prior to establishing any new parking rates. The Operator may recommend to the City changes in parking rates.

The Operator understands that the City intends that the facility is to be used primarily for transient parking to most effectively accommodate the new developments in the development district.

2.4 Maintenance Obligations of Operator. The Operator agrees to maintain the facility, the equipment provided by the City and all parts thereof, in good condition and repair and in as safe condition as its operation will reasonably permit; making all repairs thereto, which may be reasonably necessary for this purpose, including but not limited to the following:

- a. Maintain all pavement markings, bumper guards and wheel blocks.
- b. Supply electric light bulbs and replace worn-out bulbs and fuses.
- c. Maintain and care for all plantings.
- d. Maintain and replace all gates and barricades.
- e. Maintain all washrooms and toilets according

to the standards established by the City Engineer.

f. Maintain the premises in a clean, presentable condition and not allow dirt, paper or trash of any kind to accumulate upon the premises; and remove snow, ice and other obstructions from the property and from adjacent driveways and sidewalks. The snow and debris removed, shall not be placed upon the public ways or any portion thereof.

g. Make minor necessary repairs to the plumbing, lighting and heating, the City Engineer to determine what constitutes a minor repair.

h. Maintain and keep in good working order all neon directional, information, and advertising signs located within or on the exterior of the facility.

The rental of cleaning equipment shall be subject to the approval of the City Engineer, which approval shall not be unreasonably withheld.

In the event that the Operator shall fail to comply with any of the above obligations, the City may, after ten (10) days' notice to comply, in addition to other remedies set forth herein, enter upon such premises and take all steps necessary to insure compliance with the above obligations; and all work, labor and materials shall be charged to and paid for by the Operator and such cost shall not be a deductible operational expense under Section 5.3.

2.5 Finance Procedure. The Operator agrees to deposit daily all moneys collected at the facility for parking, at such location and times as directed by the City. After deposit, such moneys shall be under the complete control of the City. The City shall approve the manner in which deposits are made, provided the Operator shall be responsible

for all such moneys up to the time of deposit. The Operator also agrees to timestamp parking tickets; to make and collect parking charges; and to prepare and transmit daily reports in the manner and form designated by the City. The Operator also agrees to set up and maintain accurate records, books and accounts in the manner and form approved by the City; and that personnel authorized by the City shall have the right to audit and examine said records, books and accounts at any time during regular business hours. The accounts shall reflect, but not be limited to, daily volume of parking and income and expense accounts; and the Operator shall prepare and submit monthly and annual profit and loss statements, as well as any incidental financial or operating statements, as deemed necessary by the City or as the normal course of operation shall dictate. All financial records shall be prepared and made available as provided by City and State laws. In the event that audits or examinations disclose shortages or thefts of any type, the Operator shall reimburse the City for any revenue lost or any customer overcharges, as the City determines.

2.6 Annual Statement and Account. The City shall conduct an annual audit at its own expense.

2.7 Alterations. The Operator shall make no alterations or additions to said premises and appurtenances without the prior consent of the City of Minneapolis. It is expressly agreed that all appurtenances, presently or hereafter located in and upon said facility, whether affixed thereto, or not, are and shall remain the property of the City.

2.8 Rebate to Operator Prohibited. It is understood that there shall be no rebate to the Operator or its officers or employees of any portion of any expenditures representing an operating expense, as defined in Paragraph 5.3 by any person, firm or corporation which has provided goods or services to the Operator, unless such rebate is approved in writing by the City Engineer.

2.9 Authority to Contract Limited. No employee or agent of the Operator shall contract, directly or indirectly, either as an owner, employee, or agent, for services over and above his duties or scope of employment, except with the prior written approval of the City.

2.10 Damage by Operator. The Operator shall repair any damage to the facility or equipment therein, caused by the negligence of its employees. Such cost of repair shall not be a reimbursable operating expense.

2.11 Agreement Not a Tenancy. Nothing in this Agreement shall be construed as creating a tenancy between the City and the Operator; nor shall the Operator be deemed to have the right of occupancy to the premises or any part thereof.

ARTICLE III

PERSONNEL

3.1 Selection and Salaries. The Operator agrees to secure, furnish, train and pay for all personnel as are reasonably necessary to be employed in the successful operation of the facility. Such personnel shall include a

full-time operating manager for the facility, the selection and salary being subject to the approval of the City Engineer, provided such approval shall not be unreasonably withheld. The number of employees employed will be subject to the approval of the City Engineer, which number may vary from time to time due to changes in demand for parking in the facility. Any and all employees of the Operator, or other persons while engaged in the performance of any work or services required by the Operator under this Agreement shall be considered employees of the Operator only, and not employees of the City or have any contractual relationship with the City; and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota, or similar act on behalf of said employees or other persons while so engaged in any work or services provided to be rendered herein, shall be the sole obligation and responsibility of the Operator.

3.2 Nondiscrimination. The provisions of Minnesota Statutes Section 181.59, and of Minneapolis Code of Ordinances, Chapters 139 and 141 which relate to civil rights and discrimination shall be considered a part of this Agreement as if fully set forth herein.

3.3 Personnel Regulations. The Operator further agrees:

- a. To furnish prompt, safe, efficient and courteous service adequate to meet all demands for his service at said facilities.
- b. To furnish said service on a fair, equal, and nondiscriminatory basis to all users thereof.
- c. If directed by the City, the attendants shall

wear uniforms, caps, and badges and at all times shall present a neat and clean appearance. Such uniforms, caps, and badges shall be approved by the City as to color and design.

d. To maintain a close watch over attendants to insure that they shall discharge their duties in a safe, courteous, and efficient manner to maintain a high standard of safety and service to the public.

e. To use his best efforts in every proper manner to maintain and develop the business conducted by him hereunder and to increase the same.

f. Not to divert or cause to be diverted any business from the facilities.

g. That no vehicle whatsoever be permitted to be parked thereon free of charge, except upon written direction of the City Engineer.

h. Neither the Operator nor any of his employees shall at any time remove from the premises any automobile placed thereon for parking purposes, except with the written permission of the City Engineer.

i. Neither the Operator nor his employees shall enter or drive any automobile which has been placed upon the premises for the purpose of self parking without the written permission of the City Engineer.

ARTICLE IV

MAINTENANCE OBLIGATIONS OF CITY

The City agrees to maintain and directly pay for all necessary major repairs to the structure, including the foundation, walls and roof thereof and to the plumbing, elevators, lighting and heating equipment contained therein.

ARTICLE V

PAYMENTS TO OPERATOR

5.1 Management Fee and Administrative Costs and Expenses. The City shall pay to the Operator each month, as herein provided, as a monthly management fee in the amount of:

\$1,000.00 or five percent (5%) of the net parking revenues, whichever is greater.

Net parking revenues shall mean all sums received from parking in the Parking Facility less those items enumerated in Paragraph 5.3 hereof. The management fee is intended to cover all administrative costs and expenses incurred by the Operator as well as any, and all operating expenses not reimbursed in Paragraph 5.2 and not defined in Paragraph 5.3, including but not limited to:

- Office supplies
- Billing supplies (postage, bills)
- Telephone (except installation charges)
- Legal and professional
- Travel and promotion.

Operator may retain a ramp management firm to aid in managing the facility, but any charge for such service shall be borne by Operator and shall not be a reimbursable expense under Paragraph 5.3.

5.2 Reimbursement for Operating Expenses. Operator shall, in the first instance, pay all operating expenses as they come due. The City shall, within forty-five (45) days of the receipt of Operator's monthly statement of revenues and expenses pay to the Operator an amount equal to the lesser of (1) the aggregate of all management fees earned by

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Operator and not theretofore paid and all operating expenses as are reasonable and as are defined in Paragraph 5.3 and as are verified by the City and not theretofore paid, or (2) the gross receipts from parking revenues for the month in question. To the extent that the payments made by the City to Operator are less than the current operating expenses and management fees, the remaining balance shall bear interest from said forty-fifth (45th) day after Operator's monthly statement was rendered, until paid, at the prime rate of interest from time to time being charged by the First National Bank of Minneapolis to its commercial customers with the highest credit rating. Any balance of management fees not paid or operating expenses not paid shall, in any event, be due and payable upon the termination of this Agreement, together with accrued interest thereon.

5.3 Operating Expenses Defined. "Operating Expenses" as defined in this section means, and is limited to, the cost of:

- Salaries of operating manager
- Salaries of employees working at facility
- Bookkeeping and Accounting services
- Worker's Compensation Insurance
- FICA taxes
- Unemployment taxes
- Health and welfare plans
- Pension plans
- Uniforms and laundry
- Facility repairs and maintenance
- Equipment repairs and maintenance
- Equipment rental (when approved by City Engineer)
- Operational supplies required to operate facility

Insurance and bond premiums required under this
Agreement
Utilities (telephone -- installation charges
only)

5.4 Taxes. It is the intention of the City and the Operator that the Public Parking Facility and its operation be exempt from taxation. In the event that any unit of government having taxing authority establishes its right to tax the Public Parking Facility or its operation, then and in that event, all taxes which are assessed shall be considered operating expenses within the meaning of Paragraph 5.3 hereof. Any taxes assessed relating to the use of the lower level or roof by Developer, pursuant to the Development Contract or Ground Lease, shall not be considered operating expenses within the meaning of this Paragraph or Paragraph 5.3.

5.5 Budget Review. The City and the Operator shall conduct periodic budget reviews which shall include a review of the Operator's operating expense reimbursement.

ARTICLE VI

INDEMNITY, INSURANCE, BONDS

6.1 Property Damage or Injury, Indemnity. The Operator covenants and agrees to pay subject to all provisions of this Agreement all damages for injuries to real or personal property growing out of any negligent act or deed or any omission to act of the Operator or any servant, agent, or employee of the Operator in connection with the operation of the facility under this Agreement. The Operator covenants and agrees to defend, indemnify, save, and keep the City

harmless against all liabilities, losses, costs, damages, expenses, causes of action, suits, claims, demands and judgments of any kind or nature whatsoever which may in anywise come against the City for or on account of personal injuries or death, and damage to real or personal property or to the loss of any personal property caused or claimed to have been caused as a result of the use of said premises or of the parking of motor vehicles in said premises, including court and stenographic costs and an amount in reimbursement of attorney's fees.

6.2 Fidelity Bond. The Operator agrees to furnish a fidelity bond indemnifying the City against any dishonest acts of the Operator or any of his employees individually or in collusion with others, which bond shall be in the amount of not less than \$5,000 for the operating manager and \$3,000 for all other employees and in a company approved by the City.

6.3 Performance Bond. The Operator agrees to provide a performance bond approved by the City Attorney, or a cash deposit in the amount of \$5,000 conditioned upon the full faithful performance by the Operator of each and all of the covenants and agreements and undertakings as set forth in this Agreement.

6.4 Insurance. The Operator shall procure and maintain continuously in effect, during the term of this Agreement, policies of insurance of the kind and amount, as follows:

- a. Insurance of the kind and amount sufficient to cover any liability of the Operator under the

Worker's Compensation Act of Minnesota.

b. Insurance against liability (including passenger elevator liability) for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition of the facility in amounts of not less than \$300,000 for death of or personal injury to any one person: \$1,000,000 for bodily injury or death resulting in any one occurrence; and \$1,000,000 for property damage in any one occurrence.

Such insurance shall provide that the City of Minneapolis is a coinsured and that the policy may not be cancelled without thirty (30) days' notice to the City.

c. Garage keepers' liability insurance, with \$500,000 limits and including coverage for:

1. Fire and explosion.
2. Theft (of entire car).
3. Riot, civil commotion, malicious mischief and vandalism.

d. Robbery and holdup insurance (inside and outside) with \$5,000 limit per occurrence, provided \$250 deductible may apply.

6.5 General Insurance Requirements. All insurance required in this section shall be taken out and maintained in responsible insurance companies in the State of Minnesota. Operator shall furnish the City policies evidencing all such insurance or a certificate or certificates of the respective insurers stating that such insurance is in force and effect. Each policy of insurance herein required shall contain a provision that the insurer shall not cancel it

without giving written notice to the City at least thirty (30) days before the cancellation becomes effective. All policies or certificates of insurance shall be approved by the City Attorney. The insurance coverage herein required may be provided by a blanket insurance policy or policies.

6.6 City Option. The City may, at its option, provide that in lieu of the insurance requirements provided herein it shall operate the ramps on self-insured or partially self-insured basis or may obtain the insurance itself, in which event or events, Operator shall be entitled to purchase insurance providing coverage for itself for any liability which the Operator may have under Minnesota law and to charge the premium cost of said insurance as an operating expense under Section 5.3 hereof.

ARTICLE VII

TERMINATION

7.1 Surrender of Premises. Upon termination of this Agreement by lapse of time or otherwise, the Operator shall surrender and turn over possession of the premises to the City in the same manner and condition as it received the premises, excepting reasonable wear and tear.

7.2 Effect of Default. It is expressly agreed between the parties hereto that in the event the facility is deserted, vacated or abandoned, or if the Operator shall sell, assign, or pledge this Agreement except as provided herein; or if default be made in the performance of any of the covenants and agreements to be performed by the Operator; or if the Operator shall fail to comply with any of the

statutes, ordinances, rules, orders, regulations or requirements of the federal, state, or city governments; or if the Operator shall file a petition in bankruptcy; or make an assignment for the benefit of creditors or take advantage of any insolvency act, the City may elect to terminate this Agreement and the term hereof; and in the event the City elects to terminate this lease because of a violation of this section, upon such termination, the Operator shall compensate the City for the loss in revenue suffered by reason of such termination.

ARTICLE VIII

MISCELLANEOUS

8.1 Rights Cumulative. The rights and remedies hereby created are cumulative, and the use of one remedy shall not be taken to exclude or waive the right to use of another.

8.2 Notice. All notices, demands or other communications hereunder shall be in writing and shall be deemed given when personally delivered or if sent by certified or registered mail, postage prepaid, with proper address as indicated below. The City and the Operator may, by notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, certificates, or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, demands and communications to each of them shall be addressed as follows:

To the City:

City Engineer
City of Minneapolis
203 City Hall
Minneapolis, Minnesota 55415

To the Operator:

Mart Plaza Hotel, Inc.
Attn: Monroe Tapper
1200 National City Bank Bldg.
510 Marquette Avenue
Minneapolis, Minnesota 55402

With a Copy to:

Harold D. Field, Jr.
Leonard, Street and Deinard
1200 National City Bank Bldg.
510 Marquette Avenue
Minneapolis, Minnesota 55402

8.3 Compliance with Laws and Ordinances. The Operator agrees to operate said facility in compliance with this Agreement and all laws and ordinances in effect or which may hereafter be adopted by and for the City of Minneapolis.

8.4 Rules and Regulations. The City may, at its discretion, adopt reasonable rules and regulations relating to the operation and use of the facility, and the Operator agrees to abide by such rules and regulations.

8.5 Assignability by Operator. The rights, obligations and duties under this Agreement of the Operator shall not be assigned or transferred in whole or in part, without the prior written permission of the City, which permission shall not be unreasonably withheld, it being understood and agreed by the City in this regard that the Operator shall have the right to use a subsidiary, or an affiliate, as its agent in the administration and performance of Operator's duties hereunder, provided, however, that such agency

arrangement shall to no extent and in no manner change, restrict or in any way limit Operator's liabilities and responsibilities hereunder to the City, which such liabilities and responsibilities shall at all times be and remain absolute, direct and primary, and such agency arrangement shall be at the sole cost and expense of Operator so that it in no way increases or adds to the costs and expenses payable or reimbursable by the City hereunder.

8.6 Damage or Destruction. If during the term of this Agreement, all or any part of the facility shall be destroyed or materially damaged from any cause, the City shall have the option to repair, replace and restore the damaged portion of the facility to its former condition or to discontinue all or any part of the operations of the facility. In either case the City may, at its option, cancel, modify, or suspend the operation of this Agreement upon thirty (30) days' notice to the Operator.

8.7 Options to Renew. So long as Operator is not in default hereunder beyond any period provided for the cure of such default, Operator shall have and the City does hereby grant to Operator the right and option to extend this Agreement for 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, but without any obligation of the City to remodel or rebuild said Ramp. 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

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Aug 31, 1999

term. To exercise said right and option, Operator shall, not earlier than one (1) year prior to the expiration of the initial and extended term and not later than 180 days prior to such expiration, give the City written notice of its election to extend.

8.8 Handicapped Parking. Handicapped parking spaces shall be provided throughout the ramp in locations mutually designated by the City and the Operator.

8.9 Advertising and Promotion of Facility. The City may at its discretion, require the Operator or others to advertise and promote the facility in a manner approved by the City. The costs for this advertising and promotion will be reimbursed to the Operator by the City as an operating expense under Section 5.3.

8.10 Arbitration. The parties shall settle by arbitration any claim, dispute, controversy or misunderstanding (hereinafter, collectively, "claim") between them directly or indirectly concerning or involving this Agreement, any of this Agreement's terms, conditions, covenants or undertakings of the construction of any of its provisions. Such arbitration shall be in accordance with the then current rules of the American Arbitration Association, and it shall administer the arbitration and act as appointing authority. Such an arbitration shall be the sole and exclusive means of resolving any claim, and the outcome thereof shall be final and binding, and judgment upon the award rendered may be entered in any court having jurisdiction. The arbitrator or arbitrators shall include in the award a determination of responsibility for the expenses of arbitration. Prior to

the completion of any said arbitration, neither party may bring an action or proceeding in any court if the same arises from a claim that is subject to arbitration hereunder.

IN WITNESS WHEREOF, the City and the Operator have caused this Agreement to be executed in their respective corporate names, and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first written above.

CITY OF MINNEAPOLIS

By Alber J. Wolfe
Mayor

Attest:

[Signature]
City Clerk

Countersigned:

Mary Des Roche
City Comptroller-Treasurer

MART PLAZA HOTEL, INC.

By [Signature]
Its President

And _____

Its _____

Approved as to Legality:

Donnell H. Linn
Assistant City Attorney

1 Get a copy of the Grant Plan for the project

2 Rochester Hall - Set 5 members to sign

3 GC (a) draft letter of understanding
(b) Set 5 members to sign form

4 Loop members attend

5 Planning notification requires council action