

3140

APPROVED BY CITY COUNCIL

DEC 8 1900, 19____
City Clerk

CONTRACT FOR DEVELOPMENT

By and Between

THE CITY OF MINNEAPOLIS

And

TED GLASRUD ASSOCIATES, INC.



3149 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 8th day of December 1980, 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 City desires to construct a Public Parking Facility (Ramp 4A) to be a part of the City's fringe parking system; and

WHEREAS, the City desires that the air space above the Parking Ramp be developed privately by construction of a hotel and residential condominium units; and

WHEREAS, the City believes that the development of the air space will be in the public interest, be consistent with the present and contemplated development of Minneapolis, increase the tax base of the City and the other taxing districts in which the Project is located, provide jobs for local residents and otherwise be beneficial to the City and the citizens of Minneapolis and surrounding areas; and

WHEREAS, because the development of the air space will necessitate the construction of special columns, foundations and supports of the Parking Ramp strong enough to support and accommodate the air space development, Additional Costs will be incurred in the construction of the Parking Ramp; and

WHEREAS, the City has created and established Development District No. 54 to include the land on which the Project is to be constructed, for the previously stated public purposes, as an "economic development district" pursuant to Minnesota Statutes, Chapters 273 and 472A and has adopted a Tax Increment Finance Plan specifying the method for financing the aforementioned Additional Costs by the sale of bonds by the City, the principal and interest of which are to be paid from the real estate taxes realized as a result of the air space development ("the increments") and from the rent to be paid by the developers for the lease of the air rights; and

WHEREAS, Developer desires to lease a portion of the air space to construct thereon residential Condominiums;

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

ARTICLE I

DEFINITIONS, EXHIBITS AND RULES OF INTERPRETATION

1.1 Definitions. As used in this Agreement, the following terms shall have the meanings specified in this Section 1.1 of this Agreement unless the context hereof clearly requires otherwise:

a. Additional Costs - The difference between the cost of construction of the Parking Ramp as designed and the cost the City would incur for construction of a parking ramp with approximately 1,200 parking spaces, but without the planned air rights development. This cost has been estimated to be, and the parties agree that such additional costs will be approximately \$3,651,000. Such costs are attributable to the special foundation, columns, other supports and features within the Parking Ramp

needed to support and accommodate the buildings to be constructed within the air space above the ramp.

b. Banking Facility - The drive-in bank to be located on the ground level of the Parking Ramp.

c. Bonds - The tax increment bonds the City plans to issue to finance the Parking Ramp.

d. Certificate of Completion - The certificate to be issued by City substantially in the form of Exhibit E hereof as provided in Section 7.7 of this Agreement.

e. Completion Date - The date established pursuant to Section 7.6 of this Agreement.

f. Condominium Parcel - That volume of air space located directly above the Hotel Parcel and described in the Lease, and the condominium lobby located on the ground floor of the Parking Ramp, together with all easement rights appurtenant thereto as described in the Easement Agreement.

g. Construction Lender - A lender providing funds to pay the costs of constructing the Improvements, which financing is to be secured by a lien upon Developer's interest in the Lease and including any successors or assigns of such lender.

h. Construction Mortgage - A mortgage creating a lien upon Developer's interest in the Lease or part thereof executed by Developer as mortgagor in favor of the Construction Lender as mortgagee.

i. Construction Plans - The final plans, drawings, blueprints and design for the Parking Ramp, the Hotel or for the Developer's Improvements as the context hereof indicates.

j. Construction Schedule - A schedule attached hereto as Exhibit C setting forth the dates for commencement and completion of the Improvements.

k. Date of Leasing - The date set forth in Section 6.2 of this Agreement on which date the Lease is to be executed and delivered to Developer.

l. Design Development Plans - Those plans, drawings and blueprints for the Project or any part thereof dated November 25, 1980 and representing the design following the completion of the Design Development phase of design by the Project Architect.

m. Easements - The rights of Developer to maintain certain of its facilities and Improvements within the City's Parking Ramp pursuant to the Easement Agreement referred to in paragraph s. of this Section 1.1.

n. Hotel Developer - Inn Management, Inc., a corporation, its successors and assigns, which has a development agreement with the City to construct a Hotel directly above the Parking Ramp.

o. Hotel Improvements - Those improvements to be constructed on the Hotel Parcel for use as a Hotel and all equipment and facilities appurtenant thereto, all as described in the Construction Plans.

p. Hotel Parcel - That volume of air space located directly and immediately above the Parking Ramp and described in the Lease, and the Hotel lobby located on the ground floor of the Parking Ramp, together with all easement rights appurtenant thereto which are described in the Easement Agreement.

q. Improvements - Developer Improvements - A structure containing at least 319 residential condominiums to be designed and constructed in accordance with the Construction Plans, including all facilities appurtenant thereto whether located within the Condominium Parcel or within the City's Parking Ramp. A list of the Improvements is attached hereto as Exhibit D.

r. Land Parcel - The land owned by the City on which the Parking Ramp is to be constructed. The Land Parcel is described in Exhibit A to this Agreement.

s. Lease - The written document attached hereto as Exhibit B under which the Condominium Parcel will be demised to Developer for a term of ninety-nine (99) years. The Lease shall contain as an exhibit the Easement Agreement which, when approved by the City, Developer and the developer of the Hotel, shall be attached as an exhibit thereto. The aforementioned parties shall approve the Easement Agreement prior to the award of a contract for construction of the Parking Ramp.

t. Parking Ramp - The structure to be constructed by the City on the Land Parcel in accordance with the Construction Plans. The Parking Ramp shall contain the Public Parking Facility, and in addition certain areas to be leased for hotel and condominium purposes and for use of the Banking Facility.

u. Permanent Lender - A lender providing funds for the long-term financing of the Improvements, which financing shall be secured by a lien on Developer's interests in the Hotel Parcel and the Improvements.

v. Permanent Mortgage - A mortgage creating a lien on Developer's interest in the Condominium Parcel and the Improvements.

w. Project - The Parking Ramp, the Hotel and the Condominiums to be constructed in accordance with the Construction Plans.

x. Project Architect - The Hodne-Stageberg Partners, Inc., which is the firm responsible for the design of the Parking Ramp, Hotel and Condominiums.

y. Public Parking Facility - That portion of the Parking Ramp designed and used exclusively for vehicle parking and the facilities appurtenant thereto.

z. Tax Increment Finance Plan - The document approved and adopted by the Minneapolis City Council setting forth the development program for Development District No. 54 and the proposal for the issuance of the Bonds to finance the Additional Costs.

aa. Unavoidable Delays - The justifiable delays in performance of the acts required of the parties hereto as a result of the causes set forth in Section 11.6 of this Agreement.

1.2 Exhibits The following Exhibits are attached to and by this reference made a part of this Agreement.

a. Exhibit A - Legal Description of the Land Parcel and Condominium Parcel.

b. Exhibit B - Form of the Lease.

c. Exhibit C - The Construction Schedule.

d. Exhibit D - A list of the Improvements to be constructed by Developer.

e. Exhibit E - Form of the Certificate of Completion.

1.3 Rules of Interpretation.

a. The construction, interpretation and validity of this Agreement shall be in accordance with and governed by the laws of the State of Minnesota.

b. The words "herein" and "hereof" and words of similar import, without reference to any particular article, section or subdivision, refer to this Agreement as a whole rather than to any particular article, section or subdivision hereof.

c. References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

d. Any titles of the several articles and sections of this Agreement are inserted for convenience only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties by the Developer. The Developer represents and warrants that:

a. The Developer is a corporation duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any of the provisions of its certificate of incorporation, articles of incorporation, its bylaws or the laws of the State of Minnesota, has the power and authority to enter into this Agreement, has duly authorized the execution, delivery and performance of this Agreement by proper corporate action.

b. The making and performance of this Agreement by the Developer has been duly authorized by all necessary action and this Agreement, the Lease and the Easement Agreement and all other instruments and documents described herein, when signed and delivered pursuant hereto, will be valid and binding obligations of the Developer in accordance with their terms.

c. Neither the execution and delivery of this Agreement, the consumption of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of the terms, conditions or provisions of any agreement or instrument of any nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

d. The Developer intends to devote the Condominium Parcel to the construction of the Improvements and to no other purpose and to construct said Improvements entirely within the Condominium Parcel.

e. The Developer intends to obtain, in a timely manner, all required permits, licenses and approvals and intends to meet, in a timely manner, all requirements of all local, state and federal laws and regulations which must be obtained or met before the Improvements may be lawfully constructed.

2.2 Representations by City. The City makes the following representations as the basis for its covenants herein:

a. The City is the fee owner of the Real Estate described in Exhibit A.

b. The City shall take all necessary action to create and establish Centre Village Development District.

ARTICLE III
DESIGN AND CONSTRUCTION OF PUBLIC PARKING FACILITY

3.1 Approval of Construction Plans. The Project Architect shall prepare all plans and specifications for the Parking Ramp and coordinate the design thereof so as to accommodate and be compatible with the Developer's Improvements. The City Coordinator, City Engineer and the Developer shall each review and approve all preliminary, schematic and Construction Plans for the Hotel, Condominiums and Parking Ramp. If the Developer does not approve such plans and specifications within thirty (30) days after they are submitted to it for approval, the City may terminate this Agreement by giving written notice to Developer. The Developer may terminate this

Agreement by giving written notice to the City within thirty (30) days after the submission to it of such plans and specifications for its approval. If Developer fails to approve or disapprove the Plans within said thirty (30) day period, the Plans shall be deemed approved.

The City and Developer each acknowledge the rights of the Marquette National Bank of Minneapolis to review and approve certain portions of the plans and specifications relating to the Banking Facility as provided in the Agreement to Lease entered into by the City and the Bank and dated December 30, 1977 and each party hereto agrees to abide by said Agreement to Lease insofar as it pertains to the incorporation of a design for the Banking Facility in the plans and specifications for the Public Parking Facility.

3.2 Payment for Design Costs of Parking Ramp. The City agrees to pay all fees and charges of the Project Architect for all plans, specifications and bid documents insofar as they relate to the Parking Ramp with the exception of such items of design as relate to the Developer's Improvements and the Hotel Improvements which are to be located within the Parking Ramp and with the exception of such design costs for which the City is to be reimbursed by the Bank.

3.3 Contract for Construction of Parking Ramp. The City may advertise for bids for construction of the Parking Ramp following the approval of all plans, specifications and bid documents as required herein. In its advertisement for bids the City may reserve the right to reject any or all bids or any part of a bid, to waive minor defects or technicalities or to advertise for new bids as it may deem best for its interests, all in accordance with the customary and reasonable bidding practices utilized by the City. The City may contract with any responsible contractor or subcontractors for construction of the Parking Ramp, subject only to such limitations as may be provided by law.

3.4 Operation of Public Parking Facility. The Public Parking Facility shall be open to the public; however, the City, its successors and assigns, will reserve up to 296 leased continuing monthly parking permits to condominium owners; in addition to parking spaces to be leased to the general public, condominium owners will be allowed to lease additional spaces on the same basis as the general public on a first-come first-served basis with the general public using the parking ramp on an hourly, daily or monthly basis. Provided, however, that the lease and continued use of parking permits shall be subject at all times to such terms and conditions as may be reasonably imposed or set from time to time by City, and shall be subject to immediate termination and cancellation, upon the issuance of a statutory notice of deficiency by the Internal Revenue Service, a ruling of the National Office or any District Office thereof, or a final decision of a court of competent jurisdiction which holds or states, or a change in any federal statute which in the opinion of City provides, that the interest received on the revenue bonds used to finance the ramp is or has been includable in the gross income of the holders for federal income tax purposes (regardless of whether the statutes, regulations or rulings on which the Determination of Taxability is based are constitutional or their validity or applicability to such interest is subject to challenge in any proceeding, in the opinion of City), or in the event of notification of an intended assessment of tax, under state law, on the ramp property or any interest therein as a result of issuance of such permits. Provided further that the number of spaces reserved to condominium owners shall be subject to adjustment if necessary in order for the City to maintain tax exempt status of the bonds the City sells for construction and permanent financing of the parking ramp.

ARTICLE IV
LETTER OF CREDIT

4.1 Letter of Credit.

At the time this Agreement is executed and delivered, Developer shall provide to the City an irrevocable bank Letter of Credit in form satisfactory to the City in the amount of \$644,000.

The purpose of the Letter of Credit is to provide security to the City that (i) the Rent due under the Lease shall be paid and (ii) that the Improvements will be constructed; so that the principal and interest on the Bonds may be paid in accordance with the Tax Increment Finance Plan, pursuant to which the rent and the tax increments resulting from the Project are to be used to pay the principal and interest payments on the Bonds. Accordingly, and in furtherance of this purpose, the Letter of Credit shall, by its terms, be available for payment to the City, pursuant to any demand by the City, until the Developer completes construction of the Improvements and receives a Certificate of Completion as provided for in Section 7.7a of this Agreement.

The Letter of Credit shall, by its terms, be available for payment to the City pursuant to any demand for payment by the City until the Developer completes construction of the Improvements and receives a Certificate of Completion. The letter of Credit may have an expiration date equal to or for a period of time greater than one year from the date the City receives the Letter of Credit; provided, however, that in the event the Developer has not completed the construction of the Improvements and received the Certificate of Completion thirty (30) days prior to the expiration date of the Letter of Credit, then the Developer shall provide another Letter of Credit to the City in the same form and in the same amount, with an expiration date at least one year from the expiration date of the prior Letter of Credit. The term "Letter of Credit" as used in this Agreement shall mean and include the original Letter of Credit and any subsequent Letters of Credit provided to the City pursuant to this Section 4.1 of this Agreement.

The Letter of Credit shall provide that the entire amount of said Letter of Credit shall be payable to the City upon written demand to the issuing bank upon the occurrence of one or more of the following circumstances:

- a. The Developer fails to provide a renewal Letter of Credit to the City in a timely and satisfactory manner as required by this Section 4.1 of this Agreement.
- b. Developer fails to submit satisfactory evidence of financing sufficient to construct the Improvements pursuant to Article V of this Agreement.
- c. Developer fails to execute and enter into the Lease when required by Article VI of this Agreement.
- d. Developer fails to pay the Compensation required to be paid to City pursuant to Section 3.3 of the Lease.
- e. Subject to Unavoidable Delays, Developer fails to commence construction of the Improvements in a timely manner or in conformity with the Construction Plans.
- f. Subject to Unavoidable Delays, Developer fails to progress with construction of the Improvements in a timely manner in accordance with the Construction Schedule.
- g. Subject to Unavoidable Delays, Developer fails to complete construction of the Improvements in conformity with the Construction Plans or in a timely manner.

h. Developer fails to comply with a covenant, condition or obligation on its part to be observed or performed under this Agreement or under the Lease and fails to remedy or cure such failure within thirty (30) days after receiving written notice from the City specifying such failure and demanding that it be remedied (or within such other period as is expressly provided for in this Agreement or in the Lease).

i. Any of the circumstances listed in Section 11.5 (a-g).

j. Developer fails to exercise its option granted in Section 11.8 a, b, or c.

4.2 Use of Proceeds of Letter of Credit. Upon the payment to the City of the proceeds of the Letter of Credit, the City, in its sole discretion, may use the proceeds, or hold them until needed, for the following purposes.

a. To cure or remedy any default or breach of any of the covenants or obligations of the Developer under this Agreement including, but not limited to, curing any default by the Developer of the terms of any Construction Mortgage or Permanent Mortgage or the purchase of such mortgage by the City pursuant to Sections 8.6 and 8.7 of this Agreement.

b. To pay the principal and interest on the Bonds in accordance with the Tax Increment Finance Plan and the schedule for repaying the City's obligations which are evidenced by said Bonds.

ARTICLE V EVIDENCE OF FINANCING

5.1 Approval of Mortgage Financing. Prior to the Date of Leasing, the Developer shall submit to the City evidence of commitments for mortgage financing sufficient for construction of the Improvements. If the City finds that the mortgage financing is sufficiently committed and adequate in amount to provide for the construction of the Improvements, then the City shall notify the Developer in writing of its approval. If the City rejects the evidence of mortgage financing as inadequate, it shall do so in writing, specifying the basis for the rejection. In any event, the Developer shall submit adequate evidence of mortgage financing within thirty (30) days after such rejection.

5.2 Housing Revenue Bonds. The City agrees to sell on behalf of the Developer Housing Revenue Bonds, if legally possible, to finance the development of the Condominium Parcel; provided that the Developer takes all necessary actions and bears all costs necessary for the sale of said Bonds.

ARTICLE VI LEASE OF CONDOMINIUM PARCEL

6.1 Lease of Condominium Parcel. Subject to all of the terms, covenants and conditions of this Agreement, the City does hereby agree to lease and demise to the Developer, and the Developer does hereby agree to hire and take from the City the Condominium Parcel as described herein, pursuant to, and in accordance with the Lease.

6.2. Date of Leasing. The Lease shall be executed and delivered by the City and Developer within thirty (30) days following the date on which the City has given the Developer written notice of the fact that the City Engineer, in consultation with the Project Architect, has certified that the Hotel Improvements have been completed to a degree sufficient that construction of the Developer's Improvements may commence.

The closing shall take place at the office of the City Attorney for City, A-1700 Government Center, or such other place as may be mutually designated.

6.3 Possession. The City shall deliver actual possession of the Condominium Parcel to Developer on the Date of Leasing.

6.4 Lease. Subject to performance by Developer, the City will execute and deliver on the Date of Leasing a lease in the form of Exhibit "B".

6.5. Real Estate Taxes and Assessments. City shall pay the real estate taxes, if any, due and payable in the year the Lease is executed and all prior years, if any, and all existing, pending or anticipated special assessments for work which, as of the Date of Leasing, is in place, has been visibly commenced or for which the letting of contracts has been authorized by the City. The Developer shall be responsible for the payment of all real estate taxes due and payable in the year following the year the Lease is executed and thereafter and all special assessments levied and imposed upon the Condominium Parcel, or any portion thereof, which are not the obligation of the City hereunder.

6.6. Conditions Precedent to Leasing. The obligation of the City to lease the Condominium Parcel to the Developer shall be subject to the following conditions precedent:

a. The construction of the Hotel shall have been completed to the extent that the City Engineer has certified that construction of the Developer's Improvements may be commenced.

b. The Developer has submitted evidence satisfactory to the City that it has adequate capital and financing to complete the Developer's Improvements.

c. The Developer shall have obtained the necessary permits required by the state or federal governments for the construction and completion of the Developer's Improvements.

d. The City shall have approved the Construction Plans submitted by the Developer as provided in Section 7.1 hereof.

6.7 Title. Within sixty (60) days after the execution and delivery of this Agreement, or such other time to which the parties shall mutually agree, the City shall furnish to Developer an abstract of title or a registered property abstract of the Land Parcel or a policy of Title Insurance showing marketable title in the City. The Developer shall be allowed thirty (30) days after receipt thereof for examination of said title and the making of objections thereto, said objections to be made in writing and delivered to the City within said time or deemed to be waived. If any objections are so made, the City shall be allowed ninety (90) days to make such title marketable. If said title is not marketable and is not made so within ninety (90) days after the receipt of said written objections thereto, then the Developer and the City shall each have the right to terminate this Agreement within ten (10) days after the expiration of said ninety (90) day period by giving written notice to the other party, and in that event neither party shall have any further obligations to the other party under this Agreement. If, however, neither party terminates this Agreement after the expiration of said ninety (90) day period, this Agreement shall remain in full force and effect and the Developer shall be deemed to have waived any objections to the marketability of title.

ARTICLE VII
DEVELOPER'S IMPROVEMENTS

7.1 Plans. The Developer shall, within thirty (30) days after the execution and delivery of this Agreement, submit to the City for review and approval the Design Development Plans for the Developer's Improvements. The City Coordinator, in conjunction with the City Engineer and any consultants the City selects, shall review the Developer's Construction Plans with regard to, but not limited to, design, compatibility with the structure and design of the Parking Ramp, structural integrity and quality of the Improvements. Within thirty (30) days after the submission of said plans, the City shall notify the Developer whether it approves the said plans. If the City disapproves the Construction Plans, the notice shall set forth the reasons for rejection, and the Developer shall have fifteen (15) days to resubmit amended Construction Plans. Within ten (10) business days after receipt of amended Construction Plans submitted by Developer, the City shall approve or reject such plans in the manner set forth herein. If the developer fails to submit amended Construction Plans, or if the parties cannot agree to modifications of the Construction Plans, the City and the Developer shall each have the right to terminate this Agreement, and the parties hereto shall have no further obligation to one another.

7.2 Change in Plans. Any changes to the Design Development Plans or the Construction Plans after their approval by the City shall be approved or rejected by the City within ten (10) business days after receipt of notice of such change as provided in 7.1.

7.3 No Waiver. Nothing in this Agreement is intended to waive or modify the requirements and provisions of applicable building codes and city ordinances.

7.4 Cost of Construction. The cost of developing and constructing all of Developer's Improvements (Exhibit D), including all fees and charges of the Project Architect for the design thereof, shall be borne by the Developer.

7.5 Construction of Developer's Improvements.

a. The Developer warrants and agrees that it shall construct the Developer's Improvements within the Condominium Parcel in accordance with and in conformity with the Construction Plans approved by the City. The Developer shall commence and complete construction of the Developer's Improvements within the time periods set forth in the Construction Schedule attached hereto as Exhibit C.

b. The Developer shall use its best efforts to require each contractor engaged to work on the Improvements to comply with all rules, regulations, ordinances and laws bearing on its conduct of work on the said improvements. The Developer shall be responsible for the repair or replacement of any property of the City and of any portion of the Parking Ramp damaged or destroyed during construction of the Improvements.

7.6 Establishment of Completion Date. The Completion Date, for purposes of this Agreement, shall be the date on which the Developer has substantially completed the construction of the Improvements to the satisfaction of the City Coordinator in accordance with the Construction Plans approved by the City and has received occupancy permits with respect to all of the Improvements set forth in Exhibit D, but in no event later than 36 months after commencement of the Improvements.

7.7 Certificate of Completion.

a. Promptly after the establishment of the Completion Date, in accordance with Section 7.6 hereof, the City will furnish the Developer with an appropriate certificate so certifying. Such certification by the City shall be in recordable form and shall constitute a conclusive determination that the agreements and covenants of this Agreement and referenced in the Lease with respect to the obligations of the Developer to construct the Improvements have been fully satisfied. The certification shall be substantially in the form set forth in Exhibit E. If the City fails or refuses to provide a certification in accordance with the provisions of this Section, the City shall, within thirty (30) days after written request by Developer, provide the Developer with a written statement indicating in adequate detail the respects in which the Developer has failed to complete the Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification. At the time such measures or acts have been performed, the City shall promptly issue said certificates.

b. With respect to the individual condominium units which, as provided in this Agreement, the Developer may convey as they are completed, the City will also, upon proper completion of the Improvements relating to such condominium units, certify to the Developer that such Improvements have been completed in accordance with the provisions of this Agreement. Such certification shall mean and provide that any person purchasing such individual condominium unit shall not because of such purchase incur any obligation with respect to the construction of the Improvements relating to such unit or to any other part, parcel or unit of the Condominium Parcel or the Improvements. Such certification shall be in recordable form. If the City fails or refuses to provide a certification in accordance with the provisions of this subsection, the City shall, within thirty (30) days after written request by the Developer, provide Developer with a written statement indicating the respect in which Developer has failed to complete the Improvements with respect to the individual condominium unit involved, or is otherwise in default, and what measures or acts will be necessary in order for Developer to obtain such certification.

7.8 Compliance with Laws and Regulations. The Developer's Improvements will conform to all applicable laws, regulations and ordinances.

7.9 Progress Reports. Subsequent to the Date of Leasing, the Developer shall make detailed reports to the City monthly as to the actual progress of Developer in the Construction of Developer's Improvements, if requested by City.

ARTICLE VIII

CONSTRUCTION MORTGAGE FINANCING

8.1 Mortgage Financing. The Developer may mortgage or otherwise encumber the Condominium Parcel as provided in the Lease. The Developer shall notify the City in advance of any financing, secured by a Construction or Permanent Mortgage it proposes to enter into with respect to the Lease.

8.2 Notice to City. Developer shall cause all Construction and Permanent Lenders to be apprised of this Agreement and to agree that if a default occurs under

any loan agreement secured by a Construction Mortgage or the Permanent Mortgage, the Construction or Permanent Lender will, before it exercises its right to accelerate the indebtedness secured by the Construction or Permanent Mortgage, its right to foreclose the Construction or Permanent Mortgage, or taking any action in lieu of foreclosure, or the Construction Lender's right to complete any of the Improvements, first provide the City with not less than ten (10) days prior written notice.

8.3 Mortgagee Not Obligated to Construct. Notwithstanding any provision of this Agreement, the holder of any Construction Mortgage authorized by this Agreement shall not be obligated by the provisions of this Agreement to construct or complete the Developer's Improvements or to guarantee such construction or completion. However, any provision in this section or any other section or provision of this Agreement to the contrary notwithstanding, any such holder shall not be permitted to devote the Condominium Parcel or any part thereof to any other uses, or to construct any improvements not provided or permitted in this Agreement unless otherwise approved by the City.

8.4 Copy of Notice of Default to Mortgagee. Whenever the City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in its obligations or covenants under this Agreement, the City shall at the same time notify each holder of any Mortgage authorized by this Agreement.

8.5 Mortgagee's Option to Cure Defaults. The holder of any mortgage authorized by this Agreement shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy any breach or default by the Developer under this Agreement and to add the cost thereof to the mortgage debt. Nothing contained in this Agreement shall be deemed to permit or authorize such holder either before or after foreclosure to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect the Improvements or construction already begun) without first having expressly assumed the Developer's obligations to the City by written agreement satisfactory to the City. The holder, in that event, must agree to complete, in the manner provided in this Agreement. Any such holder properly completing such Improvements shall be entitled to a Certificate of Completion from the City.

8.6 Failure of Holder to Complete Improvements. In any case where, within three (3) months after default by the Developer in construction of Improvements under this Agreement, the holder of any mortgage, has not exercised the option to construct, or if it has exercised the option, has not proceeded diligently with construction, the City may, if it has terminated the Developer's rights under this Agreement, purchase the mortgage by payment to the holder of the amount of the unpaid debt. If any right, title or interest in the Condominium Parcel or any part has vested in the holder, the City, if it so desires, shall be entitled to a conveyance from the holder to the City of the Condominium Parcel and Improvements constructed therein, if any, upon payment to the holder of any amount equal to the sum of the following:

a. The unpaid mortgage debt (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings).

- b. All expenses with respect to foreclosure.
- c. The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Improvements.
- d. The costs of any Improvements made by such holder.

8.7 Right of City to Cure Mortgage. In the event of a default or breach by the Developer in a mortgage, prior to the issuance of a Certificate of Completion for the Improvements, and the holder of any such mortgage has not exercised its option to construct, the City may cure the default. In such event the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default together with interest thereon at the same rate as that specified in the mortgage in question.

8.8 Subordination of Lessor's Interest. Lessor does hereby agree to subordinate fee title to said Condominium Parcel to any mortgage on the Developer's interest hereunder to the extent that the Mortgagee may be placed in the position of the Lessee and subject to all of the terms of this Lease.

ARTICLE IX PROHIBITION AGAINST LIENS, ASSIGNMENT AND TRANSFER

9.1 Prohibition Against Liens. Except as otherwise permitted in this Agreement and except mechanics' and materialmen's liens in respect to obligations which are not due, the Developer shall not create or permit any mortgage, encumbrance, mechanics' or other liens to be filed or established or to remain against the Condominium Parcel or any part thereof prior to the issuance of the Certificate of Completion therefor; provided that if the Developer shall first notify the City of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom so long as the Condominium Parcel is not subject to foreclosure by reason of such contest. During the course of such contest, Developer shall keep the City informed respecting the status of such defense.

9.2 Prohibition Against Change in Identity of Developer. In view of the fact that the City is relying on the qualifications and identity of the Developer for the performance of the undertakings herein for development of the property, Developer agrees that prior to completion of Developer's Improvements as certified by the City there shall be no change in the identity of the principals or their respective percentages of ownership or voting rights in the Developer, without the prior written approval of the City, unless such change results from disability or death of a principal.

9.3 Prohibition Against Transfer of Property and Assignment of Agreement.

a. Except for the mortgaging of the Condominium Parcel as provided in Article VIII, and except as to any individual condominium units that have been completed and for which a Certificate of Completion has been issued, as provided for in Section 7.7, Paragraph (b), the Developer will not make or create or suffer to be made or created, any total or partial sale, assignment, conveyance, sublease, or any trust or power, to transfer in any other mode or form, of or with respect to this Agreement prior to the issuance of a Certificate of Completion, without the prior written approval of the City; and in absence of said written approval the Developer shall remain liable hereunder for all its commitments; provided, however, that prior to the issuance of a Certificate of Completion, the Developer may enter into any agreement to sell, lease or otherwise transfer, after issuance of the Certificate of Completion, the Condominium Parcel and Improvements, subject to the provisions of the Lease.

b. The City shall be entitled to require, except as otherwise provided in this Agreement, as conditions to any such approval that:

1) Any proposed transferee shall have the qualifications and financial responsibility as reasonably determined by the City necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

2) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the developer is subject; provided, that the fact that any transferee of, or any other successor in interest whatsoever to the Condominium Parcel, or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit the city of or with respect to any rights or remedies or controls with respect to the Condominium Parcel or the construction of the Improvements; it being the intent of this, together with other provisions of this Agreement, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Lease or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Condominium Parcel and the construction of the Improvements that the City would have had, had there been no such transfer or change.

3) There shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer; and if approved by the City, its approval shall be indicated to the Developer in writing.

4) The consideration payable for the transfer by the transferee or on its behalf shall not exceed the direct costs incurred by the Developer with respect to the interest so transferred, including only the architect fees and construction costs and liabilities incurred up to the date of transfer and such portion of Compensation paid to City under the Lease as can be deemed attributable on a pro rata basis to that portion of the Condominium Parcel transferred; it being the intent of this provision to preclude assignment of this Agreement or transfer of any of the Condominium Parcel or Developer's Improvements for profit prior to the issuance of a Certificate of Completion with respect to the interest being transferred and to provide that in the event any such assignment or transfer is made the City shall be entitled to increase the amount of Compensation to be paid to the City for the Condominium Parcel by the amount that the consideration payable for such prohibited assignment or transfer is in excess of the amount that may be authorized pursuant to this subdivision (4), and such consideration shall, to the extent it is in excess of the amount so authorized, belong to and forthwith be paid to the City. Provided, that in the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer from any of its obligations under this Agreement.

ARTICLE X INDEMNITY AND INSURANCE

10.1 Insurance. The Developer or its Contractors shall procure and maintain or cause to be maintained during the term hereof, at its sole cost and expense, the following types of insurance in the amounts specified and in the form provided for below:

a. Comprehensive general public liability insurance against claims for bodily injury, death or property damage occurring upon or in the Condominium Parcel and the Improvements, such insurance to afford protection to limits not less than \$500,000.00 with respect to death or injury to any one person, \$1,000,000.00 with respect to death or injury to any group of persons in any single occurrence, and \$500,000.00 with respect to property damage.

b. Builder's Risk insurance, written on the so-called "Builder's Risk - Completed Value Basis" in an amount equal to 100% of the insurable value of the Improvements at the date of completion.

The policies of insurance required hereunder shall be taken out and maintained with responsible insurance companies licensed to transact business in the State of Minnesota. Certificates evidencing such insurance shall be furnished the City upon commencement of construction of the Developer's Improvements. Each policy shall contain a provision that the insurer shall give not less than thirty (30) days' advance written notice to the City in the event of cancellation of the policy or change affecting the coverage thereunder.

c. In the event the Improvements, or any portion thereof, are destroyed by fire or other casualty, then the Developer shall forthwith repair, reconstruct and restore the Improvements to substantially the same condition and value as existed prior to the event causing such damage or destruction and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer shall apply the proceeds of any insurance received by the Developer to the payment or reimbursement of the costs thereof. The Developer shall, however, complete the repair, reconstruction and restoration of the Improvements whether or not the proceeds of any insurance received by Developer are sufficient to pay for such repair, reconstruction and restoration.

d. The City shall be named as an additional named insured under all policies required to be maintained by Developer under paragraph a. of this Section 10.1 and executed copies of all such policies of insurance or certificates thereof shall be delivered to City promptly upon their issuance and thereafter within thirty (30) days prior to the expiration of the term of each such policy. The general comprehensive liability policy provided for in paragraph a. of this Section 10.1 shall contain a provision that the City, although named as an insured, shall nevertheless be entitled to recovery against Developer for any loss occasioned to it, its agent and employees for which the Developer is liable. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Developer in like manner and to like extent. All policies of insurance delivered to City shall contain a provision that the insurer will give City thirty (30) days' notice in writing in advance of any cancellation or lapse or the effective date of any reduction of the amounts of insurance. All comprehensive public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of any coverage which Developer may carry.

ARTICLE XI REMEDIES

11.1 General. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by either party hereto such party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach and, in any event, to do so within thirty (30) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach is not cured or remedied on or before the said thirty (30) day period or such longer period as may reasonably be required to cure promptly such default, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such default or breach.

11.2 Termination by Developer. In the event that the Developer disapproves the City's Construction Plans for the Parking Ramp it may terminate this Agreement by giving written notice as provided in Section 3.1 hereof and neither of the parties hereto shall have any further rights, liabilities or obligations to one another.

11.3 Termination by City Prior to Date of Leasing. If prior to the lease of the Condominium Parcel to the Developer the financing or construction of the Parking Ramp becomes infeasible, the City shall have the unconditional right to terminate this Agreement whether or not such termination is due to any default or breach on the part of the Developer. Such termination shall be effective only upon written notice to the Developer.

If the City exercises such right to terminate and the Developer is not in default or breach of this Agreement, the Developer may withdraw its letter of credit and shall have no further obligations to the City. Upon such termination, the City shall have the right but not the obligation to purchase from Developer all of the plans, drawings, blueprints and specifications for the Developer's Improvements for an amount of money equal to the expenses incurred by the Developer in having the said plans prepared.

11.4 Failure to Start Construction. In the event the Developer, after obtaining the Lease, fails to commence construction of the Developer's Improvements within ninety (90) days after the Date of Leasing, unless excused by the City, then the City shall have the right to reenter and take possession of the Demised Premises and to terminate and revert in the City the estate conveyed by the Lease to the Developer. The Developer, upon demand of the City, shall execute and deliver a lease termination agreement and a quit claim deed conveying all interest in the Land Parcel to the City. Such lease termination and any such quit claim deed shall be subject to the rights of any Construction Mortgagee as provided in Article VIII.

11.5 Additional Remedies of City. In the event that

a. The Developer, or any successor in interest, assigns this Agreement or any rights therein, or transfer its interest in the Lease, in violation of this Agreement and the Developer fails to remedy any breach within thirty (30) days after receipt of written notice from the City to remedy such breach; or

b. There is any change in the ownership of the Developer or with respect to the identity of the parties in control of the Developer or the degree thereof contrary to the provisions of this Agreement and the Developer fails to remedy such breach within thirty (30) days after receipt of written demand from the City to remedy such breach; or

c. The Developer having started construction of the Developer's Improvements abandons such construction or unreasonably delays or substantially suspends construction work thereon and the Developer fails to remedy such breach within thirty (30) days after receipt of written demand from the City to remedy such breach; or

d. The Developer shall be in default under or in breach of the terms of any Construction Mortgage or loan agreement made in connection therewith and the Developer fails to cure such breach or default within thirty (30) days after written demand from the City to do so, or such default or breach is one which cannot be cured within thirty (30) days, then that number of days required to cure the default, provided that Developer satisfies the City that it is using all reasonable efforts to cure the same.

e. The Developer, prior to issuance of a Certificate of Completion, shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any present or future federal bankruptcy act or under any similar federal or state law, or shall have an involuntary petition filed against it for such purposes and the same shall continue unstayed or undismissed for a period of sixty (60) days, or shall make an assignment for the benefit of creditors; or

f. Prior to the issuance of a Certificate of Completion as provided in Section 7.7a, execution shall have been levied or attachment shall have been made against any part of the Condominium Parcel or Improvements and the same shall continue unstayed and in effect for a period of more than thirty (30) days; or

g. Prior to the issuance of a Certificate of Completion as provided in Section 7.7a, the Developer defaults in the performance of or breaches any other covenant in this Agreement to be performed by it and the Developer fails to remedy such breach within thirty (30) days after receipt of written demand from the City to remedy such breach (or other period of time specified herein with respect to such default or breach), then the City, in addition to any other remedy it may have at law or equity, including the right to specific performance, the right to demand payment under the Letter of Credit and the right to recover its damages suffered in consequence thereof;

1) May terminate this Agreement and any rights of the Developer and/or any assignee or transferee under this Agreement, or arising therefrom and neither the Developer and any assignee or transferee shall have any further rights or obligations under this Agreement.

2) Have the right to reenter and take possession of the Condominium Parcel and to terminate (and revert in the City) the estate conveyed by the Lease to the Developer, it being the intent of this provision, together with the other provisions of this Agreement, that the Lease to the Developer shall be made upon a condition to the effect that in the event of failure on the part of the Developer to remedy and/or abrogate any such default, failure, violation, or other action or inaction specified in this Section 11.5, within the period specified in this Section 11.5, if any, the City of its option may declare a termination in favor of the City of all of Developer's rights and interests in and to the Condominium Parcel conveyed by the Lease to the Developer, in which event all title and all rights and interest of the Developer, and any assigns or successors in interest to and in the Condominium Parcel and the Developer's Improvements thereon and therein shall revert to the City. Provided that such condition subsequent and any reversion of title as a result thereof in the City shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement.

In such event, the Developer, upon demand of the City, shall execute and deliver a quit claim deed conveying all its interest in the Lease and in the Condominium Parcel to the City, subject to the rights of the holder of a said mortgage.

No remedy provided for in this Article XI shall be deemed to impair, abrogate, defeat or diminish in any way the right of the City to demand payment of the Letter of Credit according to its terms and conditions as provided in Article IV.

11.6 Unavoidable Delay in Performance for Causes Beyond Control of Party.

Notwithstanding any provisions of this Agreement to the contrary, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, any of its obligations hereunder, in the event that performance of such obligation has been delayed by an enforced delay due to acts of God, acts of public enemies, fires, floods, storms, strikes, freight embargoes, lockouts or other labor disturbances, insurrections or riots, temporary inability to obtain supplies or materials, delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such unavoidable delay, the time or times for performance of the obligations of the City or of the Developer, as the case may be, shall be extended for a period of time equal to the delay in such performance caused by the enforced delay as reasonably determined by the City and the Developer; provided however, that the party seeking the benefit of the provisions of this sentence shall, within ten (10) days after the beginning of any such unavoidable delay have first notified the other party thereof in writing and of the cause or causes thereof and requested an extension for the period of performance.

11.7 Rights and Remedies Cumulative. The rights and remedies of the parties provided by this Agreement shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedy for the same default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof of any obligation of the other party or to any condition to its own obligations under this Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the obligations of the other party or to the conditions to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other right of the party making the waiver or any other obligation of the other party.

11.8 Failure of Hotel Developer to Construct and Complete Construction.

a. In the event that the Hotel Developer's agreement with the City is terminated for any reason prior to the execution and delivery of the Hotel Parcel lease, the Developer shall have the first right and option to lease the Hotel Parcel and assume all of the Hotel Developer's obligations in accordance with the Hotel Development Agreement and the Hotel Parcel lease. Such right and option must be exercised within sixty (60) days after the Hotel Developer's agreement with the City is terminated.

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.

c. In the event that the Hotel Developer terminates or defaults as referred to in paragraphs a. and b. above, the Developer may elect to construct at least four (4) floors of additional condominiums. Such option must be exercised within sixty (60) days after the termination or default by Hotel Developer.

ARTICLE XII EFFECT AND DURATION OF COVENANTS

The covenants established in this Agreement, shall, without regard to technical classification and designation, be binding on Developer and any successor in interest for the benefit and in the favor of the City, its successors and assigns until the Certificate of Completion has been issued. None of the provisions of this Agreement are intended to or shall be merged by reason of the Lease, and the Lease shall not be deemed to affect or impair the provisions and covenants of this Agreement.

ARTICLE XIII MISCELLANEOUS

13.1 Conflict of Interest. Developer represents that, to the best of Developer's knowledge, no alderman or other officer or employee of the City is directly or indirectly financially interested in this Agreement or any contract, agreement or job hereby contemplated to be entered into or hereby undertaken.

No official or employee of the City shall have any personal interest, direct or indirect, in this Agreement.

The Developer warrants that it has not paid or given, and will not give or pay any official or employee of the City any money or other consideration for obtaining this Agreement.

13.2 Non-Discrimination. The provisions of Minnesota Statutes, Section 181.59 and Chapter 139 of the Minneapolis Code of Ordinances, which relate to Civil rights and discrimination, shall be considered a part of this Agreement as though wholly set forth herein.

13.3 Nonliability of City Officials and Employees. No member, official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

ARTICLE XIV GENERAL

14.1 Notices. 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 return receipt requested, with proper address as indicated below. The City and the Developer 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 of Minneapolis
Attn: Director of Economic Development
301M City Hall
Office of City Coordinator
Minneapolis, MN 55415

To the Developer:

Ted Glasrud Associates, Inc.
151 East County Road B2
St. Paul, MN 55117

To any holder of a Construction Mortgage permitted by the Agreement:

The address shown on the records of the City.

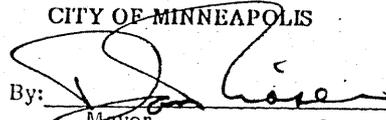
14.2 Approvals. Approvals required of the City or the Developer shall not be unreasonably withheld. All approvals required to be given by the City may be given by the City's Director of Economic Development unless otherwise provided herein.

14.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Developer and the City and their respective successors and assigns, except that the Developer may not transfer and assign its rights hereunder without the prior written consent of the City or as otherwise provided herein.

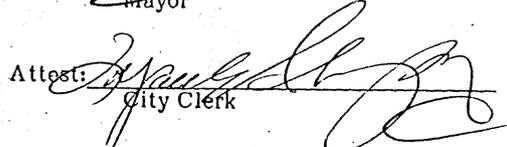
14.4 Execution Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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.

CITY OF MINNEAPOLIS

By: 

Mayor

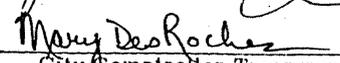
Attest: 

City Clerk

APPROVED AS TO LEGALITY

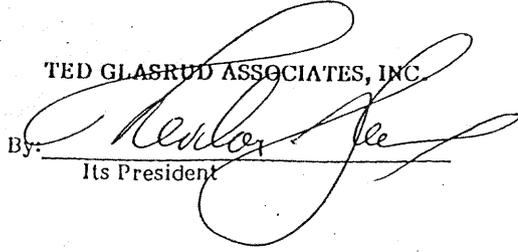
DATE 12-11-80


ASST. CITY ATTORNEY

Countersigned: 

City Comptroller-Treasurer

TED GLASRUD ASSOCIATES, INC.

By: 

Its President

EXHIBIT A

Ramp Description

All that part of the following described property which lies below an elevation of 925.00 feet, NGVD-1929 Sea Level Datum, to wit:

That part of the West ¼ of the Northwest ¼ of Section 26, Township 29 North, Range 24 West, Minneapolis, Minnesota and that part of the city alley to be vacated which lies within the following described boundaries to wit: Commencing at the intersection of the Southwesterly line of Seventh Street South with the Northwesterly line of Fifth Avenue South; thence Northwesterly along the Southwesterly line of said Seventh Street South to a point which is 165.00 feet Southeasterly of the intersection of the Southwesterly line of said Seventh Street South with the Southeasterly line of Fourth Avenue South, as measured along said Southwesterly line of Seventh Street South; thence Southwesterly parallel with the Southeasterly line of said Fourth Avenue South for 155.00 feet more or less to the Northwesterly line of the city alley; thence Southeasterly along said alley line to its intersection with a line drawn parallel with and 145.00 feet Northwesterly of the Northwesterly line of said Fifth Avenue South, as measured along the Northeasterly line of Eighth Street South; thence Southwesterly along said line parallel with Fifth Avenue South 175.00 feet more or less to the Northeasterly line of said Eighth Street South; thence Southeasterly along the Northeasterly line of said Eighth Street South 145.00 feet to its intersection with the Northwesterly line of said Fifth Avenue South; thence Northeasterly along the Northwesterly line of said Fifth Avenue South to the point of commencement.

Subject to easements and restriction of record, if any.

Condominium Description

All that part of the following described property which lies above an elevation of 972.00 feet, NGVD-1929 Sea Level Datum, to wit:

That part of the West ¼ of the Northwest ¼ of Section 26, Township 29 North, Range 24 West, Minneapolis, Minnesota and that part of the city alley to be vacated which lies within the following described boundaries to wit: Commencing at the intersection of the Southwesterly line of Seventh Street South with the Northwesterly line of Fifth Avenue South; thence Northwesterly along the Southwesterly line of said Seventh Street South to a point which is 165.00 feet Southeasterly of the intersection of the Southwesterly line of said Seventh Street South with the Southeasterly line of Fourth Avenue South, as measured along said Southwesterly line of Seventh Street South; thence Southwesterly parallel with the Southeasterly line of said Fourth Avenue South for 155.00 feet more or less to the Northeasterly line of the city alley; thence Southeasterly along said alley line to its intersection with a line drawn parallel with and 145.00 feet Northwesterly of the Northwesterly line of said Fifth Avenue South, as measured along the Northeasterly line of Eighth Street South; thence Southwesterly along said line parallel with Fifth Avenue South 175.00 feet more or less to the Northeasterly line of said Eighth Street South; thence Southeasterly along the Northeasterly line of said Eighth Street South 145.00 feet to its intersection with the Northwesterly line of said Fifth Avenue South; thence Northeasterly along the Northwesterly line of said Fifth Avenue South to the point of commencement.

Subject to easements and restrictions of record, if any.