

Property Agreements Summary
Centre Village
Air Rights Lease
Minneapolis Homotel Associates

Terms and Conditions:

Lessee has the air rights above the parking ramp and certain portions of the ground level.

Requirements of the City:

None

Scheduled Events:

Financial Requirements:

Lessee is required to pay 10% of Lessor's heating, electric, gas, and other utilities needed for supply of the hotel lobby. (6.7)

Rental price and schedule of payments:

Lease is for \$432,000 a one time charge for the air space in exhibit A
Lease of \$638,000 for air rights in exhibit B
Letter of Credit in the amount of \$644,000

Length of agreement:

99 years.

Agreement renewal options:

Contacts for the City of Minneapolis:

Executive Director
Minneapolis Community Development Agency
250 South Fourth Street
Minneapolis, MN 55415

Contacts for the other agreement party:

Mr. Connell Moore
Minneapolis Homotel Associates
5100 Gamble Drive
St. Louis Park, MN 55416

Other important notes:

- Lessee had ownership rights to all improvements made in the hotel.
- Lessee may only operate the hotel for hotel purposes; if they wish to use it for anything else they must have the approval of the city. (6.1).
- Lessor had the right to inspect the hotel at any time during normal business hours. “The Lessor makes no warranty with respect to the capacity of the parking ramp, its foundations, columns, and other supports to carry the load of the Lessee’s improvements. Lessee shall bear the responsibility of determining that the structural elements of the project will be sufficient to support the loads of the improvements throughout the terms of the lease.” (7.2)

AIR RIGHTS LEASE

THIS LEASE, made and entered into effective as of February 1, 1983, by and between the CITY OF MINNEAPOLIS, a municipal corporation, Hennepin County, Minnesota (hereinafter "Lessor"), and Minneapolis Homotel Associates Limited Partnership, a Minnesota limited Partnership, (hereinafter "Lessee").

WITNESSETH:

WHEREAS, the Lessor has constructed a Parking Ramp on certain land in the City of Minneapolis; and

WHEREAS, Lessor and Lessee have entered into a Development Agreement which provides for the construction by Lessee of a hotel containing 228 rooms within the air space above the Parking Ramp and related facilities within the Parking Ramp pursuant to said Development Agreement which provides for this Lease; and

WHEREAS, the Lessor wishes to lease to the Lessee, and Lessee wishes to lease from the Lessor, the air space above the Parking Ramp and certain portions of the ground level of the Parking Ramp for the construction and maintenance by Lessee, its successors and assigns, of the hotel and related facilities;

NOW, THEREFORE, in consideration of the respective promises contained herein and of other good and valuable consideration, given by each party to the other, the receipt of which is hereby acknowledged, the parties hereby agree with each other as follows:

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definition - The terms defined in this Section 1.1 shall for all purposes have the meanings specified in this Section 1.1 unless the content hereof clearly requires otherwise:

- a. Certificate of Completion - The document certifying that the improvements have been completed, which document shall be in the form of the attached Exhibit "C".
- b. Condominium Parcel - That volume of air space located directly and immediately above the Hotel Parcel air space which is being developed with residential and office condominium units, together with all easement rights appurtenant thereto which are described in the Easement Agreement.
- c. Development Agreement - That Contract for Lease and Development of Air Rights in Development District No. 54 as amended and supplemented by a First Amendment dated October 28, 1981 and by a Second Amendment and Supplemental Contract dated December 27, 1982, between the Lessor and Lessee which provides the terms and conditions upon which this Lease is executed and delivered and upon which the Improvements are to be constructed.
- d. Easement Agreement - The Agreement between Lessor, Lessee and the developer of the Condominium Parcel which agreement describes the easement rights and the agreements for maintenance and insurance of shared facilities with respect to the Parking Ramp, Hotel Parcel and Condominium Parcel.
- e. Hotel Parcel -
 1. That volume of air space described in Exhibit A hereto.
 2. The appurtenant easements described in the Easement Agreement.

All references herein to the Hotel Parcel are intended to refer also to any and all buildings, structures and other improvements which are a part of, or which are appurtenant to, the hotel and which are constructed or installed on or within the Project.

- f. Improvements (or "Lessee's Improvements") - A hotel designed and constructed in accordance with the Plans, including all facilities appurtenant thereto.
- g. Leasehold Mortgage - Any mortgage or mortgages made by Lessee of its estate hereunder in the Hotel Parcel of any part thereof. Leasehold Mortgage shall mean the holder of a Leasehold Mortgage.
- h. Parking Ramp - The structure which has been constructed by the Lessor according to the Plans as a Public Parking Facility. The Parking Ramp also contains certain areas leased or subject to easements, for hotel and condominium uses, for use as a drive-in bank, and for other purposes.
- i. Plans - The approved plans, specifications and designs for all work to be performed in connection with the Project. A full and correct copy of the Plans as signed and approved by Lessor, Lessee and the Condominium Parcel developer shall remain on file in the offices of Lessor throughout the term of this Lease. It is anticipated that the Plans will be approved by parties on an interim continuing basis and the final "as-built" Plans shall be designated as such and shall be the controlling Plans once initial construction has been completed and the Certificate of Completion issued.
- j. Project - The Parking Ramp, the hotel and residential/office condominium units constructed according to the Plans.
- k. Public Parking Facility - That portion of the Parking Ramp designed and used exclusively for vehicle parking and the facilities appurtenant thereto.
- l.2 Exhibits - The following Exhibits are attached to and by reference made a part of this Agreement:

- a. Exhibits A - Description of the air space constituting the Hotel Parcel.
- b. Exhibit B - The Reciprocal Easement Agreement.
- c. Exhibit C - Certificate of Completion.

l.3 Rules of Interpretation.

- a. The construction, interpretation and validity of this Lease 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 COVENANTS

2.1 Representations by Lessor. Lessor represents to Lessee as follows:

- a. That Lessor is duly organized and existing under the laws of the State of Minnesota as a municipal corporation;

- b. By proper action of its governing body the Lessor has authorized the execution and delivery of this Lease by the proper City officers;
- c. That the execution and delivery of this Lease by the Lessor and the performance of its covenants and obligations hereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of any of its ordinances or resolutions, or of any agreement or instrument to which the Lessor is now a party.

2.2 Representations of Lessee. Lessee represents and warrants to Lessor as follows:

- a. That Lessee is duly organized and existing under the laws of the State of Minnesota, has the requisite power to enter into this Lease, and has authorized the execution and delivery of this Lease by its undersigned Managing General Partner.
- b. The execution and delivery of this Lease by the Lessee, and the performance of its covenants and obligations hereunder are authorized by and in full compliance with its limited partnership agreement, and do not and will not conflict with or result in a breach of any agreement or instrument to which the Lessee is now a party.

ARTICLE III DEMISE OF HOTEL PARCEL

3.1 Demise. Lessor does hereby demise and lease the Hotel Parcel unto Lessee, and Lessee does hereby hire and take the Hotel Parcel from Lessor, subject to, and together with all the provisions of this Lease, the Development Agreement and the Easement Agreement.

3.2 Leasehold Term. Lessee shall have and hold said premises for a term of ~~ninety-nine (99) years~~ from the date of the execution and delivery of this Lease which is the date first hereinabove written.

3.3 Rent. Lessee shall pay, as compensation to the Lessor for conveying the leasehold estate created herein, a total rent equal to the greater of the following amounts:

(a) \$432,000.00; or (b) the ~~number of hotel occupancy units~~ (excluding meeting rooms) which are to be constructed according to the Plans ~~containing~~ ~~two thousand dollars (\$2,000.00)~~. The above rent shall be paid in one lump sum on the date this Lease is executed and delivered (Date of Leasing). The rent paid hereunder shall not be subject to abatement, diminution or setoff for any reason whatever, including, but not limited to, the termination of this Lease prior to the expiration of the term hereof.

3.4 Easement Agreement. All easements appurtenant to, or which are a burden on the Hotel Parcel shall be as described in the Reciprocal Easement Agreement, Exhibit B hereto which shall be a part hereof as though fully set forth herein.

ARTICLE IV CONSTRUCTION OF LESSEE'S IMPROVEMENTS

4.1 Construction of Hotel. Commencing not later than the time required in the Development Agreement, Lessee shall commence and diligently pursue to completion the construction of the Improvements according to the Plans therefor, and pursuant to the terms and provisions of the Development Agreement. All of the terms, covenants, agreements and conditions contained in said Development Agreement are hereby made a part hereof by reference as though fully set forth herein; provided, however, that reference to and incorporation of said Development Agreement in this Lease shall automatically expire upon the issuance of the Certificate of Completion.

4.2 Certificates of Completion. Lessee's work in construction of Improvements shall be deemed complete at such time as Lessee is issued a Certificate of Completion with respect to the Improvements in accordance with the terms and conditions provided in the Development Agreement. Said Certificate of Completion shall be issued in recordable form and Lessee shall promptly upon receipt of each such certificate cause it to be recorded in the office of the proper recording officer of Hennepin County.

4.3 Ownership of Improvements. The title to all of Lessee's Improvements and all additions or improvements to any part thereof, shall vest in and be and become the absolute property of the Lessee, its successors and assigns; provided, however, that upon the termination of this Lease, whether such termination be due to default or expiration of the term hereof, any and all such Improvements constructed by the Lessee, its successors or assigns on the Hotel Parcel shall become the absolute property of the Lessor and without cost of any kind to the Lessor. Upon termination of this Lease, on expiration of the term, or sooner as provided for herein, the Lessee, and all successors and assigns of the Lessee, shall be required to convey to Lessor all right, title and interest of the Lessee, its successors and assign, in and to the Lessee's Improvements, exclusive of any personal property not attached as a fixture to the Improvements.

4.4 Condition on Surrender. Lessee shall peaceably give up and surrender possession of the Hotel Parcel and every part thereof to Lessor at the expiration, or upon sooner termination, of this Lease, together with all Lessee's Improvements forming a part thereof, in good condition and state of repair, reasonable use and wear excepted. It is understood and agreed, however, that Lessee shall have the right to remove its equipment, furnishings and personal property from the Hotel Parcel at the expiration of the term hereof.

ARTICLE V
TAXES, ASSESSMENTS, ETC.

5.1 Payment of Taxes and Special Assessments. Lessee agrees to pay or cause to be paid, before any fine, penalty, interest or cost may be added thereto for the nonpayment thereof, all real estate and ad valorem taxes and all special assessments (levied or pending after the date hereof) which become payable with respect to the Hotel Parcel and the Improvements during the term hereof. Lessee agrees to furnish to Lessor, at Lessor's request, proof of payment thereof. Any special assessments levied or pending as of the date hereof shall be paid in full by Lessor.

5.2 Apportionment of Taxes. Lessor and Lessee agree to cooperate, if necessary, in an application to the City Assessor of the City of Minneapolis, or such other governmental or assessing authority as may be appropriate, for a division of the tax parcels upon which the taxes and special assessments are based, so that the taxes and special assessments payable by Lessee pursuant to Section 5.1 hereof, shall be separately assessed, levied and charged, provided any expense incurred thereby shall be the obligation of the Lessor.

5.3 Water, Sewer and Other Governmental Charges. Lessee shall pay, on or before the last day for payment thereof, water rents, rates and charges, sewer rents and other similar governmental impositions and charges of every kind, extraordinary as well as ordinary, which shall be assessed against or which are payable with respect to the Hotel Parcel during the term of this Lease. Lessee shall, at Lessee's request, exhibit to the Lessor satisfactory evidence of payment. Sewer availability charges and hook-up charges are to be paid by Lessee.

5.4 Proration. All taxes, assessments, water rents, sewer rents and other governmental impositions and charges shall be apportioned pro rata between the Lessor and the Lessee in accordance with the respective proportions of the final years during which this Lease shall be in effect and payment of said amounts shall be based upon said pro rata share between the Lessor and the Lessee in such final year of this Lease or any extension thereof.

5.5 Right to Contest. Lessee shall have the right to contest the amount or validity, in whole or in part, of any tax, assessment or any other governmental imposition by appropriate legal or administrative proceedings, provided that Lessee shall make the payments or partial payments of any such tax, assessment or governmental imposition required in order to pursue any said legal or administrative remedy, and provided that the collection of the tax, assessment or imposition so contested and the sale of the Hotel Parcel or any part thereof to satisfy the same shall be prevented or stayed by reasons of such proceedings or pursuant to any statute or rule of law. Lessee shall pay any said

contested tax, assessment or other governmental imposition when the amount thereof has finally been determined and shall furnish to Lessor proof satisfactory to Lessor of the amount of any such imposition as finally determined in such proceedings and the amount of any costs, fees, interest, penalties, or other liabilities in connection therewith, together with proof of payment thereof. Lessor in its capacity as Lessor will not obstruct any application or Petition contesting such items.

Notwithstanding the foregoing provisions of this Section 5.5, Lessee agrees that during the first ten (10) year period that this Lease is in effect, the Lessee will not commence real estate tax abatement proceedings with respect to the Hotel Parcel or the Improvements, including the commencement of any judicial or administrative proceeding to reduce the assessed value of the Hotel Parcel and Improvements (or to reduce or abate the taxes paid or to be paid in respect thereto) below \$2,137,000.00 of assessed value. Assessed value shall mean the figure derived in accordance with Minnesota Statutes §273.13 by applying the classification rates to the market value determined by the Assessor.

ARTICLE VI COVENANTS OF TENANT

6.1 Use and Operation of Hotel. The Lessee shall not use the Hotel Parcel for any purpose other than the operation of a commercial hotel and such liquor or food establishments appurtenant thereto as are described in the Plans. If Lessee desires to use the Hotel Parcel for any other purpose, it must obtain the consent and approval of the City, which consent may not be unreasonably withheld; provided however that the City may not approve any use that is incompatible with the Project or any use that will result in the Hotel Parcel or the Improvements becoming exempt from ad valorem property taxation. It is the understanding of the parties and the intent of the City to issue a liquor license for the sale of alcoholic beverages within the Hotel Parcel and such license shall extend to the operation of a Restaurant on the ground floor (if Lessee shall so operate such a Restaurant and the Lessor and Lessee mutually agree to lease such space for a Restaurant). The City agrees not to arbitrarily or unreasonably withhold issuance of said liquor license, provided Lessee is qualified to obtain and shall make immediate application for such a liquor license. This section shall not be deemed to preclude the City from taking action in the governmental capacity with respect to such liquor license as with any other such license.

6.2 Repairs and Maintenance. Lessee assumes the full and sole responsibility for the condition, repair and maintenance of the Lessee's Improvements, whether interior or exterior, structural or non-structural, ordinary or extraordinary and whether foreseen or unforeseen, and including, without limitation, Lessee's signs, utility lines and pipes, heating, ventilation, air conditioning and electrical systems which service the Hotel Parcel. Lessee shall at all times keep, maintain and preserve the Hotel Parcel and all of the Improvements in good condition, repair and working order and make all needful repairs, replacements, additions, betterments and improvements thereto, subject to ordinary and reasonable wear and tear. Three elevators from the ground floor to the first floor of the Hotel shall at all times be kept, maintained and preserved in good condition, repair and working order by Lessor and Lessor shall make all needful repairs, replacements, additions, betterments and improvements thereto. During initial construction of the Parking Ramp, Lessor shall also construct, at its expense, a fourth elevator shaft. In the event Lessee shall determine that a fourth elevator is necessary to service the Parking Ramp and Hotel Parcel, then Lessee shall proceed to install, at Lessee's expense, all electrical and mechanical systems necessary to make the fourth elevator operative in manner similar to the other three and Lessee shall be responsible for the maintenance, preservation, repair and replacement of such fourth elevator.

6.3 Compliance with Laws. Lessee agrees that in the maintenance, operation, use and occupancy of the Hotel Parcel and the Improvements during the term of this Lease, Lessee will, without cost to the Lessor, promptly comply with all laws, ordinances and certificates of occupancy issued pursuant to any law or by any public official, and the orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions and boards thereof which may be applicable to the Hotel Parcel and the Improvements. Lessee shall likewise comply with and observe the requirements of all policies of public liability, fire and all policies of insurance at any time in force with respect to the Hotel Parcel and Improvements.

6.4 Right to Contest Laws. Lessee shall have the right to contest, by appropriate legal proceedings, but without cost or expense to Lessor, the validity of any law, ordinance, certificate, order, rule, regulation or requirement of the nature in Section 6.3 herein referred to, and if by the terms of any such law, ordinance, certificate, order, rule, regulation or requirement, compliance therewith may legally be held in abeyance without the incurrence of any lien, charge or liability of any kind against the Hotel Parcel or any interest of Lessor or Lessee therein, and without subjecting Lessor to any material civil liability, or the risk of any criminal liability whatsoever for failure so to comply therewith, Lessee may postpone such compliance until the final determination of any such proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch. If Lessee shall initiate or carry on any such legal proceedings, Lessee shall notify Lessor in writing not less than ten (10) days before initiating such proceedings and give full details as to the tribunal in which said proceedings are to be filed, and the law, ordinances, certificate, order, ruling, regulation or requirement to be contested.

6.5 Alterations by Lessee. After issuance of the Certificate of Completion, the Lessee may, at its own cost and expense, make any additions, alterations, modifications or improvements (hereinafter "Alterations"), to the Hotel Parcel that it may deem desirable for its purposes provided that the same shall not materially diminish the value of the Hotel Parcel or adversely affect the structural integrity of the Hotel Parcel, Condominium Parcel or the Parking Ramp. All Alterations must be done in a good and workmanlike manner. The Lessor's approval shall be required before Lessee may erect any sign which was not approved with the Plans. Lessee shall submit plans of any such addition, alteration, modification, or improvement to Lessor and if Lessor does not object to such plans as adversely affecting the structural integrity of the Hotel Parcel, Condominium Parcel or the Parking Ramp or as materially diminishing the value of the Hotel Parcel within thirty (30) days after receipt therefor, then such Plans shall be deemed not to so affect or diminish and Lessee may proceed to implement such Plans.

Prior to issuance of the Certificate of Completion, Lessee may not make any improvements other than according to the Plans which have been approved from time to time by the parties.

6.6 Liens. Lessee shall pay or cause to be paid all costs for work done by it or caused to be done on the Hotel Parcel and Improvements by Lessee, and Lessee shall not suffer or permit any vendor's, mechanic's, laborer's or materialman's, statutory or similar lien to be filed against the Hotel Parcel, the Improvements, or the Parking Ramp or any interest of Lessor therein by reason of work, labor, services, or materials supplied or claimed to have been supplied to Lessee or anyone holding the Hotel Parcel, or any part thereof, through or under Lessee, provided however Lessee shall not be required to pay, discharge or remove any such lien or levy so long as the Lessee shall in good faith contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection of the levy or lien so contested and the sale of the Premises, or any part thereof to satisfy the same, provided that the Lessee shall, prior to the date such levy or lien is due and payable, have given reasonable security to the Lessor to insure such payments and prevent any sale or forfeiture of the Hotel Parcel by reason of such nonpayment. Any such contest shall be prosecuted with due diligence and the Lessee shall promptly after final determination thereof pay the amount of any such levy or lien so determined, together with all interest and penalties, which may be payable in connection therewith.

(hotel)

6.7 Utilities. Lessee shall pay for all gas, heat, electricity, and other utilities consumed on the Hotel Parcel during the term of this Lease. Lessee shall pay in advance for utilities, if any, which are furnished by City within its capacity to the Hotel Parcel, or any of the Improvements. For the supply of said utilities to the Hotel lobby and adjacent common areas, Lessee shall reimburse Lessor for the total cost for the entire Parking Ramp for heat, electricity, gas, chilled water and other utilities. If a separate meter is provided for Lessee for any such utilities, it shall be at Lessee's expense. In the event Lessee fails to pay any such amount to Lessor within thirty (30) days after notice from the Lessor that such a bill is delinquent thereafter until such a bill is paid in full, Lessor may cut off and discontinue, without further notice to Lessee, any such utilities furnished by the Lessor.

Lessor shall not be liable in damages or otherwise for any failure or interruption of any utility service being furnished to Hotel Parcel or Lessee's Improvements. It is the intent of the parties that this paragraph shall only apply to specific services being rendered to the Hotel Parcel, Condominium Parcel and no others and shall not abrogate any services the Lessor is providing, as a City, to the general public including but not limited to sewer and water service.

6.8 Lessee to Indemnify Lessor. Lessee agrees to indemnify and save Lessor harmless from and against any and all claims, suits or causes of action by or on behalf of any person, firm or firms, corporation or corporations, arising from the conduct, management or occupancy of, or from any work or thing whatsoever done in and on the Hotel Parcel or with respect to any of Lessee's Improvements during the term of this Lease, and will further indemnify and save Lessor harmless against and from any and all claims arising from any condition of the Hotel Parcel or Lessee's Improvements or personal property, or arising from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of this Lease, or arising from any act or negligence of Lessee, or any of Lessee's agents, contractors, employees, subtenants, or licensees, or arising from any accident, injury or damage whatsoever caused to any person, firm or corporation occurring during the term of this Lease in or on the Hotel Parcel or with respect to the Lessee's Improvements or personal property, and from all costs, expenses and liabilities incurred in or in connection with any such claim, action or proceeding brought thereon.

6.9 Insurance. Lessee covenants and agrees to 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. Fire and extended coverage insurance covering all of the Hotel Parcel and the Improvements including all Alterations thereto and all fixtures, merchandise, and equipment from time to time, in on or upon the Hotel Parcel, in an amount not less than ninety percent (90%) of their full replacement costs from time to time during the Lease Term. Any policy proceeds shall be used for the repair or replacement of the property destroyed or damaged as provided in Section 8.1 hereof.
- b. Comprehensive general public liability insurance against claims for bodily injury, death or property damage occurring upon or in the Hotel Parcel and the Improvements, such insurance to afford protection to limits not less than \$1,000,000 with respect to death or injury to any one person, \$5,000,000 with respect to death or injury to any group of persons in any single occurrence, and \$1,000,000 with respect to property damage. All such insurance shall specifically insure the performance by Lessee of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property contained in Section 6.8 above. The limits of such coverage shall be increased from time to time in accordance with industry standards.
- c. Worker's Compensation Insurance covering all persons employed in connection with the Hotel Parcel and the Improvements.

All policies of insurance provided for in this Section 6.9 shall be issued by insurance companies with a general policyholder's rating of not less than A and a financial rating of AA as rated in the most current available "Best's Insurance Reports" and licensed to do business in the State of Minnesota.

Lessor shall be named as an additional named insured under all policies required to be maintained by Lessee under paragraph b. of this Section 6.9 and executed copies of all such policies of insurance or certificates thereof shall be delivered to Lessor 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 b. of this Section 6.9 shall contain a provision that Lessor, although named as an insured, shall nevertheless be intitled to recovery against Lessee for any loss occasioned to it, its agent and employees for which the Lessee is liable. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. All polices of insurance delivered to Lessor shall contain a provision that the insurer will give Lessor 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 Lessor may carry.

6.10 Right to Inspect. Lessee shall permit the Lessor's authorized representatives to enter the Hotel Parcel at all times during the usual business hours for the purpose of inspecting the same and of curing Lessee's defaults as the Lessor is permitted to do under Section 11.5 hereof. Lessor shall permit Lessee's authorized representative to enter the Parking Ramp at all times during the usual business hours for the purpose of inspecting same.

ARTICLE VII COVENANTS OF LESSOR

7.1 Use and Operation of Public Parking Facility. Lessor covenants and agrees that during the first sixty (60) years of this Lease the Public Parking Facility will continue to be operated and maintained as a public parking facility. Lessor shall not, during said sixty (60) years, make or permit any alterations or modifications to the Public Parking Facility which will decrease its parking capacity to the extent that it will unreasonably interfere with the Hotel operation. Lessor shall have the responsibility for the condition, operation, repair and maintenance of the Parking Ramp, except for the portions thereof which are leased to Lessee or others, or except as is otherwise provided in the Easement Agreement. Lessor shall at all times at its expense keep, maintain and preserve the Parking Ramp, except those portions which are leased to Lessee or others, in good condition and repair, subject to the provisions of the Easement Agreement. Lessor may enter into agreements with any other person or persons for the management and operation of the Public Parking Facility upon such terms and conditions as it deems to be in its best interests, so long as Lessor's obligation hereunder are carried out. Lessor shall have no obligation whatsoever to continue the operation and maintenance of the Public Parking Facility after this Lease has been in effect for sixty (60) years; provided, however, that if Lessor shall not operate the Parking Ramp as a parking facility after sixty (60) years, then Lessee shall have the option of purchasing for Fair Market Value or Leasing for Fair Market Rental a sufficient portion of the Parking Ramp as designated by Lessor to accommodate the then reasonable parking needs of the customers, guests, and invitees of the Hotel Parcel.

7.2 Disclaimer of Warranty. The parties hereto agree that, notwithstanding the provisions of Section 7.1 hereof or any other provision of this Lease or the Development Agreement, the Lessor makes no warranty with respect to the capacity of the Parking Ramp, its foundations, columns, and other supports to carry the load of Lessee's Improvements. Lessee shall bear the responsibility of determining that the structural elements of the Project will be sufficient to support the loads of the Improvements throughout the term of this Lease.

ARTICLE VIII DAMAGE OR DESTRUCTION

8.1 Damage or Destruction of Hotel Parcel. In case the Hotel Parcel, or any part thereof, or any of the improvements shall be injured or destroyed by fire or other casualty, which is a risk insured by the insurance referred to in Section 6.9 hereof, Lessee shall, as soon as possible after the date of such injury or destruction, commence to repair, restore or rebuild the Improvements according to the then approved Plans and such repair, restoration and rebuilding shall be completed with all due diligence. Any Leasehold Mortgage of the premises shall provide that any and all insurance proceeds must be used for such repair, restoration, or rebuilding of the Improvements.

8.2 Damage or Destruction of Parking Ramp. In case the Parking Ramp is damaged or destroyed by fire or other casualty, Lessor shall as soon as possible after the date of injury or destruction, commence to repair, restore or rebuild the Parking Ramp according to the then approved Plans and such repair, restoration or rebuilding shall be completed with all due diligence.

8.3 Total Destruction. Notwithstanding the foregoing, in the event that the Hotel Parcel, the Condominium Parcel and the Parking Ramp be rendered substantially unusable for the purposes intended by a fire or other casualty, then Lessee or Lessor shall have the right to terminate this Lease and neither party shall be obligated to repair, restore or rebuild the Improvements or Parking Ramp, as the case may be.

If, at any time after this Lease has been in effect for sixty (60) years, the Lessor discontinues the operation of the Public Parking Facility, then the cost of all structural repairs or restoration of the Parking Ramp shall be borne by the Lessor, the Lessee and the Lessee of the Condominium Parcel in the Proportions and as provided in the Easement Agreement.

Notwithstanding the foregoing provisions of Section 8.2, in the event that the Parking Ramp is damaged or destroyed to the extent that the columns and other supports for the Improvements have collapsed, or cannot reasonably be made to provide adequate support for the Improvements and the improvements constructed in the Condominium Parcel and the City Engineer and an independent professional registered engineer selected by Lessee and the lessee of the Condominium Parcel ascertain that it is not reasonably possible to repair, restore or to rebuild without the substantial reconstruction of the Parking Ramp or without unreasonably safety hazards, then the Lessor and Lessee shall each be responsible for the demolition and removal of their respective improvements and this Lease shall terminate.

ARTICLE IX CONDEMNATION

9.1 Total Taking. If, during the term of this Lease, the entire Hotel Parcel shall be taken by any public authority as a result of the exercise of the power of eminent domain or by purchase and sale agreement in lieu of the exercise of any public authority's eminent domain powers, or if less than the entire Hotel Project shall be taken, but in the reasonable judgment of Lessee the remainder thereof is no longer useful for its intended purposes, then this Lease shall terminate as of the date possession shall be taken by such public authority.

9.2 Partial Taking If, during the term of this Lease, less than the entire Hotel Parcel shall be taken by any public authority as a result of the exercise of the power of eminent domain, or by purchase and sale agreement in lieu thereof, and, in the reasonable judgment of Lessee the remainder thereof can be used for its intended purpose, then this Lease shall not terminate but shall continue in full force and effect for the remainder of the term hereof.

9.3 Condemnation Award. In the event of a total taking as provided in Section 9.1, that portion of any award made with respect to the Hotel Parcel shall be divided between Lessor and Lessee in accordance with the fair market value of their respective estates in the Hotel Parcel, which shall be valued as of the date of vesting of title in the condemnor and as if this Lease had not been terminated. Notwithstanding anything contained in this paragraph to the contrary, Lessor and Lessee's right to any portion of such an award, in the event of a total taking, shall be subordinate to any Mortgagee using such award to reduce all or a portion of the outstanding principal and accrued interest with respect to such Mortgage.

Any awards made as a result of a partial taking pursuant to Section 9.2 hereof shall be paid to the parties hereto and allocated according to their interests in the property taken. In the event that repairs or restoration are necessary with respect to the property taken, then the Lessee shall use the proceeds allocated to it to the extent necessary to make any repairs or restoration to the Hotel Parcel and Lessor shall use the proceeds allocated to it to the extent necessary to make any repairs or restoration of the Parking Ramp, except that portion leased to Lessee.

9.4 Right to Appeal. Lessor, Lessee and any Leasehold Mortgagee, shall each have the right, at its sole cost and expense, to participate by counsel of its own choice in any proceeding regarding the taking by exercise of the power of eminent domain of all or any part of the Project, and in any appeal which may be taken therein.

ARTICLE X SUBLEASING, ASSIGNMENT & MORTGAGE

10.1 Subleasing and Assignment. Prior to the issuance of the Certificate of Completion, the rights of Lessee to transfer, sublease, or assign the Hotel Parcel or this Lease shall be governed by the Development Agreement. Lessee shall, subsequent to the issuance of a Certificate of Completion for the Hotel Parcel, have the right, subject to the Lessor's approval, to transfer, sublease, or assign the Hotel Parcel in whole or in part or this Lease with respect to the said Hotel Parcel. Lessor shall have the unqualified right to approve any initial or subsequent transfer, sublease or assignment with respect to the

Hotel Parcel and shall be provided with all information with respect to any such proposed sublessee or assignee as it may deem reasonably necessary for its review of the qualification of said proposed transferee, sublessee or assignee to operate the Hotel Parcel. Lessor shall not withhold its consent to such transfer, sublease or assignment if such proposed transferee, sublessee or assignee is reasonably qualified to operate the Hotel Parcel as a hotel or has made arrangements for the reasonable operation thereof. Lessee shall have the right to so transfer, assign or sublease to a related or affiliated entity of which Lessee controls the majority interest or to the heirs of the principals of Lessee or trust for the benefit of Lessee's principals. Lessee shall give Lessor thirty (30) days' written notice of its intention to transfer, sublease or assign any such interest under this Lease. Each transferee, sublessee and assignee under this Lease shall be bound by and shall comply with all provisions of this Lease and shall perform all of the obligations, promises, covenants and agreements to be performed by the Lessee, or by which the Lessee is bound, pursuant to this Lease.

10.2 Leasehold Mortgages. Lessor agrees that Lessee shall have the right to make a Leasehold Mortgage on all or any part of the Hotel Parcel, provided that (i) such Leasehold Mortgagee shall be a responsible lender, (ii) each such Leasehold Mortgage shall be amortized over a term not longer than the remainder of the initial term of this Lease, and (iii) within ten (10) days after the execution and delivery of any Leasehold Mortgage, such Leasehold Mortgagee shall deliver to Lessor a true copy of such Leasehold Mortgage and shall give Lessor written notice of an address for the purpose of giving notice to such Leasehold Mortgagee. A Leasehold Mortgagee, as such, shall not be deemed an assignee or transferee of this Lease or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Lessee to be performed hereunder, but the purchaser of this Lease and of the leasehold estate hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignee or transferee of this Lease and of this leasehold estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage upon expiration of any redemption period, shall be deemed to be an assignee or transferee of Lessee and shall assume performance of all of the terms, covenants and conditions on the part of Lessee to be performed hereunder, but shall have no personal liability for such performance or for the existing defaults or liabilities of the Lessee; provided, however, that nothing in this section shall be deemed to prevent the Lessor from terminating this Lease and the right possession of any lessee, mortgagee, assignee or transferee after the occurrence of an Event of Default pursuant to Sections 11.1 and 11.2 hereof and the giving of notice and opportunity to cure such default as provided herein.

10.3 Notice of Default to Mortgagee and Cure, etc.

- a. Lessor, upon notifying Lessee of any default pursuant to the provisions of Section 11.2 hereof or pursuant to any other notice under this Lease, shall also serve a copy of said notice upon the holder of any Leasehold Mortgage, and no notice by Lessor to Lessee hereunder shall be deemed to have been duly given unless and until said holder has been so notified.
- b. Any said Leasehold Mortgagee, in the event Lessee shall be in default hereunder, shall, within the period and otherwise as herein provided, have the right to remedy such default, or cause the same to be remedied, and Lessor shall accept such remedy or performance by or at the instance of said Leasehold Mortgagee as if the same had been made by Lessee.

10.4 Mortgagee's Consent to Modification Required. No agreement between Lessor and Lessee modifying, canceling, amending or surrendering this Lease shall be effective without the prior written consent of each Leasehold Mortgagee. A termination pursuant to Section 11.2 hereof shall not be deemed an agreement between Lessor and Lessee canceling or surrendering this Lease, so as to require the consent of a Leasehold Mortgagee, provided such Mortgagee has been given notice as required herein and neither Lessee nor such Mortgagee has cured any such default as provided herein.

10.5 Subordination of Lessor's Interest. Lessor does hereby subordinate fee title to said Hotel Parcel to any mortgage on this Lease or Lessee's interest hereunder which meets the requirements of Subparagraph a. of Paragraph 10.6 hereof but only to the extent that any such Mortgagee may be placed in the position of Lessee and shall be subject to all of the terms and conditions of this Lease. Lessor shall execute a mortgage affirming such subordination in form and content reasonably satisfactory to such a Mortgagee but said subordination shall be only to the extent specified in Paragraph 10.5, 10.6 and 10.8 hereof. Lessor shall not be required to execute any instrument which would obligate Lessor for the payment of any indebtedness secured by said mortgage.

10.6 Conditions of Subordination. The subordination set forth in the foregoing paragraph shall be on the following terms and conditions:

- a. Said mortgage shall be a lien on this Lease in favor of a responsible lender and must secure a debt which is fully payable within the term of this Lease, must provide that the mortgagee consents to the use of insurance proceeds towards the repair, restoration and rebuilding of the Improvements as provided in the Lease.
- b. Lessee shall furnish to Lessor an accurate copy of the mortgage and the note secured hereby and all other instruments required by the lender.

10.7 Right of Lessor to Cure Default. In the event Lessor shall have been given notice of the intention of any Mortgagee to foreclose said mortgage (or in the event any mortgagee intends to accept a deed in lieu of foreclosure and so notified Lessor), Lessor shall have the right to enter upon the Hotel Parcel to the extent required to cure any default giving rise to such notice; provided, however, such right shall extend only for the period during which Lessee is entitled to cure such default and shall not constitute a termination of this Lease or of Lessee's right to possession of the Hotel Parcel.

10.8 Additional Leasehold Mortgage Provisions. Should any Mortgagee come into possession of the Hotel Parcel, whether by foreclosure, deed in lieu of foreclosure, by assignment or otherwise, then notwithstanding the provisions of this Lease, the Lessor agrees that the Mortgagee, its successors and assigns, may (subject to Section 10.1) assign the Lease, sublet the Hotel Parcel or any part thereof on such terms as the Mortgagee may deem advisable.

So long as the Mortgagee shall hold a lien on the Hotel Parcel, upon the occurrence of any default or any event giving rise to the right of the Lessor to terminate the Lease, the Mortgagee shall have the right to cure such default, whether the same consists of failure to pay rent, failure to make any other payment or to perform any other matter or thing required by the Lease, and the Lessor shall accept performance on the part of the Mortgagee as though the same had been done or performed by the Lessee. Further, Lessor agrees that should such default or event giving rise to a right of the Lessor to terminate the Lease occur, the Lessor will notify the Mortgagee and the Lessor agrees that it will not take any action to terminate the Lease or to re-enter the Hotel Parcel unless:

- (a) The default specified on the notice thereof shall be of a monetary nature and the Mortgagee shall fail within thirty (30) days after such Notice to cause the default to be cured; or
- (b) The default specified in the notice thereof shall be of a non-monetary nature that is not susceptible of cure within a thirty (30) day period or without the Mortgagee taking possession of the Hotel Parcel, and the Mortgagee shall fail to promptly and diligently take such actions as may be necessary to so cure or cause to be cured or shall fail to promptly and diligently take such actions as may be necessary to take possession of the Hotel Parcel in and upon possession shall fail to diligently commence to cure the default; provided, however, rental and all other monetary payments specified in the Lease continue to be paid; or
- (c) The default specified in the notice shall be of such a nature that it may not be susceptible of cure by the Mortgagee and the Mortgagee shall fail to promptly initiate foreclosure proceedings and diligently prosecute the same to conclusion; provided, however, rental and all other monetary payments specified in the Lease continue to be paid.

Provided, however, the Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for effecting a termination of the Lease shall be cured and provided further, that nothing herein shall preclude the Lessor from exercising any rights and remedies under the Lease with respect to any other default by the Lessee during any period of such forbearance of Lessor in exercising its rights of termination or re-entry, subject to the provisions above.

Lessor recognizes and agrees that the mortgaging of the leasehold estate and the taking of the Mortgage by the Mortgagee shall not create any personal liability on the part of the Mortgagee for payment or performance of the Lease or any assumption of the Lessee's obligations thereunder.

In the event of a termination of the Lease prior to its stated expiration date, or in the event the Lessee or the Lessee's trustee in bankruptcy, or any receiver, liquidator or assignee of the Lessee shall disaffirm or terminate the Lease, or if Mortgagee shall come into possession of the Hotel Parcel whether by foreclosure, deed in lieu of foreclosure, by assignment or otherwise, the Lessor agrees that it will enter into a new Lease of the Hotel Parcel with the Mortgagee or at the request of such Mortgagee with a corporation formed by or a nominee on behalf of the Mortgagee, for the remainder of the unexpired Lease term, effective as of the date of such termination of the Lease at the rent, additional payments and upon all the covenants, agreements, terms and conditions contained in the Lease.

Lessor agrees it will not accept a release, cancellation or surrender of the Hotel Parcel on the part of the Lessee without the prior written consent of the Mortgagee.

Lessor agrees not to enter into any agreement subordinating the Lease to any mortgage or lien on the fee and agrees that the Lease shall at all times be prior and superior to any mortgage, lien or interest hereinafter created permitted or placed on the fee title to the Hotel Parcel.

ARTICLE XI DEFAULT, REMEDIES

11.1 Events of Tenant's Defaults. Any one or more of the following events shall constitute an Event of Default under this Lease:

- a. The failure of Lessee to construct the Improvements in the manner, and according to the Construction Schedule, provided in the Development Agreement, or the breach by Lessee of any of the other provisions of said Development Agreement, provided that this item of default shall be of no further force or effect and shall be null and void upon the recording of the Certificate of Completion.
- b. The failure of Lessee to make any payment of the rent, taxes, assessments or other governmental impositions, or any other charge required to be paid by Lessee, and such failure shall continue for thirty (30) days after Lessor shall have given Lessee written notice specifying such failure.
- c. The failure of Lessee to keep, fulfill or perform any other covenants, conditions or agreements hereunder on its part to be kept or performed, and such failure shall continue for ninety (90) days after Lessor shall have given Lessee written notice specifying such failure, or for such longer period as may be reasonably necessary to remedy such failure provided that Lessee provides evidence reasonably satisfactory to Lessor that it is proceeding with reasonable diligence to remedy the same.
- d. If Lessee shall be in default with respect to the provisions of Article 11.1(a), (b), or (c), then an additional item of default shall be the filing of any petition, or the institution by Lessee or any sublessee as successor or assign of any proceeding, to be adjudicated a bankrupt or to effect a plan of reorganization or a readjustment of its debt, or any similar relief, or the filing of a petition and the adjudication of Lessee, any sublessee, or any successor or assign, as a bankrupt (provided such a petition or proceeding is not released or abated within one hundred twenty (120) days). It is the intent of the parties that if Lessee is not in default with respect to the other terms and conditions of this Lease then insolvency or bankruptcy itself should not be an item of default.

11.2 Remedies of Lessor. In the event of any Event of Default, as specified in Section 11.1 hereof, Lessor may terminate this Lease and Lessee's right to possession of the Hotel Parcel by serving written notice upon Lessee to the effect that Lessor elects to terminate the Lease upon a date therein specified, which date shall not be less than sixty (60) days after the service of such notice; and this Lease shall then expire on the date so specified with the same force and effect as if that date had been originally fixed as the expiration of the term hereof, and Lessor may reenter the Hotel Parcel and remove the Lessee and all other persons occupying all or any part thereof from possession thereof by and suitable action or proceedings or otherwise, and without being liable for any damages therefore.

Lessor may, in its sole discretion, take whatever other action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, covenant or agreement of Lessee under this Lease.

11.3 Default by Lessor. If Lessor shall default in the performance of any of its covenants, obligations or agreements herein contained, or contained in the Development Agreement and shall fail to cure such violation, nonperformance or breach within thirty (30) days after being given notice of such violation, non-performance or breach, then Lessee shall have the right, with the consent of the holder of any mortgage on this Lease, to terminate this Lease or to institute such action against Lessor as Lessee may deem necessary to compel such performance, restrain any default or threatened default, or for the enforcement of any other rights it might have in equity or law for damages or otherwise.

11.4 No Election of Remedy No remedy provided to Lessor or Lessee hereunder or under the Development Agreement shall be deemed an exclusive remedy and the election by Lessor or Lessee of any such remedy shall not bar Lessor or Lessee from pursuing any other remedy, for damages or otherwise, whether available to either party hereunder, or existing at law or in equity. Nothing set forth in this Lease shall, prior to the issuance of the Certificate of Completion, limit any remedy of Lessor existing under the Development Agreement. The failure of Lessor or Lessee to insist in any one or more cases upon the strict performance of any of the covenants of this Lease shall not be constructed as a waiver or relinquishment for the future performance of such covenant. A receipt by Lessor of rent with knowledge of the breach of any covenant or agreement hereof shall not be deemed a waiver of such breach, and no waiver, change, modification, or discharge by either party hereto of this Lease or any provision of this Lease, or surrender of the leasehold estate hereby created, shall be deemed to have been made or shall be effective unless expressed in writing and signed by Lessor and Lessee.

11.5 Lessor's Right to Cure Default Lessee and Lessor agree that if, at any time subsequent to the issuance of a Certificate of Completion with respect to the Hotel Parcel, Lessee fails to make any payment or perform any act hereunder on its part to be made or performed, Lessor may (but shall not be obligated to do so) without further notice to or demand on it, and without waiving or releasing it from any of its obligations under this Lease, make such payment or perform such act for the account of and at the expense of the Lessee, and may enter into the Hotel Parcel for such purpose and take all such action thereon as, in its opinion, may be necessary or appropriate therefor. All sums paid by it and all necessary incidental costs and expenses incurred in connection with the performance of any such act by it shall be payable by the Lessee.

ARTICLE XII MISCELLANEOUS

12.1 Right of Entry. Lessee agrees to permit Lessor and its authorized representatives to enter the Hotel Parcel, and Lessor agrees to permit Lessee and its authorized representatives to enter the Parking Ramp, at reasonable times and upon reasonable notice, for purpose of inspecting the same and making necessary improvements, repairs and maintenance.

12.2 Notices. All notices, demands, requests, consents, approvals and other communications required or permitted to be given pursuant to the terms of this Lease by either party to the other or to any Leasehold Mortgagee, shall be in writing and shall be deemed given when deposited in the United States Mails, registered or certified, postage prepaid, addressed as follows:

If to Lessor: Executive Director
Minneapolis Community Development Agency
250 South Fourth Street
Minneapolis, MN 55415

If to Lessee: Mr. Cornell L. Moore
Minneapolis Homotel Associates Limited Partnership
5100 Gamble Drive, Suite 380

If to Leasehold Mortgagees:
The First National Bank of St. Paul
332 Minnesota Street
St. Paul, Minnesota 55101
Attention: Valerie Heller

First Trust Company of St. Paul
W-555 First National Bank Building
St. Paul, Minnesota 55101

12.3 Captions. The captions and headings herein are for convenience and reference only and do not limit or construe the provisions hereof.

12.4 Severability. If any term, condition, or covenant of this Lease, or the application thereof to any person or circumstance shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

12.5 Amendment. This Lease may not be amended, modified or supplemented except by a writing executed by the party against whom such amendment, modification or supplement is sought to be enforced.

12.6 No Waiver. No waiver of any term, condition or covenant hereof or delay in the enforcement of any remedies hereunder in any one instance shall be deemed to be either (i) a waiver of any other term, condition or covenant hereof in such instance, or (ii) a waiver of such waived or delayed term, condition, covenant or remedy in any other instance. Where the Lessor gives its approval or consent to the Lessee pursuant to any provision of this Lease, such approval shall not be deemed a waiver of any of the requirements of City Ordinances or an approval pursuant to such ordinances unless expressly stated.

12.7 Governing Law. This Lease shall be constructed and enforced in accordance with the laws of the State of Minnesota.

12.8 Relationship of Parties. The Lessor and Lessee are neither joint venturers, partners, nor principal and agent and their relationship is solely that of Landlord and Tenant.

12.9 Binding Effect. This Lease and the covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the Lessor and the Tenant and their respective successors and assigns.

12.10 Short Form Lease. At the request of either party hereto a shortform lease, incorporating by reference the terms of this Lease, shall be prepared in form and substance reasonably satisfactory to each of the parties hereto in duplicate, such lease to be filed for record in the appropriate recording office for Hennepin County.

12.11 Estoppel Certificates. Within ten (10) days after either party shall request, the other party agrees to deliver a certificate to the requesting party, or any Mortgagee, or any prospective purchaser, that this Lease is in full force and effect and that there are no defenses or offsets, that no breaches or defaults exist with respect thereto, that the requesting party has performed all of its obligations contained herein, or if there are such defenses, offsets, breaches, defaults, or obligations they shall be stated.

12.12 First Refusal. Upon expiration of the 99-year term of this Lease, provided Lessee is not in default hereof, and provided Lessor shall decide to sell or lease the Hotel Parcel for the same purposes as at the end of the 99-year term then Lessee shall have the right of first refusal to purchase or lease the Hotel Parcel on the same basis as any bona fide party offering to so purchase or lease upon terms and conditions that Lessor is willing to and has authority to accept, provided Lessee notifies Lessor of its agreement to so purchase within thirty (30) days after the Lessor shall notify Lessee of any such bona fide offer.

12.13 Appraisals. In the event that full agreement within thirty (30) days is not reached on the fair market value or the fair market rental as referred to in Section 9.3 or 7.1 hereof, Lessor and Lessee shall each designate an M.A.I. Real Estate Appraiser to appraise the fair market value or rental of the Hotel Parcel. In the event one party does not appoint an appraiser within thirty (30) days, the appraisal by the appraiser of the other party shall be controlling. In the event both parties timely appoint an appraiser, the two appraisers, together with a third appraiser appointed by the previously appointed appraisers shall value the Hotel Parcel. All appraisals shall be completed within forty-five (45) days of their appointment. If two appraisers selected by Lessor and Lessee cannot agree on the appointment of a third appraiser, the Chief Judge of the Four Judicial District of the State of Minnesota shall be requested to name the appraiser. The majority vote of the appraisers shall determine the fair market value or rental of the property being appraised. All real estate appraisers shall be members in good standing of the Master Appraisal Institute "M.A.I.", skilled in appraising similar properties, and the appraisals shall be made in accordance with customary appraisals used in the industry.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be duly executed as of the day and years first above written.

APPROVED AS TO LEGALITY
DATE 3/19/53
Edna J. Carroll
ASST. CITY ATTORNEY

CITY OF MINNEAPOLIS

By Edna J. Carroll
Acting Mayor

Attest [Signature]
City Clerk

Countersigned Manuel Rocher
City Comptroller-Treasurer

MINNEAPOLIS HOMETEL ASSOCIATES
LIMITED PARTNERSHIP

By Cornell L. Moore
Cornell L. Moore

Its Managing General Partner

EXHIBIT "A"

LEGAL DESCRIPTION OF HOTEL PARCEL

All that part of the following described parcel of land lying above elevation 925.00 feet and below elevation 990.50 feet, both elevations N.G.V.D. - 1929 Sea Level Datum:

That part of the West 1/2 of the Northwest 1/4 of Section 26, Township 29, North, Range 24 West, Minneapolis, Minnesota, including the vacated portion of a city alley, lying 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.

Part of the above parcel being registered property, as is evidenced by Certificate of Title No. 560342, and more particularly described as follows:

That part of the West half (W 1/2) of the Northwest quarter (NW 1/4) of Section twenty-six (26) Township twenty-nine (29) North, Range twenty-four (24) West of the Fourth Principal Meridian, described as follows: Commencing at the intersection of the Northeasterly line of Eighth Street South with the Northwesterly line of Fifth Avenue South in the City of Minneapolis in said County and State; thence Northwesterly along said Eighth Street South one hundred forty-five (145) feet; thence Northeasterly parallel with said Fifth Avenue South one hundred sixty-five (165) feet; thence Southeasterly parallel with said Eighth Street South one hundred forty-five (145) feet; thence Southwesterly to place of beginning, excepting the part taken for alley.

EXHIBIT C

CERTIFICATE OF COMPLETION

WHEREAS, the City of Minneapolis, a Minnesota municipal corporation, has, by a Lease dated the ____ day of _____, 19____, recorded as Document No. _____ in the office of the (Register of Deeds) (Registrar of Titles), Hennepin County, State of Minnesota, leased to Minneapolis Hometel Associates, a Minnesota limited partnership corporation, the following described real estate in the County of Hennepin, State of Minnesota, to wit:

- "1. All that part of the following described parcel of land lying above elevation 925.00 feet and below elevation 990.50 feet, both elevations N.G.V.D. - 1929 Sea Level Datum:

That part of the West 1/2 of the Northwest 1/4 of Section 26, Township 29 North, Range 24 West, Minneapolis, Minnesota including the vacated portion of a city alley, lying 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.

Part of the above parcel being registered property, as is evidenced by Certificate of Title No. 560342, and more particularly described as follows:

That part of the West half (W 1/2) of the Northwest quarter (NW 1/4) of Section twenty-six (26) Township twenty-nine (29) North, Range twenty-four (24) West of the Fourth Principal Meridian, described as follows: Commencing at the intersection of the Northeasterly line of Eighth Street South with the Northwesterly line of Fifth Avenue South in the City of Minneapolis in said County and State; thence Northwesterly along said Eighth Street South one hundred forty-five (145) feet; thence Northeasterly parallel with said Fifth Avenue South one hundred sixty-five (165) feet; thence Southeasterly parallel with said Eighth Street South one hundred forty-five (145) feet; thence Southwesterly to place of beginning, excepting the part taken for alley.

Subject to easements and restrictions of record, if any.

2. The Hotel Lobby located on the ground floor of the Parking Ramp as shown on the Plans.
3. The appurtenant easements described in the Easement Agreement."

EXHIBIT B TO THE AIR RIGHTS LEASE HAS NOT
BEEN REPRODUCED TO CONSERVE SPACE IN THE
TRANSCRIPT, BUT CAN BE FOUND AS A SEPARATE
DOCUMENT IN PART II, NUMBER 18.