

DEPARTMENT OF PUBLIC WORKS
MINNEAPOLIS, MINNESOTA
MEMORANDUM

Dave Koski, Dick Smith and
Andy Poliachik

June 6, 1984

TO:

DATE:

FROM:

Greg Finstad *GAF*

SUBJECT:

Parking Agreements
Grandma's and Hotel
Developer Seven Corners
Municipal Parking Ramp

I have attached a copy of the executed agreement with Seven Corners Hotel Partners Limited Partnership and Grandma's related to the operation and maintenance of the Seven Corners Municipal Parking Ramp and the 250 and 100 spaces committed for their use. The basic elements of the agreement require the hotel and restaurant developers pay to the City a guaranteed amount per space which is calculated based on the amortization of the debt required to build the Seven Corners Municipal Parking Ramp. I believe this guaranteed payment will not go into the Parking Fund but will be funneled to the development project for housing or for some other purpose and therefore, the net revenue if there ever gets to be any over and above the amortization amount will never come into the parking fund.

Some of the special items of interest in this agreement are that the City is required to rebuild the ramp if for some reason the ramp is destroyed, or comes into disrepair within the 40 year period of the term of this agreement. This brings up the question of insurance and to cover the event of some catastrophe which would destroy the parking ramp. I believe this should be discussed in further detail. Also, any closing of the ramp must be approved by the developers. We will have a working relationship so that the need for written notice will become one of a standard operating procedure. Also, there is need for an audit within 30 days after the close of the year which is defined as December 31, to ensure the exact revenue and expenses for the previous calendar year to determine the allocation of the net income amount.

The opening parking rate is to be determined by the City and the hotel has the ability to disapprove after submitting of a rate to them. At this point we are reviewing the present 12 hour rate of \$3.50 or the 24 hour rate of \$5.50 as being the rate which will be charged to the hotel for 24 hour parking for hotel patrons with in and out privileges.

I will be in contact with you to further discuss the terms and conditions of these agreements and how they effect operation of the Seven Corners Municipal Parking Ramp.

GAF:js

Attachment

MAY 1983

THIS PARKING AGREEMENT, dated as of June 1, 1983, between the CITY OF MINNEAPOLIS, a Minnesota municipal corporation organized and existing under the Constitution and the laws of the State of Minnesota (the "City") and SEVEN CORNERS HOTEL PARTNERS LIMITED PARTNERSHIP, a Minnesota limited partnership (the "Company").

W I T N E S S E T H:

WHEREAS, The Minneapolis Community Development Agency (the "MCDA") and the Company have entered into a Contract for Private Development dated as of the 21st day of December, 1982, (the "Development Agreement"), pursuant to which the Company shall undertake within the corporate limits of the City a project consisting of the acquisition of land and construction thereon of structures and certain other related improvements to be used by the Company as a hotel project (the Project); and

WHEREAS, pursuant to Section 119 of the Housing and Community Development Act of 1974, the City is the recipient of an Urban Development Action Grant, Grant No. B-80-AA-27-0022 in the amount of \$8,965,000 (the "UDAG"); and

WHEREAS, the City and the United States of America, acting through the Department of Housing and Urban Development, Office of Urban Development Action Grants (the "Government"), have entered into a UDAG Grant Agreement dated by the Government the 23rd day of March, 1982, as amended (the "UDAG Contract"); and

WHEREAS, the City and the Company intend to enter a Loan Agreement dated as of June 1, 1983 (the "UDAG Loan Agreement"), whereby the City will loan the Company certain UDAG proceeds; and

WHEREAS, the UDAG Contract obligates the City to construct a parking ramp (the "Parking Ramp") with a minimum of 600 spaces, and to provide 250 spaces in said ramp for use by the Project; and

WHEREAS, the City has previously determined that there exists the need for public parking in the area of the Parking Ramp Site (hereinafter defined) separate and distinct from the need to provide parking for the Project; and

WHEREAS, the City has previously determined (a) to provide parking to the general public and patrons of adjacent facilities on the Parking Ramp Site, (b) that there exists a reasonable demand, apart from the Project, for at least 350 parking spaces and (c) that the City will operate the portion of the Parking Ramp not serving the Project in the public interest and for the benefit of the residents of the City as a public parking ramp open to the general public on a first come, first served basis to alleviate

the parking and traffic problems at and around the Parking Ramp Site except to the extent that the City may enter into agreements to reserve parking spaces for the use of patrons of facilities other than the Project; and

WHEREAS, the Company has determined to build the Project, that in connection with the operation of the Project parking spaces are required and necessary, that in connection with the operation of the Project no more than 250 parking spaces will be required to be available for the use of guests and patrons of the Project; and

WHEREAS, the City, in connection with its undertaking to provide parking to the general public and patrons of adjacent facilities other than the Project, desires to aid and assist in the successful development and operation of the Project consistent with the intent of the UDAG and its urban redevelopment plans, and has therefore agreed to undertake certain additional capital expenditures over and above and distinct from its capital expenditures with respect to the parking facilities for the general public and patrons of adjacent facilities other than the Project in order to provide parking for the Project on a long term basis intended to equal the useful life of the Project and the Parking Ramp in consideration for certain payments by the Company as specified herein; and

WHEREAS, the City and the Company previously entered into a parking agreement as of October 29, 1982 which was later amended by a first amendment thereto; and

WHEREAS, the City and the Company desire to consolidate such agreements and to further specify the nature of their agreement; and

WHEREAS, the City and the Company desire to specify the terms and conditions upon which such 250 spaces shall be used by the Project; and

WHEREAS, the execution and delivery of this Agreement and the transactions contemplated hereby have been in all respects duly and validly authorized by the City;

NOW, THEREFORE, in consideration of the premises and in consideration of other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the City and the Company hereby agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1. Definitions. In this Agreement, the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Agreement. This Parking Agreement, including any amendments hereof or supplements hereto made in accordance with the provisions hereof.

Allocated Net Income Amount. The amount determined for each Operating Year in accordance with the following formula: [(Operating Revenues - Operating Expenditures) divided by total actual number of parking spaces in the Parking Ramp x 250 = Allocated Net Income Amount].

Amortization Amount. \$132,080.

Bank. The First National Bank of Saint Paul, its successors or assigns.

Bonds. The City's \$10,000,000 aggregate principal amount Commercial Development Revenue Bonds (Seven Corners Hotel Project) Series 1983 issued pursuant to the Indenture.

Bond Trustee. Norwest Bank Minneapolis, N.A., its successors or assigns or any co-trustee serving as such pursuant to the Indenture.

Certified Cost of the Parking Ramp. An audited statement prepared by an independent public accountant, to be provided by the City to the Company after completion of construction of the Parking Ramp, setting forth the actual cost of acquisition of the Site and of construction of the Parking Ramp which shall include the certified cost of the 250 spaces built for use by the Project based upon allocation of total actual costs to the general public parking and the Project parking on the basis of the ratio of Project parking spaces to total spaces in the Parking Ramp unless the independent certified accountant determines in light of actual construction costs that such allocation does not represent a reasonable basis for determining the costs incurred by the City with respect to the Project parking and to the general public and other parking, in which case the allocation shall be made on such basis as the independent certified accountant determines to be reasonable.

City. The City of Minneapolis, Minnesota, and its successors and assigns.

Company. Seven Corners Hotel Partners Limited Partnership, a limited partnership organized and existing under the laws of the State of Minnesota, its successors or assigns.

Development Agreement. The Contract for Private Development dated as of the 21st day of December, 1982, by and between the MCDA and the Company.

Events of Default. One of the events of default specified in Section 8.2 hereof.

Government. The United States of America acting through the Department of Housing and Urban Development, Office of Urban Development Action Grants, or its successors.

Guarantee Amount. The amount to be paid by the Company to the City, pursuant to Section 4.1 hereof, for each Operating Year that the Amortization Amount is greater than the Allocated Net Income Amount, determined in accordance with the following formula: (Amortization Amount - Allocated Net Income Amount = Guarantee Amount).

Hotel. A structure which shall contain no less than 250 hotel rooms to be designed and constructed in accordance with the Development Agreement, and the construction plans specified therein, which shall be located on the site.

Hotel Operator. The Person hired by the Company to manage the Hotel.

Indenture. The Indenture of Trust dated as of June 1, 1983 between the City and the Bond Trustee.

Operating Expenditures. All expenditures of every kind and nature incurred by the Parking Ramp in any single Operating Year, including, but not limited to, (i) all costs and expenses associated with operation, maintenance and repair of the Parking Ramp; (ii) expenditures for the acquisition or construction of replacements and improvements not normally chargeable to current operations; (iii) management fees; (iv) sums added to any operation, maintenance or replacement reserve funds determined by the City to be reasonably necessary for the operation or maintenance of the Parking Ramp; and (v) such other expenditures as may be reasonably necessary in connection with the operation, maintenance and repair of the Parking Ramp.

Operating Revenues. In any single Operating Year, all income generated by the Parking Ramp.

Operating Year. Each calendar year or portion thereof ending on December 31.

Parking Ramp. The parking ramp with a minimum of 600 spaces to be constructed by the City a portion of which is to be used in support of the Project.

Parking Ramp Site. The real property described in Exhibit H to the Development Agreement.

Permanent Financing. The indebtedness represented by the Bonds or Loan Agreement in the principal amount of \$10,000,000 (together with accrued interest thereon and any fees or expenses payable in connection therewith) and any and all mortgages, security agreements, assignments of similar documents given by the Company and/or City to secure such indebtedness or given to secure obligations to repay advances under letters of credit issued to secure the indebtedness represented by the Bonds or Loan Agreement.

Person. Any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Project. The Site and Hotel to be constructed by the Company in accordance with the construction plans specified in the Development Agreement.

Site. The real estate located in the City of Minneapolis, Hennepin County, Minnesota, described in Exhibit A to the Development Agreement.

UDAG. The Urban Development Action Grant, Grant No. B-80-AA-27-0022 in the amount of \$8,965,000.

UDAG Contract. The UDAG Grant Agreement, dated by the Government March 23, 1982, entered into between the City and the Government, and all amendments and supplements thereto.

UDAG Loan. The loan in the principal amount of \$3,127,000 made by the City to the Company pursuant to the terms of the UDAG Loan Agreement.

UDAG Loan Agreement. The Urban Development Action Grant Loan Agreement dated as of June 1, 1983 entered into between the City and the Company, and any and all amendments or supplements thereto.

UDAG Mortgage. A Combination Statutory Mortgage, Security Agreement and Fixture Financing Statement dated as of June 1, 1983, by and between the City and the Company, a copy of which is attached to the UDAG Loan Agreement as Exhibit B, and any and all amendments or supplements thereto.

Unavoidable Delays. Those delays resulting from the causes described in Section 8.7 hereof.

Section 1.2. Rules of Interpretation.

(a) This Agreement shall be interpreted in accordance with and governed by the laws of the State of Minnesota.

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

(c) The headings and articles and sections herein, and the Table of Contents, are for convenience only and shall not affect the construction hereof.

(d) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and vice versa.

ARTICLE II

CONSTRUCTION OF THE PARKING RAMP

Section 2.1. Construction of Parking Ramp. The City hereby agrees that it shall construct the Parking Ramp on the Parking Ramp Site in accordance with construction drawings and specifications (the "Construction Plans") approved in writing by the Company prior to the start of construction, which approval shall not be unreasonably withheld. Subsequent to the Company's approval, no material changes shall be made in the Construction Plans without the Company's consent, which consent shall not be unreasonably withheld.

Section 2.2. Commencement and Completion of Construction. Subject only to Unavoidable Delays, the City shall commence construction of the Parking Ramp within thirty (30) days after the commencement of construction of the Project, or on such other date as the parties hereto shall mutually agree. Subject only to Unavoidable Delays, the City shall complete the construction of the Parking Ramp by July 9, 1984. All construction work with respect to the Parking Ramp shall be in conformity with the Construction Plans approved by the Company. The City agrees that the Certified Cost of the Parking Ramp will not exceed \$3,780,000 and that upon completion, the City will provide the Company with the Certified Cost of the Parking Ramp.

ARTICLE III

MAINTENANCE AND OPERATION OF THE PARKING RAMP

Section 3.1. Maintenance of the Parking Ramp. The City hereby agrees that it shall keep or cause the Parking Ramp to be kept, maintained, and preserved, with all appurtenances and every part and parcel thereof, in good repair and condition. The City shall not allow any state of disrepair to occur or continue which would in any way limit the use of the Parking Ramp by the patrons of the Project.

Section 3.2. Damage or Destruction of Parking Ramp. If the Parking Ramp is damaged or destroyed at any time during the term of this Agreement, the City shall be obligated to repair or rebuild the Parking Ramp as quickly as is reasonably possible.

Section 3.3. Hours of Operation. The Parking Ramp shall be operated twenty-four hours per day, seven days per week. In the absence of an emergency, neither the entire Parking Ramp nor any substantial portion thereof may be shut down for maintenance purposes without the written consent of the Company, which consent shall not be unreasonably withheld.

Section 3.4. Reservation of Spaces in the Parking Ramp for the Project.

(a) The City shall operate the entire Parking Ramp at all times, including after any repair or rebuilding of the Parking Ramp pursuant to Section 3.2 hereof, (i) such that all parking spaces except those hereinafter reserved to patrons of the Project shall be open and available for use by the general public without preference, priority or reservation and on a first come, first served basis or shall be reserved for patrons of facilities other than the Project, both for such uniform charges as are permitted by this Agreement and shall in no way be reserved for the use of patrons of the Project or managed in such a fashion to detract from their use by and availability for the general public as specified above and (ii) such that 250 spaces in the Parking Ramp built with respect to the Project are either being used by patrons of the Project or are available for use by patrons of the Project, except as provided in Section 3.4(b).

(b) The City shall consult each day with the Hotel Operator to determine if less than 250 spaces will be needed by the Project during that particular day or portions thereof. With the consent of the Hotel Operator, the City as operator of the Parking Ramp may allow the use by the general public, upon the same terms and conditions as the general public portion of the Parking Ramp, of certain of the 250 parking spaces reserved with respect to the Project.

(c) The City, as operator of the Parking Ramp, upon agreement with and request of the Hotel Developer, to the extent practicable and to the extent that will not impair the efficient operation of the Parking Ramp, shall take such actions as are necessary to identify those portions of the Parking Ramp reserved and available to the general public or patrons of facilities other than the Project and those portions of the Parking Ramp reserved and available with respect to the Project, including such operating procedures as are necessary to identify users as general public users or patrons of facilities other than the Project or patrons of the Project. While the requirements of the Site and the economics of design and construction and operations have resulted in the planned construction of one Parking Ramp, it is the intention of the City and the Company that the Parking Ramp serve two separate and distinct functions, parking for the general public or patrons of facilities other than the Project and parking for patrons of the Project. In evidence thereof, the Guarantee Amount is calculated pursuant to a formula consistent with the concept that the Project shall bear the cost of operation of a 250 space parking facility, the patrons of the Project will never be entitled to reserved use of more than 250 spaces and are not anticipated by the Company to ever require more than 250 spaces and the Amortization Amount is calculated on a basis to represent an estimated annual debt service on the certified cost of the 250 parking spaces built for use by the Project, and the term of this Agreement is intended to extend for the reasonably anticipated useful life of the Project and the Parking Ramp. In addition, the City has entered into an agreement with Grandma's Incorporated reserving 100 parking spaces for the non-exclusive use of patrons of the restaurant operated by such corporation.

Section 3.5. Payment for Spaces Used by Patrons of the Project. The City shall issue passes to the patrons of the Project permitting unlimited ingress and egress to the Parking Ramp during each twenty-four hour period in return for the payment of a parking fee (the "Parking Fee"). The amount of the Parking Fee shall be determined in accordance with Section 4.3 hereof.

ARTICLE IV

PAYMENT OF GUARANTEE AMOUNT

Section 4.1 Payment of Guarantee Amount.

(a) In any Operating Year that the Amortization Amount is greater than the Allocated Net Income Amount, the Company shall pay the Guarantee Amount to the City no later than thirty (30) days after it receives the audit report required by Section 4.1(b) hereof.

(b) Within sixty (60) days after the last day of each Operating Year, the City shall furnish to the Company a complete audit report and opinion certified by an independent public accountant, which report and opinion shall be based upon an examination made in accordance with generally accepted auditing standards covering the operations of the Parking Ramp for such Operating Year and containing a balance sheet as of the end of such Operating Year, showing in each case in comparative form the figures for the preceding Operating Year, together with a separate written statement of such accountant preparing such report that such accountant has obtained no knowledge of any default by the City in the fulfillment of any of the terms, covenants, provisions or conditions of this Agreement of which such accountant may be aware, or if such accountant shall have obtained knowledge of any such default, he shall disclose in such statement the default and the nature thereof; but such accountant shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default nor shall such accountant be required to review the provisions of this Agreement.

(c) The Guarantee Amount, if any, shall be reduced pro rata for each day during an Operating Year that the Parking Ramp is not available for use by the Project for any reason. For the 1984 Operating Year, the Guarantee Amount, if any, shall be reduced pro rata for each day prior to the date the Project opens for business.

Section 4.2. Obligation to Pay Operating Expenditures. Notwithstanding any of the above, the City shall remain solely liable to pay all Operating Expenditures as they are incurred.

Section 4.3. Parking Rates. The initial schedule of parking rates and any changes thereto as established by the City Engineer shall be effective upon written submission to the Company and shall be deemed accepted by the Company if written notice of the specific disagreement thereof is not given by the Company to City within thirty (30) calendar days after submission by City of such schedule of parking rates or changes thereto. The City shall use its best efforts to operate the Parking Ramp such that the Allocated Net Income Amount will exceed the Amortization Amount each year.

ARTICLE V

TERM

Section 5.1. Minimum Term. The minimum term of this Agreement shall be forty (40) years from the date the construction of the Parking Ramp is fully completed (the "Minimum Term").

Section 5.2. Extension of Minimum Term. At the expiration of the Minimum Term, if the City still owns and is operating a parking ramp on the Parking Ramp Site and the Company is still operating the Hotel, this Agreement shall remain in full force and effect until such time as the City elects to permanently cease operating a parking ramp on the Parking Ramp Site; provided, however, that the City may charge such Parking Fees and require such additional payments from the Company during such extension as the City may reasonably determine.

ARTICLE VI

REPRESENTATIONS OF THE COMPANY

Section 6.1. Representations. The Company hereby represents that:

(a) The Company is a limited partnership, validly existing and in good standing under the laws of the State of Minnesota, is not in violation of any of the provisions of its organization or of the laws of the State of Minnesota, has the power and authority to enter into this Agreement, and has duly authorized execution, delivery and performance of this Agreement by proper partnership action.

(b) The making and performance of this Agreement by the Company has been duly authorized by all necessary action and this Agreement and all other instruments and documents described herein, to which the Company is a party, when signed and delivered pursuant hereto will be valid and binding obligations of the Company in accordance with their terms, except to the extent enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

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

ARTICLE VII

REPRESENTATIONS OF THE CITY

Section 7.1. Representations. The City hereby represents that:

(a) The execution and delivery of this Agreement and any other documents or agreements contemplated hereby to which the City is a party and the fulfillment of the terms and conditions hereof and thereof do not and will not conflict with, or constitute on the part of the City, a breach of or a default under any existing (i) law, provision of its charter, any legislative act, constitution or other proceeding establishing or relating to the establishment of the City; or (ii) any agreement, indenture, mortgage, lease or other instrument to which the City is subject or is a party or by which it is bound.

(b) The making and performance of this Agreement by the City has been duly authorized by all necessary action and this Agreement and all other instruments and documents contemplated hereby to which the City is a party, when signed and delivered pursuant hereto, will be valid and binding obligations of the City enforceable in accordance with their terms.

(c) The City has legally reserved \$3,780,000, and has irrevocably committed such funds to pay for all costs of constructing the Parking Ramp, subject to the limitations set forth in the UDAG Contract relating to the release of the UDAG to the City.

(d) The City intends to use that portion of the Parking Ramp not reserved to patrons of the Project solely as a parking ramp open to the general public on a first come, first served basis or to reserve such spaces to facilities other than the Project and will not operate the Parking Ramp in any manner inconsistent with this intention.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. General. Upon the failure of either party hereto to observe and perform its covenants and obligations hereunder, such party shall, upon written notice from the other, proceed to cure or remedy such failure within thirty (30) days after receipt of such notice, or, except for failure defined as Events of Default in Sections 8.2(a) herein, such longer period as may be reasonably required to cure or remedy such failure. If action is not taken after notice duly given to cure or remedy such failure within the period herein specified, the party failing to observe or perform its covenants and obligations hereunder shall have suffered or incurred an Event of Default and the aggrieved party may, without further notice, pursue the remedies set forth herein.

Section 8.2. Events of Default. Subject to the provisions of Section 8.1 hereof, the following shall constitute Events of Default:

(a) Failure by the Company to pay when due the Guarantee Amount.

(b) If either the City or the Company shall fail duly to observe or perform any of the terms, conditions, covenants, or agreements required to be observed or performed by them hereunder.

(c) If any representation or warranty made herein by either the City or the Company shall prove to have been untrue in any material respect or materially misleading as of the time such representation or warranty was made.

Section 8.3. Rights and Remedies of the Company and the City Upon Default. Upon the occurrence of an Event of Default suffered or incurred by either the City or the Company and at any time thereafter, the non-defaulting party may at its option, subject to the provisions of Section 8.5, exercise any and all of the following rights and remedies:

(a) Recover from the defaulting party, by appropriate proceedings, such damages as the non-defaulting party may be entitled to at law as a result of such Event of Default.

(b) Compel, by appropriate proceedings, specific performance by the defaulting party of its obligations hereunder.

(c) Pursue such other rights and remedies as it may have at law or in equity.

Section 8.4 Notices to Bond Trustee and Bank. All notices of Default required to be given hereunder to either the City or the Company shall also be delivered to the Bond Trustee and the Bank.

Section 8.5. Unavoidable Delays. Notwithstanding any provisions of this Agreement to the contrary, neither the City nor the Company, as the case may be, nor any successor or assignee thereof shall be considered in breach of or in default of any of its obligations hereunder (other than the obligation to pay moneys when due) in the event that performance of such obligation has been delayed due to acts of God, acts of public enemies, fires, storms, strikes, freight embargos, walk-outs, or other labor disturbances, insurrections, or riots, temporary inability to obtain supplies or materials, delay of subcontractors due to such causes and any and all similar causes, provided, however, within ten (10) days after the occurrence of an Unavoidable Delay, the party suffering the same shall give notice to the other of such occurrence and shall give notice of the cessation of such

Unavoidable Delay within ten (10) days after such cessation. The time or times for performance of the obligations of the City or the Company, as the case may be, shall be extended for a period of time equal to the delay in performance caused by such causes.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed given (or shall be deemed received if receipt is required) when personally delivered or on the fifth (5th) business day after deposit in the United States mail if sent by certified or registered mail, postage prepaid, with return receipt requested with proper address as indicated below. The City and Company may, by notice given each to the other, designate any address or addresses to which notices, certificates or other communication 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 Coordinator
301 M City Hall
Minneapolis, MN 55415
Attn: Robert Moffitt

With copies to:

Minneapolis City Attorney
A-1700 Hennepin County Government Center
Minneapolis, MN 55487

City Engineer
Traffic Engineering Department
Room 201, City Hall
Minneapolis, MN 55415

To the Company:

Seven Corners Hotel Partners Limited Partnership
7900 Xerxes Avenue South, Suite 1906
Minneapolis, MN 55431

With a copy to:

H. William Willoughby
One Central Plaza
11300 Rockville Pike
Rockville, MD 20862

To the Bond Trustee:

Norwest Bank Minneapolis, N.A.
8th and Marquette
Minneapolis, MN 55479
Attention: Trust Department

To the Bank:

The First National Bank of Saint Paul
332 Minnesota Street
St. Paul, MN 55101

Section 9.2. Payments to City. All payments to be made to the City by the Company pursuant to this Agreement shall be made to the Office of the Comptroller/Treasurer of the City pursuant to procedures established by the Chief Financial Officer of the City.

Section 9.3. 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.

Section 9.4. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City and the Company and their respective successors and assigns.

Section 9.5. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.6. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement, this Agreement may not be effectively amended, changed, modified, altered or terminated except by written instrument executed by the City and the Company, and, so long as the Permanent Financing remains outstanding, consented to in writing by the Bond Trustee or the Bank.

Section 9.7. Assignment. This Agreement may be assigned by the Company to the Bond Trustee, and by the Bond Trustee to the Bank, and to any third party who undertakes in writing to the City to perform all of the Company's obligations hereunder without the further consent of the City.

Section 9.8. Government Approval of Amendments. No contract or agreement required hereunder to be submitted to and approved or accepted by the Government shall be amended in any material respect, after such approval and acceptance, without the prior written approval of the Government. An amendment shall be deemed "material" for purposes of this Section 9.8 if it cancels or reduces any developmental, construction, job creating, or financial obligation of the Company by more than ten percent

(10%), or if it changes the status or character of any development activity, or if it increases any time for performance by the Company by more than ten percent (10%); provided, that an increase in any time for performance which does not exceed thirty (30) days, shall not be deemed "material".

Section 9.9. Disclaimer of Relationship. Nothing contained in this Agreement or in the UDAG Contract, nor any act of the Government or of the City or of the Company shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal and agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the Government.

Section 9.10. Third Party Contract Requirements. The Company agrees to comply with all applicable terms and provisions as included and set forth in Article IX of the UDAG Contract.

Section 9.11. Supercedes Previous Agreements. This Agreement supercedes and replaces all previous agreements of the City and the Company with respect to the Parking Ramp. Such agreements, upon the execution of this Agreement, are terminated and are null and void.

IN WITNESS WHEREOF, the City and the Company have caused this Agreement to be executed and attested by their duly authorized officers, and the Company has caused its corporate seal to be hereunto affixed, all as of the date first above written.

CITY OF MINNEAPOLIS

By [Signature]
Mayor

ATTEST

By [Signature]
Assistant City Clerk

RECEIVED BY
6-9-83
[Signature]
ASST. CITY ATTORNEY

COUNTERSIGNED:

By [Signature]
ACTING Comptroller-Treasurer

SEVEN CORNERS HOTEL PARTNERS
LIMITED PARTNERSHIP

By [Signature]
General Partner

By [Signature]
Its VICE-PRES

15
By [Signature]
175 Secretary Treasurer