

ACKNOWLEDGEMENT AND RATIFICATION OF LEASE

This **Acknowledgement and Ratification of Lease** ("Agreement") is made and entered into as of May 9, 2007, by and between THE UNITED STATES OF AMERICA, acting by and through the General Services Administration ("GSA") and THE CITY OF MINNEAPOLIS, a Minnesota municipal corporation (the "City").

RECITALS

A. GSA, the City and the Minneapolis Community Development Agency, a body corporate and politic under the laws of the State of Minnesota (the "MCDA") entered into that certain Development Agreement dated March 19, 1993, pursuant to which, a federal courthouse and underground parking facility were constructed in the City of Minneapolis (the "Redevelopment Agreement").

B. In accordance with Section 7.12 of the Redevelopment Agreement, the parties agreed that upon substantial completion of the Plaza Garage, GSA and the City would execute the Plaza Garage Lease Agreement in substantially the form attached to the Redevelopment Agreement as Exhibit B, with the date inserted and Exhibit B to the Plaza Garage Lease showing the location of the Plaza Garage.

C. On or around May 13, 1997, the Plaza Garage was completed and the City began operating the Plaza Garage.

D. Neither the GSA nor the City have been able to locate an executed copy of a Plaza Garage Lease Agreement.

E. The parties hereto wish to hereby acknowledge and ratify this Lease Agreement with respect to the Plaza Garage.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, GSA and the City acknowledge and agree as follows:

1. GSA is the owner in fee simple of and holds good and marketable title to the land described on Exhibit A-1 attached hereto (the "Land"), subject to no reservations, restrictions, easements, liens, encumbrances, claims or exceptions of any kind other than the Permitted Encumbrances described on Exhibit A-2 attached hereto (the "Permitted Encumbrances").

2. Each of the foregoing Recitals A through D is true and correct in its entirety.

3. Capitalized terms not defined herein shall have the meaning ascribed to them in the Redevelopment Agreement.

4. The Plaza Garage Lease Agreement in the form attached hereto as Exhibit B (the "Garage Lease") is currently and has been in full force and effect since May 13, 1997, and has not been modified, supplemented, amended, assigned, transferred or encumbered (except for the Permitted Encumbrances).
5. Both GSA and the City fully recognize the Garage Lease notwithstanding the lack of proper signatures thereon and neither GSA nor the City are aware of or shall recognize any other previously existing form of plaza garage lease agreement.
6. Except as expressly modified, amended and supplemented by this Agreement, all of the terms, covenants and conditions of the Garage Lease are hereby ratified by GSA and the City.
7. Neither this Agreement nor the Garage Lease can be withdrawn, modified, amended or supplemented unless by a written instrument signed by authorized representatives of the GSA and the City or their permitted assigns.
8. All Rent due to GSA under the Garage Lease as of the date hereof has been paid in full by the City.
9. That to the actual knowledge of the City and GSA, there are no uncured defaults under the Garage Lease on the part of either party, nor an event which, with the passage of time or the giving of notice, or both, would constitute a default under the Garage Lease.
10. As used herein, the phrase "to the actual knowledge" signifies that no information has come to the attention of the current staff of the City or the GSA who have participated in the administration of the Land or the Garage Lease that would give such persons actual knowledge that the representation stated herein to be "to the actual knowledge" are not accurate, and does not signify that such party has undertaken any current investigation or inquiry regarding such matters.
11. Both GSA and the City represent that they have the necessary power and authority to execute this Agreement and have obtained all the consents and approvals of any party necessary to effectuate the terms of this Agreement.
12. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity only, without invalidating the remainder of such provision or the remaining provisions of this Agreement, it being the intention of the parties that each and every provision hereof be effective and enforced to the fullest extent permitted by applicable law.
13. This Agreement shall be governed by and construed under the laws of the United States of America, except that Minnesota law related to real property shall apply to the extent contemplated by (or in the absence of applicable) federal law.

EXHIBIT A-1

Legal Description of the Property

Parcel 1:

Lots 1 to 9 inclusive, Rearrangement of Part of Block 66, Minneapolis.

Parcel 2:

The Northwesternly 41 feet of Lot 7, the Southeastly 37 feet of Lot 8, Block 66, Town of Minneapolis and those parts of the vacated alley dedicated in Block 66, Town of Minneapolis, lying Northeastly of the centerline thereof and lying between the extensions across it of the Northwesternly line of the Southeastly 37 feet of Lot 8 and the Southeastly line of the Northeastly 41 feet of Lot 7; AND

Lying Southwestly of the centerline thereof and lying between the extensions across it of the Northwesternly line of Lot 9 and the Southeastly line of Lot 1, all in Rearrangement of part of Block 66, Minneapolis, AND

The vacated Northeastly-Southwestly alley dedicated in Rearrangement of part of Block 66, Minneapolis lying between the Northeastly and Southwestly lines of said plat.

Being registered land as is evidenced by Certificate of Title No. 803671.

Parcel 3:

All of Lots 1, 2, 3, 9 and 10 and Lot 8 except the Southeastly 37 feet, Block 66, Town of Minneapolis together with those parts of vacated alley dedicated in Block 66 of the Town of Minneapolis lying between the extensions across it of the Northwesternly lines of Lots 1 and 10 and the Southeastly lines of Lots 2 and 9 and the Northeastly lines of Lots 3 and 8 and the Southerly line of Lot 3 to the centerline and the Southeastly lines of Lot 8 except the Southeastly 37 feet to the centerline.

Abstract Property

Known as 300 4th Street South, Minneapolis, Minnesota

EXHIBIT A-2

PERMITTED ENCUMBRANCES

- A. Any encumbrance existing on the Property prior to January 19, 1984.
- B. Tunnel Agreement (Grain Exchange Tunnel) among the Minneapolis Community Development Agency, City of Minneapolis, and the United States of America, acting by and through the General Services Administration, dated as of January 19, 1984, recorded January 20, 1994, in the office of County Recorder as Document No. 6221880 and filed January 20, 1994 in the office of Registrar of Titles as Document No. 2668635.
- C. Tunnel Agreement (City Hall) among City of Minneapolis, the United States of America, acting by and through the General Services Administration and the Minneapolis Community Development Agency, dated as of January 19, 1994, recorded January 20, 1994, in the office of County Recorder as Document No. 6221879 and filed April 21, 1995 in the office of Registrar of Titles as Document No. 2468816.
- D. Courthouse Plaza Operating and Use Agreement among the United States of America, acting by and through the General Services Administration, City of Minneapolis, and Minneapolis Community Development Agency, dated as of January 19, 1994, recorded January 20, 1994 in the office of the County Recorder as Document No. 6221878 and filed January 20, 1994 in the office of the Registrar of Titles as Document No. 2468815.
- E. Easement for driveway purposes between the United States of America, acting by and through the General Services Administration and Flour Exchange Building Corp. filed December 8, 1995 as Document No. 2659525.

EXHIBIT B
COURTHOUSE PLAZA
PARKING GARAGE LEASE

EXHIBIT B

COURTHOUSE PLAZA
PARKING GARAGE LEASE

between

THE UNITED STATES OF AMERICA,
as Landlord

and

CITY OF MINNEAPOLIS,
as Tenant

Dated as of May 13, 1997

This document was drafted by:

McGrann Shea Franzen Carnival
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Minneapolis, MN 55402-2436
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LEASE

DATE: May 13, 1997

BETWEEN: THE UNITED STATES OF AMERICA,
acting by and through the
General Services Administration ("Landlord")

AND: CITY OF MINNEAPOLIS,
a Minnesota municipal corporation ("Tenant")

LANDLORD AND TENANT, in consideration of the covenants herein contained, hereby agree as follows:

ARTICLE 1

INTERPRETATION

1.01 Definitions. In this Lease:

- (a) "Alterations" means any changes, additions, or improvements to, deletions from, or replacements of the Premises or any part thereof.
- (b) "Building" means all of the improvements in the Project other than the Premises.
- (c) "Commencement Date" means the date Tenant commences operation of the parking garage constituting the Premises. Landlord and Tenant shall execute an amendment to this Lease specifying the Commencement Date, when determined.
- (d) "Development Agreement" means that certain Development Agreement in Minneapolis, Minnesota, between and among The United States of America, acting by and through the General Services Administration and Minneapolis Community Development Agency and City of Minneapolis dated as of March 19, 1993.
- (e) "Equipment" means all of Tenant's movable equipment, furniture and other trade fixtures and personal property

located in or used in connection with the use and operation of the Premises.

(f) "Premises" means that portion of the Project described in Exhibit B.

(g) "Project" means the real property in Hennepin County, Minnesota, described in Exhibit A.

(h) "Restoration" means the repair, restoration or rebuilding of such portions of the Premises as have been affected by a Taking or by damage or destruction to their condition prior to such event, with such Alterations as may be made at Tenant's election pursuant to Section 4.01.

(i) "Support" means the foundation and structural support (including replacements thereto) for the Premises or the Building, including any reconstruction thereof, and for the normal contents thereof including, without limitation, any and all structural members, pilings, footings, foundations, foundation walls, columns, beams, girders, joists, brackets, floor slabs, roof slabs, party walls, support walls, shearwalls, and the like forming part of the Premises or the Building or that provide foundation or structural support for the Premises or the Building.

(j) "Taking" means a transfer of all or any part of the Premises or any interest in the Premises as a result of, in lieu of, or in anticipation of the exercise of the right of condemnation or eminent domain.

(k) "Taxes" means all taxes, assessments, and other governmental charges which are assessed, levied or imposed with respect to the Term on the Premises or Tenant's interest therein, or on account of the possession, use, occupancy or operation of the Premises or conduct of business therein (as distinguished from ownership thereof), or on any Equipment or other trade fixtures or personal property in the Premises.

(l) "Term" means the period of time set out in Section 2.04.

(m) "Unavoidable Delays" means acts of God, casualties, war, civil commotion, embargo, riots, strikes, unavailability of materials, Excusable Delays as defined in the Federal Acquisition Regulations (FAR 52.249-14) and other causes or events (other than lack of funds) beyond a party's control.

(n) "Utilities" means any utilities serving the Premises or the Building including water, sanitary sewer, storm sewer, electricity, gas, steam, telephone, telegraph, cable television and similar electronic communication systems, and any mechanical or electrical systems serving the Premises or the Building, including lines, vents, ducts, shafts and related machinery and equipment.

1.02 Exhibits. The following exhibits are attached to and by reference made a part of this Lease.

- (a) "Exhibit A", the description of the Project,
- (b) "Exhibit B", the location of the Premises, and
- (c) "Exhibit C", maintenance responsibilities for certain elements relating to the Building and the Premises.

ARTICLE 2

LEASE, TERM AND RENT

2.01 Grant. Upon the terms and conditions of this Lease, Landlord demises and leases the Premises to Tenant and Tenant leases and accepts the Premises from Landlord.

2.02 Covenants. Landlord covenants to observe and perform all of the covenants and conditions to be observed and performed by Landlord under this Lease. Tenant covenants to observe and perform all of the terms and conditions to be observed and performed by Tenant under this Lease.

2.03 Quiet Enjoyment. Tenant, on performing the obligations of Tenant under this Lease, shall peacefully have, hold and enjoy the Premises subject to the terms of this Lease.

2.04 Term. The term of this Lease is 99 years, beginning on the Commencement Date and expiring at the end of the day preceding the ninety-ninth anniversary of the Commencement Date.

2.05 Rent. Tenant shall pay to Landlord as rent for the Premises the sum of One and 00/100 Dollars (\$1.00), the receipt and sufficiency of which is hereby acknowledged.

ARTICLE 3

USE OF PREMISES

- 3.01 Use. Tenant will maintain and use the Premises during the Term as a parking garage.
- 3.02 Operation. Tenant shall operate the Premises in a manner consistent with the other municipally owned parking garages of similar age and utility in downtown Minneapolis. Tenant shall comply with all laws, ordinances, orders, rules, and regulations of all state and local governmental authorities which are applicable to the maintenance, operation, use and occupancy of the Premises. Except as otherwise expressly provided in this Lease, the risks of operation and the expenses connected with this Lease and the Premises are the responsibility of Tenant.
- 3.03 Utilities. If Tenant requires water, sewer, natural gas, steam, chilled water, electricity or other utilities for operation of the Premises, Tenant shall at Tenant's cost either provide such service using its own equipment or arrange to receive the service from the appropriate utility provider. Tenant shall pay or cause to be paid all charges for utility services at any time rendered to or in connection with Tenant's use of the Premises or any part thereof.
- 3.04 Condition of Property; Risk of Loss. Except as provided in Section 7.11 of the Development Agreement, the Premises are leased by Landlord pursuant to this Lease "As Is" and "Where Is" without representation, warranty, or guaranty as to quantity, quality, character, condition, or size or that the same are in condition or fit to be used for the purpose for which intended, and no claim for any allowance or deduction upon such ground will be considered after the Commencement Date. As of the Commencement Date Tenant shall assume responsibility for all risks of loss or damage to the Premises and have all obligations and liabilities of tenancy, subject, however, to Tenant's rights and Landlord's obligations under this Lease and under Section 7.11 of the Development Agreement.

ARTICLE 4

IMPROVEMENTS

- 4.01 Alterations. Tenant may from time to time at its expense make Alterations, subject to reasonable prior notice to, and approval by, Landlord, provided that any Alterations shall be diligently completed in a good and workmanlike manner, employing materials of good quality, and in compliance with applicable governmental codes. Any damages to the Premises caused thereby shall be promptly repaired by Tenant.
- 4.02 Equipment. Tenant shall at Tenant's expense maintain all Equipment employed by Tenant in the use and operation of the Premises. Tenant may from time to time in the ordinary course of Tenant's business or in the course of any Alterations remove and dispose of any Equipment from the Premises, without obligation to account to Landlord therefor, which Tenant in good faith determines has become inadequate, obsolete, worn out or is otherwise undesirable for the proper use and operation of the Premises. Tenant shall properly repair or cause to be repaired at Tenant's expense any damage to the Premises caused by the installation or removal of any Equipment, whether effected by Tenant or others.
- 4.03 Maintenance and Repairs. Tenant shall at Tenant's expense maintain the Premises in good order and condition, ordinary wear and tear excepted. Tenant shall make all necessary or appropriate structural and non-structural repairs, replacements and renewals to the Premises sufficient for use and operation of the Premises. Tenant shall notify Landlord in a timely manner prior to undertaking any structural repairs, replacements or renewals.
- 4.04 Mechanics' Liens. Tenant shall not permit any contractor, laborer, vendor or other liens to stand against the Premises for any labor, skill, material or equipment furnished or claimed to be furnished in connection with any work in or about the Premises. Upon receiving notice of the filing of any such lien, Tenant shall cause it to be discharged unless contested as permitted under Section 4.05. Tenant shall not be responsible for any liens arising out of any labor, skill, material or equipment furnished or claimed to be furnished in connection with any work in or about the Building or other parts of the Project by or for Landlord, and Landlord shall keep the Premises free of such liens. Upon receiving notice of the filing of any such lien, Landlord shall promptly

cause it to be discharged unless contested as permitted under Section 4.05.

- 4.05 Lien Contests. Landlord or Tenant may, in good faith, contest any lien under Section 4.04 after first notifying the other in writing of its intention to do so unless the other shall reasonably determine that by such contest, its interest in the Premises will be materially endangered or materially adversely affected. Neither Tenant nor Landlord shall be in default under this Lease for nonpayment or nonrelease or any such lien while contesting such lien pursuant to this Lease.

ARTICLE 5

TAXES AND INSURANCE

5.01 Taxes.

- (a) It is contemplated by Landlord and Tenant that so long as their respective interests in the Premises, the Equipment, and the Lease are held by governmental entities, the Premises, Equipment and Lease will be exempt from certain Taxes. If for any period during the Term the holder of Landlord's interest in the Premises, the Equipment or the Lease should no longer be exempt from such Taxes but Tenant continues to be an entity which would be exempt from such Taxes and does not permit the Premises or the Equipment to be used or operated in a manner which would void such tax-exempt status, the holder of Landlord's interest shall pay all such Taxes as they become due and payable and before any interest or penalty for non-payment shall attach.
- (b) Except for the Taxes payable by Landlord under Section 5.01(a), Tenant shall pay all Taxes as they become due and payable and before any interest or penalty for non-payment shall attach.
- (c) If by law any such Taxes may be paid in installments, the party responsible to pay such Taxes may exercise such option and shall pay all such installments (and interest, if any) becoming due during the Term as they become due and before any further interest or any penalty, fine or cost may be added to them.

- (d) Any Taxes payable by Tenant relating to a calendar year a part of which is included in the Term and a part of which begins prior to or extends beyond the Term shall be apportioned to Tenant as of the commencement or expiration of the Term, as the case may be.

5.02

Tax Contests. The party responsible to pay any Taxes may at its expense contest by appropriate legal proceedings conducted in good faith and with due diligence the amount, validity, or application, in whole or in part, of such Taxes, provided that

- (a) no contest may involve the possibility of forfeiture, sale or disturbance of the other party's interest in the Premises, the Equipment or this Lease,
- (b) upon final determination of any contest, such party shall pay and satisfy any amount found to be due, together with costs, penalties and interest, and shall comply with any obligation found to be controlling, and
- (c) at the request of the contesting party, when required by law or where other good cause appears, the other party shall join in any such contest on condition that such other party shall have reasonably determined that it will not suffer any loss, cost or damage by reason of such joinder.

5.03

Insurance. As of the date of this Lease (or, if earlier, the Commencement Date) and thereafter during the Term, Tenant shall cause the operator of the Premises to procure and maintain at no expense to Landlord commercial general liability insurance, property damage insurance, comprehensive auto liability insurance, and garagekeepers liability insurance, and, so long as Landlord is The United States of America, such additional kinds of insurance as may be reasonably required by Landlord, with Landlord and Tenant listed as additional insured, in such amount as shall from time to time be required for other municipally owned parking ramps in downtown Minneapolis insuring against claims for personal injury or death or property damage occurring upon, in, or about the Premises (or, so long as Landlord is The United States of America, in such amounts as otherwise may be reasonably required by Landlord).

5.04

Insurance Policies. Each insurance policy under this Article 5 shall provide that no cancellation or material

reduction in coverage shall be effective without at least 30 days prior written notice to Landlord. At least 30 days prior to the expiration date of any policy, at Landlord's request, Tenant shall promptly deliver to Landlord certificates of insurance. Such insurance may be effected by a blanket insurance policy or policies covering other property. So long as Landlord is The United States of America, such insurance shall be in companies acceptable to Landlord and shall include such terms and provisions as may be required to provide coverage satisfactory to Landlord.

- 5.05 Self-Insurance. Notwithstanding Sections 5.03 or 5.04 (or any other provision of this Lease), so long as Tenant is the City of Minneapolis Tenant may self-insure in whole or in part in satisfaction of any or all insurance requirements under this Lease.

ARTICLE 6 EASEMENTS

- 6.01 Burdening Building. Landlord hereby grants to Tenant the following easements and licenses benefiting the Premises and burdening the Building:

- (a) a temporary license during the period of any Tenant construction, reconstruction, maintenance or repair of the Premises to use portions of the Building to the extent reasonably necessary to perform the work in question (subject to any requirement which may be set forth elsewhere in this Lease, if at all, for reasonable prior notice to, and approval by, Landlord in respect of such activity),
- (b) an easement for Support of the Premises and for Support of any Alterations to the Premises which Alterations do not at the time they are constructed unreasonably interfere with any use or then-currently proposed use of the Building (subject to any requirement which may be set forth elsewhere in this Lease, if at all, for reasonable prior notice to, and approval by, Landlord in respect of such activity),
- (c) an easement for such building encroachments as may exist or occur by reason of the construction or reconstruction of the Premises or from settlement or shifting of the Premises, but such easement shall not excuse Tenant from exercising diligence in any reconstruction of the Premises,

- (d) an easement for access at reasonable times for inspection and testing of the Support and any building encroachments and for observation of any construction, maintenance, repair, replacement, alteration or reconstruction thereof,
- (e) an easement for construction, installation, operation, maintenance, and repair of Utilities serving the Premises using such parts of the Building and the land in the Project as are designed for such purpose, together with reasonable access therefor (subject to any requirement which may be set forth elsewhere in this Lease, if at all, for reasonable prior notice to, and approval by, Landlord in respect of such activity), and
- (f) an easement for vehicular and pedestrian access to and from the Premises, (i) from and to the Building (provided that, except during normal Federal business hours, and except as otherwise required by clause (ii) of this subparagraph (f), there shall be no public pedestrian access to portions of the Building which are normally closed to the public outside of normal Federal business hours and there shall be no public access to Federal parking), (ii) from and to any tunnels or pedestrian walkways or skyways now or hereafter attached to or accessible through the Building, and (iii) from and to the public streets and sidewalks adjoining the Building, using such parts of the Building as are designed or reasonably necessary for such purpose. Such parts of the Building shall be available at all such times as any such tunnels or pedestrian walkways or skyways are open to the public. Public access will be subject to such other reasonable rules regarding use and operation as may be mutually agreed upon from time to time by Landlord and the City of Minneapolis Traffic Engineer.

6.02

Burdening Premises. Landlord hereby reserves the following easements and licenses benefiting the Building and burdening the Premises:

- (a) a temporary license during the period of any construction, reconstruction, maintenance or repair of the Building to use portions of the Premises to the extent reasonably necessary to perform the work in question,
- (b) an easement for Support of the Building and for support of any Alterations to the Building which

Alterations do not at the time they are constructed unreasonably interfere with any use or then-currently proposed use of the Premises,

- (c) an easement for such building encroachments as may exist or occur by reason of the construction or reconstruction of the Building or from settlement or shifting of the Building, but such easement shall not excuse the owner of the Building from exercising diligence in the initial construction of the Premises and the Building or any reconstruction of the Building,
- (d) an easement for access at reasonable times for inspection and testing of the Support and any building encroachments and for observation of any construction, maintenance, repair replacement, alteration or reconstruction thereof,
- (e) an easement for construction, installation, operation, maintenance, and repair of Utilities serving the Building using such parts of the Premises as are designed for such purpose, together with reasonable access therefor, and
- (f) an easement for vehicular and pedestrian access to and from the Building, from and to the Premises and from and to the public streets and sidewalks adjoining the Premises, using such parts of the Premises as are designed for such purpose.

6.03 Responsibility. Landlord and Tenant shall each be responsible for maintaining, repairing and replacing those items listed on Exhibit C as to which it is shown as responsible for maintenance. The cost of such maintenance, repair and replacement shall be allocated as set out in Exhibit C.

6.04 Performance. Subject to Section 6.05, the party performing work under Exhibit C shall, to the extent practicable, consult with the other prior to entry into the other's property or performance of any work which affects the other's property. All work shall be performed in such manner as shall not disturb or interfere with the other's use and operation of its property any more than is reasonably necessary in the circumstances. The party performing such work shall repair any damage to the property of the other caused by the work.

6.05 Support Maintenance. The Support shall be maintained, repaired and replaced as from time to time may be required so that the adequacy and structural soundness of the Support shall be preserved. If either Landlord or Tenant intends to perform any work which could affect the structural integrity of any Support, it shall first give not less than 30 days' written notice (except in an emergency) to other containing details of the proposed work, and performance of such proposed work shall be subject to the approval of Landlord or Tenant as the case may be. If there is imminent danger of injury or damage to the person or property due to damage or failure of any structural element in the Support, Landlord and Tenant shall each have the right to immediately enter the property in which the Support is located to correct such damage or failure or prevent such injury or damage upon giving such notice of entry as may be reasonable in the circumstances and without interfering any more than reasonably necessary with the use of the property in which the Support is located.

6.06 Failure to Perform. Failure of either Landlord or Tenant to perform any of its obligations under this Article 6, after notice from the other of such failure, shall entitle the aggrieved party to any rights and remedies provided at law or in equity including

- (a) specific performance of such obligation,
- (b) the right to enter and perform such obligation at the expense of and for the account of the defaulting party, and
- (c) damages including reasonable attorneys' fees and expenses.

6.07 Location. Except as otherwise set out in this Lease, all of the easements granted or reserved under this Lease shall be at such locations as initially designed in the Project or at such other locations as Landlord and Tenant shall agree in writing from time to time. At the request of Landlord or Tenant, the locations will be surveyed by a registered land surveyor. The cost of such survey shall be borne by the party requesting it.

6.08 Confirmation. All easements granted and reserved in this Article 6 shall exist by virtue of this Lease without the necessity of confirmation by any other document. However, upon the request of Landlord or Tenant, they shall be confirmed in separate recordable instruments in

form and substance mutually acceptable to Landlord and Tenant.

ARTICLE 7

CASUALTY AND CONDEMNATION

- 7.01 Casualty. If the Premises or any part thereof are damaged or destroyed, Tenant shall with reasonable diligence (subject to availability of funds and Unavoidable Delays) commence and complete Restoration at Tenant's cost. However, if the damage or destruction occurs during the last 30 years of the Term or in Tenant's good faith judgment the Premises cannot be restored and economically operated as a parking garage under the terms of this Lease, Tenant may by written notice to Landlord given within 180 days following such damage or destruction elect not to undertake Restoration.
- 7.02 Condemnation. In case of a Taking of all of the Premises, this Lease shall terminate as of the earlier of the date title vests in the condemning authority or the date the condemning authority is entitled to possession. In case of a Taking of less than all of the Premises, this Lease shall remain in full force and effect as to that portion of the Premises remaining after such Taking, and Tenant shall within a reasonable period of time (subject to availability of funds and Unavoidable Delays) commence and complete Restoration at Tenant's cost. However, if the Taking occurs during the last 30 years of the Term or in Tenant's good faith judgment the Premises cannot be restored and economically operated as a parking garage under the terms of this Lease, Tenant may by written notice to Landlord given within 180 days following such Taking elect not to undertake Restoration. The entire award and other payments on account of any Taking shall belong to Tenant except for such portion of the award (if any) as shall be attributable to Landlord's residual interest in the Premises after expiration of the 99-year Term of the Lease.
- 7.03 Termination. If Tenant has not commenced Restoration pursuant to Section 7.01 or 7.02 within 30 months after the damage or destruction and thereafter promptly, effectively and continuously proceeds with Restoration, or if Tenant exercises its option not to undertake Restoration pursuant to Section 7.01 or 7.02, Landlord may at any time thereafter terminate this Lease on not less than 60 days' prior written notice to Tenant and

neither Landlord nor Tenant shall have any further obligations or liabilities hereunder.

ARTICLE 8

END OF TERM

- 8.01 Surrender. Upon expiration or earlier termination of this Lease or of Tenant's right of possession of the Premises, Tenant shall immediately quit and surrender possession of the Premises to Landlord in good order and condition, ordinary wear and tear and damage by casualty or Taking excepted. Tenant may at Tenant's expense remove any movable equipment, furniture and other trade fixtures and personal property from the Premises within 30 days following such expiration or termination. Any property not so removed shall be deemed abandoned to Landlord and may be used or disposed of by Landlord as Landlord deems expedient.
- 8.02 Holding Over. Any holding over with Landlord's written consent shall be deemed occupancy of the Premises as a tenant from month-to-month, subject to the terms of this Lease to the extent they are not inconsistent with a month-to-month lease. If Tenant holds over without consent, Tenant shall be a tenant at sufferance only subject to the terms and conditions of this Lease to the extent they are not inconsistent with a tenancy at sufferance. No unauthorized holding over shall operate to extend the Term.
- 8.03 Vesting. Upon expiration or earlier termination of this Lease, all right, title and interest of Tenant in the Premises shall automatically vest in Landlord without the necessity of confirmation by any other document. However, upon the request of Landlord, such vesting shall be confirmed in separate recordable instruments in form and substance acceptable to Landlord.
- 8.04 Merger. There shall be no merger of the leasehold estate created by this Lease with the fee estate in the Premises by reason of the same party owning or holding any interest in such leasehold estate and any interest in such fee estate. No merger of the leasehold estate and fee estate shall occur unless and until all parties having any interest in the leasehold estate created by this Lease and the fee estate in the Premises shall join in and duly record a written instrument effecting such merger.

ARTICLE 9

NOTICES AND ESTOPPELS

9.01 Notices. All notices and other communications from Landlord to Tenant or from Tenant to Landlord under this Lease shall be in writing and shall be deemed duly served if delivered personally to an officer of the party being served or if deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, addressed

if to Landlord:

U. S. General Services Administration
230 South Dearborn Street
Room 3600
Chicago, IL 60604-1503
Attn: Assistant Regional Administrator,
Public Buildings Service

if to Tenant:

City of Minneapolis
City Hall, Room 203
Minneapolis, MN 55415
Attn: City Traffic Engineer

or such other address or addresses as Landlord or Tenant shall have designated in writing to the other. Notices which are mailed shall be deemed to have been given on the date received as evidenced by the customary registered or certified mail receipt.

9.02 Statement in Lieu of Estoppels. Landlord or Tenant shall at any time and from time to time upon not less than 30 days prior notice from the other execute, acknowledge and deliver a written statement certifying

- (a) that this Lease is in full force and effect, subject only to such modification (if any) as may be set out therein,
- (b) the dates (if any) to which Rent is paid in advance, and
- (c) that there are not, to such party's knowledge, any uncured defaults on the part of the other party, or specifying such defaults if any are claimed.

If any party fails to timely deliver such statement, such party shall be deemed to have acknowledged that this Lease is in full force and effect, without modification except as may be represented by the other, and that there are no uncured defaults in the other's performance.

Any such statement may include the following:

"The foregoing information is furnished upon the information and belief of the undersigned that it is accurate and upon the condition that, and received with the understanding that, if it is inaccurate or incomplete for any reason, said error or deficiency cannot be used by the recipient hereof or any other person whatsoever as the basis for any claim against the [party furnishing statement] or its agents, including the undersigned, nor can it be used as a basis for estopping the [party furnishing statement] from enforcing any or all of its rights or performing any of its obligations under and in accordance with the terms thereof."

ARTICLE 10

DEFAULT

- 10.01 Right to Perform. If either party fails to perform any act on its part to be performed hereunder, and such failure shall continue for 60 days after notice thereof from the other (or, if such act cannot reasonably be performed within such 60 days, if the defaulting party fails to commence such act within the 60 day period and thereafter promptly, effectively and continuously proceeds with such act), the non-defaulting party may (but shall not be obligated to) perform such act without waiving or releasing the defaulting party from any of its obligations relative thereto. All sums paid or costs incurred by non-defaulting party in so performing such acts shall be payable by the defaulting party on demand.
- 10.02 Default. If either party fails to observe or perform any provision of this Lease within 60 days after notice of such failure (or if such breach would reasonably require more than 60 days to rectify, if such party fails to commence rectification within the 60 day period and thereafter promptly, effectively and continuously to proceed to rectify such breach), the other party may
- (a) terminate this Lease by written notice to the defaulting party upon a date therein specified, which date shall not be less than 30 nor more than

180 days after the date of such notice, and this Lease shall expire on the date so specified, or

- (b) as to a default by Tenant, terminate Tenant's right of possession and repossess the Premises in accordance with legal process with or without terminating this Lease, in which event Landlord may (but will not be obligated to) relet all or any part of the Premises or any part thereof upon such terms as Landlord deems advisable and may at Landlord's cost make any changes, additions, improvements, redecorations and repairs to the Premises as Landlord deems advisable without accounting to Tenant therefor, or
- (c) seek specific performance or other equitable relief or exercise any other right or remedy available at law or in equity.

10.03 Waiver of Default. No failure or delay by either party to insist on strict performance of any term of this Lease or to exercise any right, power, or remedy upon a breach of this Lease shall constitute a waiver of such term or such breach.

10.04 Cumulative. Each right, power and remedy provided for under this Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for under this Lease. The exercise or beginning of the exercise of any one or more of the rights, powers or remedies provided for under this Lease shall not preclude the concurrent or later exercise of any or all such other rights, powers or remedies.

ARTICLE 11

MISCELLANEOUS

11.01 Relationship. Nothing contained in this Lease shall create any relationship between the parties hereto other than that of lessor and lessee. Landlord and Tenant disclaim any intention to create a joint venture, partnership or agency relationship.

11.02 Consent. Except as otherwise specifically provided, whenever consent or approval of Landlord or Tenant is required under this Lease, such consent or approval shall not be unreasonably withheld, delayed or conditioned. If either party withholds any consent or approval, such

party shall on written request deliver to the other a written statement giving the reasons therefor.

- 11.03 Number and Gender. The words "Landlord" and "Tenant" as used herein includes the plural as well as the singular. The use of specific gender includes any other gender as applicable.
- 11.04 Captions. The captions in this Lease are for convenience only and shall have no effect on the construction or interpretation of this Lease.
- 11.05 Time. Time is of the essence of this Lease and each of its provisions.
- 11.06 Entirety; Modification. This Lease contains all representations and the entire agreement between Landlord and Tenant with respect to the subject matter hereof. Landlord and Tenant acknowledge that it has not relied upon any statement, representations, agreements or warranties except as are expressed in this Lease. This Lease and its terms and provisions may be amended or modified only by a written instrument executed by the party against which enforcement of such amendment or modification is sought.
- 11.07 Construction. The provisions of this Lease shall be construed as a whole according to their common meaning, and not strictly for or against Landlord or Tenant.
- 11.08 Law. This Lease shall be governed by and construed under the laws of The United States of America, except that Minnesota law related to real property shall apply to the extent contemplated by (or in the absence of applicable) Federal law.
- 11.09 Officials Not to Benefit. No member of or delegate to the Congress, or resident commissioner, shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.
- 11.10 Binding. This Lease is binding upon and inures to the benefit of Landlord and Tenant and their respective permitted successors and assigns and shall not be for the benefit of any third parties other than such successors and assigns.
- 11.11 Assignment. So long as Landlord is The United States of America, this Lease and Tenant's interest therein may not

be transferred, assigned or sublet without the consent of Landlord, and any transfer, assignment or subletting without such consent shall be voidable.

11.12 Memorandum. Landlord and Tenant agree upon request of the other to execute a memorandum of this Lease suitable for recording.

11.13 Severability. If any term of this Lease or application of it to any person or circumstance is invalid or unenforceable, the remainder of this Lease or the application of it to other persons or circumstances shall not be affected, and each provision of this Lease shall be valid and enforceable to the extent permitted by law.

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

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS OF THIS LEASE, Landlord and Tenant have properly executed it as of the date set out at its head.

THE UNITED STATES OF AMERICA,
acting by and through the General
Services Administration

By _____
Its _____

By _____
Its _____

CITY OF MINNEAPOLIS

By _____
Its _____

By _____
Its _____

EXHIBIT A

TO LEASE BETWEEN THE UNITED STATES OF AMERICA AND CITY OF MINNEAPOLIS

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1:

Lots 1 to 9 inclusive, Rearrangement of Part of Block 66, Minneapolis.

Parcel 2:

The Northwesternly 41 feet of Lot 7, the Southeasterly 37 feet of Lot 8, Block 66, Town of Minneapolis and those parts of the vacated alley dedicated in Block 66, Town of Minneapolis, lying Northeasterly of the centerline thereof and lying between the extensions across it of the Northwesternly line of the Southeasterly 37 feet of Lot 8 and the Southeasterly line of the Northeasterly 41 feet of Lot 7; AND

Lying Southwesterly of the centerline thereof and lying between the extensions across it of the Northwesternly line of Lot 9 and the Southeasterly line of Lot 1, all in Rearrangement of part of Block 66, Minneapolis, AND

The vacated Northeasterly-Southwesterly alley dedicated in Rearrangement of part of Block 66, Minneapolis lying between the Northeasterly and Southwesterly lines of said plat.

Being registered land as is evidenced by Certificate of Title No. 803671.

Parcel 3:

All of Lots 1, 2, 3, 9 and 10 and Lot 8 except the Southeasterly 37 feet, Block 66, Town of Minneapolis together with those parts of vacated alley dedicated in Block 66 of the Town of Minneapolis lying between the extensions across it of the Northwesternly lines of Lots 1 and 10 and the Southeasterly lines of Lots 2 and 9 and the Northeasterly lines of Lots 3 and 8 and the Southerly line of Lot 3 to the centerline and the Southeasterly lines of Lot 8 except the Southeasterly 37 feet to the centerline.

Abstract Property

Known as 300 4th Street South, Minneapolis, Minnesota

EXHIBIT B

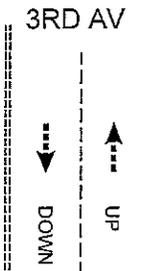
TO LEASE BETWEEN THE UNITED STATES OF AMERICA
AND CITY OF MINNEAPOLIS

DESCRIPTION OF PREMISES

[Attach drawing depicting location of Premises in the Project]

[The Premises to be depicted are the Plaza Garage as constructed by GSA through its Design/Build Contractor pursuant to the Development Agreement. The Plaza Garage is to be an approximately 300-space structured parking facility to be constructed by GSA below grade (subject to incidental projections above grade for air vents, ingress and egress and similar elements) in the Project on a turnkey basis for lease and operation by the City as a municipal parking ramp. The Plaza Garage will include an undivided interest in the Plaza Garage Support Elements benefiting the Plaza Garage and will be subject to the Plaza Garage Supporting Elements benefiting the Project.]

[The description herein set forth is subject to appropriate adjustment in accordance with actual construction as provided by the Development Agreement, to be determined by an "as built" survey prepared by a registered land surveyor, the expense of which shall be shared equally by the parties.]



Entry/Exit

Courthouse Municipal Ramp



P1

Basement 1 (TUNNEL)

Not City Property

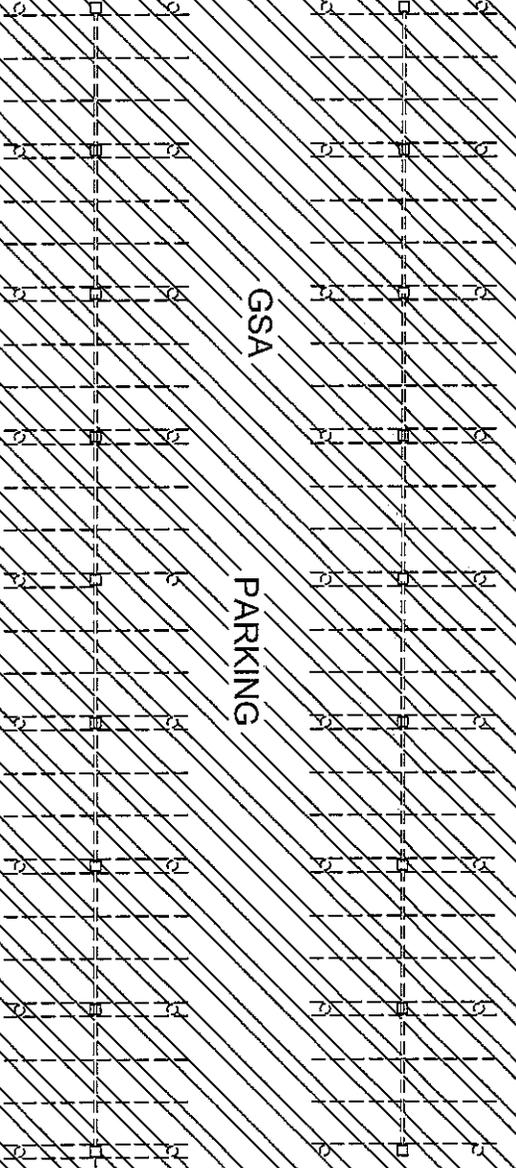
MECH

GSA

PARKING

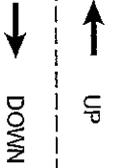
Tunnel

Tunnel



To City Hall

3RD AV



Entry/Exit

Courthouse Municipal Ramp

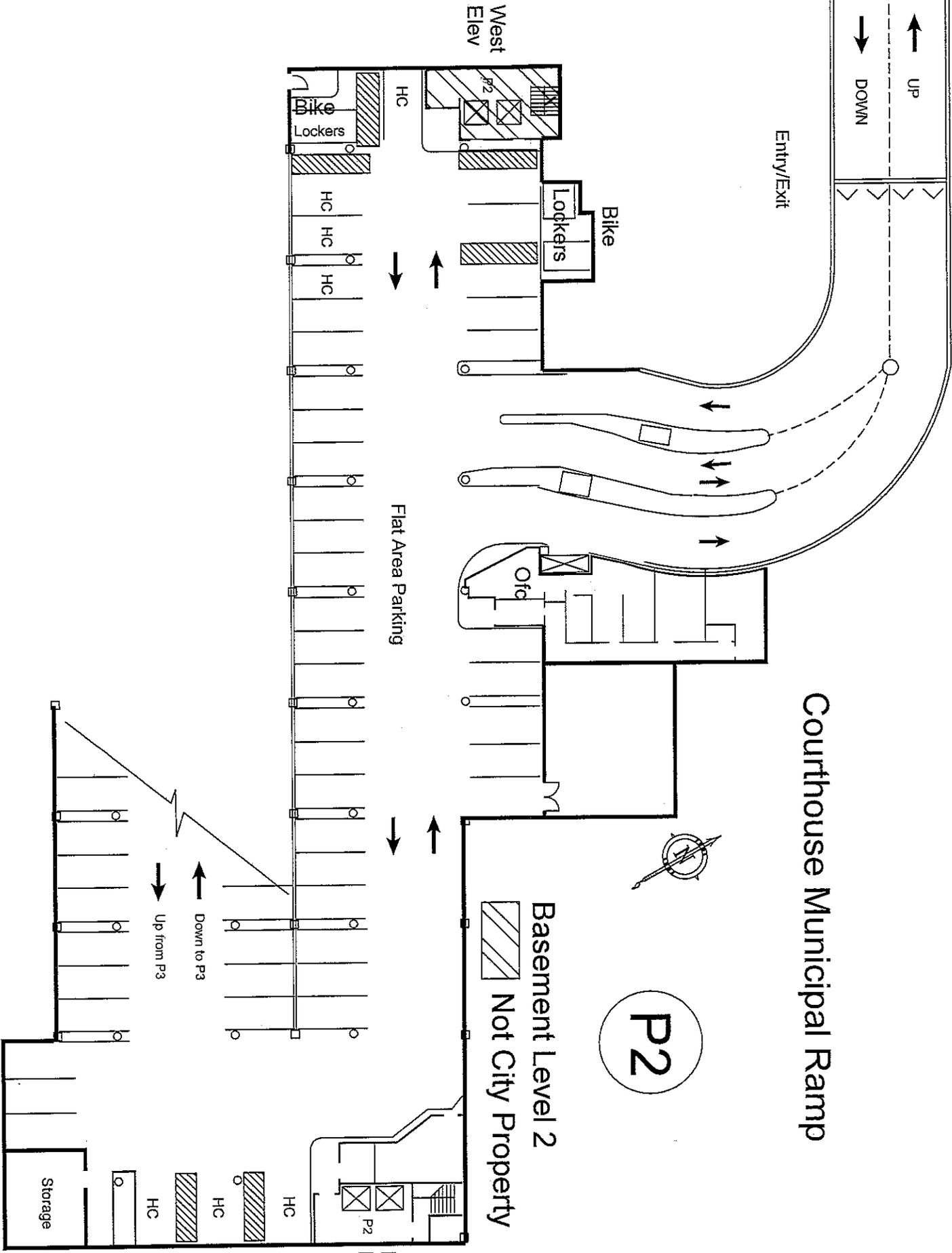
P2

Basement Level 2
Not City Property

West Elev

East Elev

Flat Area Parking

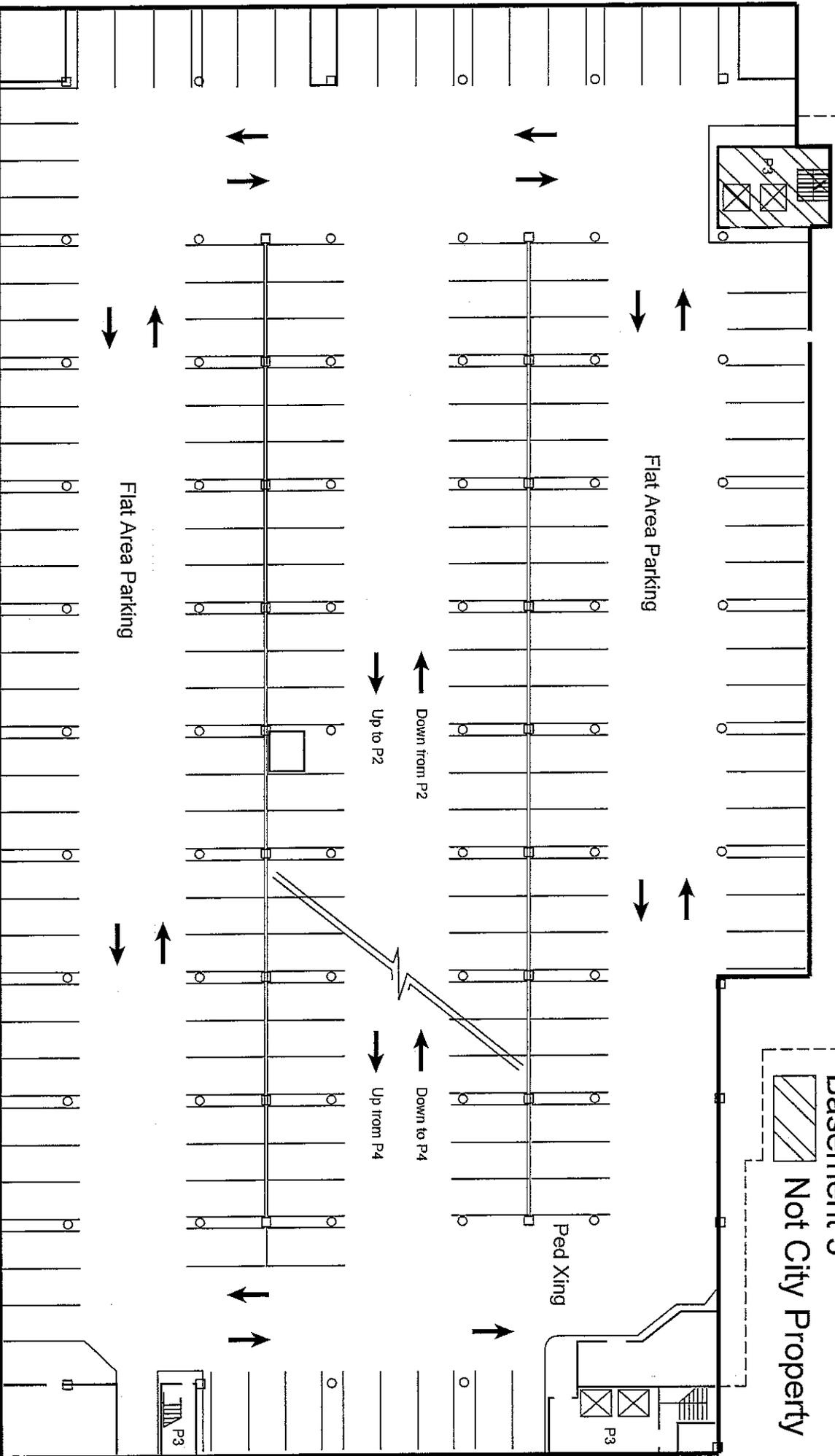


Courthouse Municipal Ramp

P3



Basement 3
Not City Property



Courthouse Municipal Ramp

P4



Basement 4



Not City Property

Flat Area Parking

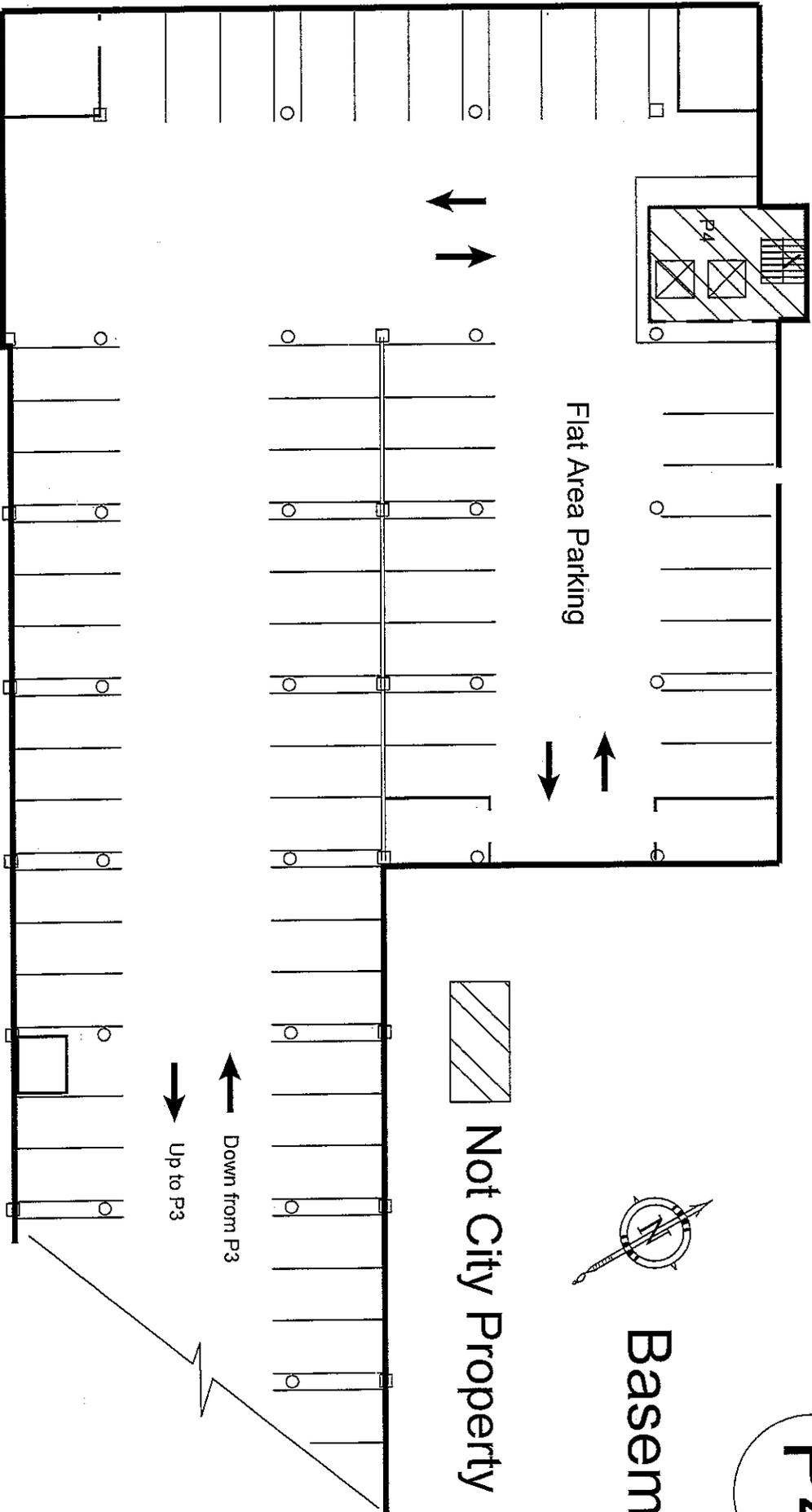


EXHIBIT C

TO LEASE BETWEEN THE UNITED STATES OF AMERICA
AND CITY OF MINNEAPOLIS

MAINTENANCE OBLIGATIONS

1. Landlord shall be responsible at its cost to maintain, repair and replace
 - (a) any Support located in or adjacent to the Building or in the land within the Project,
 - (b) any Utilities exclusively serving the Building,
 - (c) any encroachments of the Building into the Premises,
 - (d) any sidewalks, curbs and other improvements in the public right-of-way adjoining the Project to the extent the maintenance of which is the responsibility of the adjoining property owner, and
 - (e) any access easements or other facilities not otherwise specified which are located within or adjacent to the Building.

2. Tenant shall be responsible for maintaining, repairing and replacing
 - (a) any Support located in the Premises,
 - (b) any Utilities exclusively serving the Premises,
 - (c) any encroachments of the Premises into the Building,
 - (d) any access easements or other facilities not otherwise specified located within the Premises, and
 - (e) all Equipment employed by Tenant in the use and operation of the Premises.