

LEASE/USE AGREEMENT

by and between

City of Minneapolis

and

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LEASE/USE AGREEMENT

THIS **LEASE/USE AGREEMENT** is entered into this ___ day of _____, 2025, between the **CITY OF MINNEAPOLIS**, a Minnesota municipal corporation ("**Landlord**"), and _____, a _____ ("**Tenant**").

1. PURPOSE.

a. Landlord believes that it serves the public interest of the City of Minneapolis to promote and provide for a performing arts and education center for the purposes of public arts education and dance, music, and other performances in the City. Landlord and Tenant believe that the renovated historic Shubert Theater and adjacent Atrium and related and ancillary facilities (collectively, the "**Cowles Center**") furthers that public purpose, and that the Cowles Center is a preeminent facility for dance and other performing arts and arts education in the state of Minnesota and throughout the upper Midwest.

b. The governmental program authorized by Minnesota Session Laws of 2005, Chapter 20, § 23, Subd. 15(c) and Minnesota Session Laws of 2006, Chapter 258, § 21, Subd. 17(b) and established by official action of the City by Resolution 2009R-502 is a program for public arts education and dance, music, and other performances to be conducted in the Cowles Center (the "**Governmental Program**"), all of which shall achieve Landlord's goals of supporting diverse Minneapolis-based artists and improving the cultural fabric of the State and region and promoting economic development and tourism. Landlord and Tenant acknowledge and agree that the goal of the Governmental Program is to create a regionally renown performing arts facility with a particular focus on dance and that the success of the Cowles Center requires that Tenant continue to have broad and unfettered artistic freedom in content and selection of all performances and programs in the operation of the Cowles Center and it is the intent of the parties hereto that Tenant shall have such discretion and control. Landlord further recognizes that the Cowles Center will be utilized by multiple performing arts organizations and that the success of the Governmental Program requires Tenant to act as an overall facility operator and promoter, a role that cannot be provided by one or several individual performing arts organizations.

c. This Lease is being entered into in accordance with the provisions of Minnesota Session Laws of 2005, Chapter 20, § 23, Subd. 15(c) and Minnesota Session Laws of 2006, Chapter 258, § 21, Subd. 17(b), and Minn. Stat. § 16A.695, and rules, regulations, and orders issued pursuant thereto in order to carry out this public purpose.

2. **DEMISE AND DESCRIPTION OF PREMISES.** In consideration of the rents, mutual promises, and covenants contained herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, those certain parcels of real property legally described on Exhibit A attached hereto, together with all improvements constructed thereon and the equipment listed on Exhibit D (together the real property, improvements and equipment, the "**Premises**"), all located in the City of Minneapolis, Minnesota.

The Premises are leased to Tenant on an AS-IS basis and Tenant acknowledges that Landlord has made no representations or warranties as to the condition, quality, buildability, or suitability of the Premises.

Tenant acknowledges that Landlord's interest in the Premises is pursuant to that certain fifty (50) year Ground Lease entered into by and between the Landlord and Shubert Landholding LLC (the "**Ground Landlord**"), dated December 22, 2009 (the "**Ground Lease**"), and further will be subject to the Grant Agreement and Declaration described in Section 3 hereof. Tenant acknowledges that its rights in the Premises are subject to the Ground Lease and the Grant Agreement and Declaration.

3. GRANT AGREEMENT. Landlord and Tenant acknowledge that the costs of design and construction on the Premises of the Cowles Center Improvements (as generally described on the attached Exhibit B, variously referred to herein as the "**Cowles Center Improvements**" or the "**Improvements**") was funded, in part, through the proceeds of two state grants in the aggregate amount of \$12,000,000 ("**State Grant Proceeds**") from the State of Minnesota acting by and through its Department of Employment and Economic Development (the "**State**"). The State Grant Proceeds were provided to Landlord pursuant to the terms of a General Obligation Bond Proceeds Grant Agreement Construction Grant (the "**Grant Agreement**"), a copy of which is attached hereto as Exhibit C. All capitalized terms that are not otherwise defined in this Lease shall have the meaning ascribed to those terms in the Grant Agreement.

This Lease requires Tenant to comply with the Grant Agreement and to fulfill certain obligations therein, which are set out more fully herein.

4. TERM AND OPTIONS TO RENEW. The initial term of this Lease shall be for twelve (12) years, commencing on the date of this Agreement and ending December 21, 2037, unless sooner terminated as hereinafter provided. This term is acknowledged to be less than 50% of the remaining useful life of the Cowles Center. As used herein the expression "**Term**" refers to the initial Term and to any renewal thereof as hereinafter provided.

Subject to the conditions set forth below, Tenant may renew this Lease for two successive periods, the first of which shall be for twelve (12) years, and the second shall be for the remaining term of the Ground Lease. Each renewal shall be upon the identical terms and conditions contained herein, unless the parties otherwise agree in writing, including but not limited to, the condition that Tenant is operating the Governmental Program. Each renewal shall be confirmed by Tenant by giving a written notice of renewal to Landlord three (3) years prior to the renewal year. The parties acknowledge that said three (3) year notice period is necessitated by the advance booking required for many performers and performance companies. Notwithstanding any failure to comply with the notice period, so long as notice is given not less than six (6) months prior to the end of the applicable term, proper notice shall be deemed to have been given. As a condition precedent to such renewal, the Landlord shall have determined by action of the City Council of the City of Minneapolis ("**City Council**"), such action to be taken within three (3) months of receipt of said notice from Tenant, that Tenant has demonstrated that such

action to be taken within three (3) months of receipt of said notice from Tenant, that Tenant has demonstrated that such renewal continues to carry out the Governmental Program and that Tenant is suited and able to perform the functions contained in this Lease and upon such demonstration the Landlord shall act in good faith to renew this Lease. In no event shall Tenant be entitled to renew the Term hereof even though such confirmation notice is timely given, if (a) the Lease has been terminated, or (b) an Event of Default has occurred and is continuing as of the date of the expiration of the initial term hereof or the renewal term. Tenant's right to the second renewal term is conditioned upon the Term of this Lease having been extended by the previous renewal term. **Notwithstanding anything to the contrary contained herein, Landlord is not required to renew this Lease with Tenant, and may at that time, in its sole option and discretion (i) decide to self-operate the Governmental Program in the Premises, (ii) contract with some other entity to operate the Governmental Program in the Premises, or (iii) determine that the Premises is no longer needed or useful for the operation of the Governmental Program and sell its interest in the Premises.**

5. STATUTORY TERMINATION.

Notwithstanding any other provisions of this Lease to the contrary, if the Governmental Program is terminated or changed in response to changes in state law in such a manner as to (a) cause this Lease and the operation of the Cowles Center to be inconsistent with the changed Governmental Program or (b) to remove the statutory authority for the Landlord to operate the Governmental Program, then this Lease will immediately and automatically terminate upon 30 days written notice to Tenant (the "Termination Date").

6. RENT. No rent is required to be paid to Landlord by Tenant for the initial Term and the renewal Terms provided, however, that anything else contained herein or elsewhere notwithstanding, it is the intention of the parties that this Lease is a complete "net" Lease and that all costs and expenses, of any nature or kind whatsoever, attributable to the Premises or Tenant's use thereof during the Term hereof, or the renewal Terms, including but not limited to the operation of the Governmental Program, shall be the sole responsibility of Tenant, and Landlord shall not have any liability therefor, provided that damage to persons or property shall be governed by Section 25 hereof.

7. PAYMENT OF ASSESSMENTS.

a. Taxes as Additional Rental. As "**Additional Rent**" hereunder, Tenant shall pay and discharge as they become due, promptly and before delinquency, all real estate taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special or ordinary or extraordinary, of every name, nature, and kind whatsoever, including all governmental charges of whatsoever name, nature, and kind which shall be levied, assessed, charged, or imposed or which may become a lien or charge on or against the Premises or any part thereof, the leasehold of Tenant herein, any Improvements now or hereafter thereon, or on or against Tenant's estate hereby created, which may be a subject of taxation, during the entire Term hereof, including the renewal Terms, excepting only those taxes hereinafter

specifically excepted in subsection (c).

b. Assessments Affecting Improvements. Specifically, but without any way limiting the generality of the requirements of subsection (a), Tenant shall pay all special assessments and levies or charges made by any municipal or political subdivision for local improvements and may pay them in cash as they shall fall due and before they shall become delinquent, or in installments each year as assessed by any such municipal or political subdivision. If, by making any such election to pay in installments, any such installments shall be payable after the termination of this Lease or any extended Term thereof, such unpaid installments shall be prorated as of the date of termination, and amounts payable after such date shall be paid by Landlord. All of the taxes and charges under this Section shall be prorated at the commencement and expiration of the Term hereof.

c. Contesting Taxes. If Tenant shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge herein agreed to be paid by Tenant, Tenant shall be permitted to do so and to defer payment of such tax or charge, the validity or amount of which Tenant is so contesting, until final determination of the consent, on giving to Landlord written notice thereof prior to the commencement of any such contest, provided, however, that Tenant shall be absolutely obligated to pay such tax or charge no later than thirty (30) days before such unpaid tax or charge will result in a forfeiture of the Premises or any part thereof. If Tenant does undertake any such contest it shall diligently pursue such contest to completion.

d. Disposition of Rebates. All rebates on account of any such taxes, rates, levies, charges, or assessments required to be paid and paid by Tenant under the provisions hereof shall belong to Tenant, and Landlord will on the request of Tenant execute any receipts, assignments, or other acquaintances that may be necessary on the Premises in order to secure rebates that may be received by Landlord. All rebates on account of any such taxes, rates, levies, charges, or assessments paid by Landlord shall belong to Landlord, provided Tenant has not reimbursed Landlord for such payments and Tenant shall have no obligation to reimburse Landlord to the extent of such rebates received and retained by Landlord.

e. Landlord's Right to Pay Taxes on Behalf of Tenant. In the event Tenant shall fail to comply with the preceding terms of this Section, Landlord may, but shall not be obligated to, pay any such taxes or assessments and charge it, plus interest on such amount at a rate of 2% over the prime rate established by U.S. Bank National Association, or its successor, from the date paid by Landlord, as Rent immediately due and payable, subject, however, to subsection (d) above.

f. Receipts. Tenant shall at the request of Landlord obtain and deliver to Landlord receipts or duplicate receipts for all taxes, assessments, and other items required hereunder to be paid by Tenant, promptly on payment thereof.

g. Acknowledgment. Tenant acknowledges that Landlord has made no representations or warranties of any kind with respect to the amount of any real estate taxes, special

assessments, or other charges which may be levied against the Premises throughout the initial Term, or the renewal Terms, of this Lease. Landlord agrees to cooperate with Tenant in the taking of any reasonable action determined by Tenant to be necessary to obtain or maintain tax exempt status for Tenant's use of the Premises, provided, however, that Tenant shall be responsible for all actual out of pocket costs and expenses incurred by Landlord in connection with such cooperation.

8. PAYMENT OF UTILITIES. As Additional Rent, Tenant shall fully and promptly pay for all water, gas, heat, light, power, telecommunications, and all other utilities of every kind furnished to the Premises throughout the term hereof, and Landlord shall have no responsibility of any kind for any thereof.

9. REPORTING AND PROGRAM OVERSIGHT.

a. Tenant shall promptly submit to the Landlord, upon written request, such documentation, information and reports as are needed by the Landlord to fulfill its reporting requirements under the Grant Agreement.

b. (1) On or before each October 1, commencing on the October 1, 202__, Tenant shall submit to the City of Minneapolis, Director of Community Planning and Economic Development ("**CPED Director**") the following information:

A) A report of major activities at the Cowles Center for the current fiscal year of Tenant, and a description of how the major activities meet the performing arts and educational elements of the Governmental Program, including:

- # of total ticketed events and event types
- # local dance companies / artists and other companies presented/produced
- # tickets sold / comped
- # dark days
- # education activities and participation numbers
- audience demographics
- other programmatic initiatives
- The report should include how programs support access, inclusion and equity, including regular feedback sessions with diverse community groups to ensure the venue is being responsive to the needs of our constituencies.

- The report should also describe engagement within the arts community, downtown business community, and tourism to demonstrate creative and economic impact and engagement.

B) Tenant's annual budget for the next fiscal year, including revenues and expenses (and including all capitalized expenditures for Improvements), which shall demonstrate that forecast revenues (from all sources) will be equal to or exceed forecast program expenses.

C) Tenant's projected budgets for funding operations of the Cowles Center for the next three fiscal years that show that forecast revenues (from all sources) will be equal to or greater than forecast program expenses.

D) A report of Tenant's expenditures for Improvements in the prior year.

(2) No later than forty-five (45) days after submittal to the CPED Director by Tenant, the CPED Director, shall approve the budget of Tenant upon the City's findings that Tenant is carrying out the Governmental Program and the revenues (from all sources) equal or exceed the program expenses. The CPED Director shall submit his/her report and findings and all written materials that the CPED Director received from Tenant along with a written description of the actions that the CPED Director intends on taking in order to comply with the requirements imposed by Section 2.04 of the Grant Agreement, if any, to the City Council and the Commissioners of Management and Budget and Employment and Economic Development. The CPED Director shall not take any action for 30 days from the date such material is submitted to the City Council.

10. TENANT REPRESENTATIONS, WARRANTIES AND COVENANTS. Tenant covenants with and warrants and represents to Landlord as follows:

a. It has legal authority to enter into, execute, and deliver this Lease, and that it has taken all corporate and other actions necessary and incident to its execution and delivery of such documents.

b. It will comply with all of the terms, conditions, covenants, requirements, and/or warranties in this Lease, at all times during the term hereof.

c. It will comply with the terms, conditions, covenants, requirements and/or warranties in the Grant Agreement, the G.O. Compliance Legislation, and the Commissioner's Order.

d. It will operate the Cowles Center in compliance with the Grant Agreement, the G.O. Compliance Legislation, and the Commissioner's Order.

e. It has made no material false statement, or material misstatement of fact, in connection with its receipt of this Lease, and all of the information previously submitted to Landlord,

the State, or the Commissioner of the Minnesota Office of Management and Budget, or to be submitted to Landlord, the State, or the Commissioner of the Minnesota Office of Management and Budget in the future, relating to this Lease or the Grant given to Landlord, is and will be true, complete and correct by Tenant in all material respects.

f. The execution and delivery of this Lease by Tenant will not cause or constitute a violation of any provisions of Tenants Articles of Incorporation, Operating Agreement or By-Laws, or of the laws of the State of Minnesota, and there are no actions, suits, or proceedings pending, or to the actual knowledge of the undersigned officers of Tenant, threatened, before or by any judicial body or governmental authority against or affecting it relating to the Premises, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into this Lease, or to perform any of the acts required of it in this Lease.

g. Neither the execution or delivery of this Lease, nor compliance with any of the terms, conditions, requirements, or provisions contained herein, is prevented by, is a breach of, or will result in a breach of any term, condition, or provision of any agreement or document to which it is now a party, or by which it, or any of its properties, is bound.

h. As of the date hereof, the Premises and the contemplated use thereof do not violate in any material respect any applicable zoning or use statute, ordinance, building code, rule or regulation, or any covenant or agreement of record, relating to the Premises.

i. It shall furnish satisfactory evidence regarding the representations, warranties and covenants contained herein as may be required by Landlord or the State and requested in writing from time-to-time.

j. It shall not take any actions inconsistent with this Lease.

11. LANDLORD REPRESENTATIONS, WARRANTIES AND COVENANTS. Landlord covenants with and warrants and represents to Tenant as follows:

a. It has legal authority to enter into, execute, and deliver this Lease, and that it has taken all official and other actions necessary and incident to its execution and delivery of such documents.

b. It will comply with all of the terms, conditions, covenants, requirements, and/or warranties in this Lease applicable to Landlord at all times during the term hereof.

c. It will comply with all of the terms, conditions, covenants, requirements and/or warranties in the Grant Agreement, the G.O. Compliance Legislation, and the Commissioner's Order subject to Tenant's compliance with all terms and conditions of this Lease.

d. The execution and delivery of this Lease by Landlord will not cause or constitute a violation of any provisions of its charter, or of the laws of the State of Minnesota, and there are no actions, suits, or proceedings pending, or to the actual knowledge of the undersigned officers of Landlord, threatened, before or by any judicial body or governmental authority against or affecting it relating to the Premises, and it is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority which would impair its ability to enter into this Lease, or to perform any of the acts required of it in this Lease.

e. Neither the execution or delivery of this Lease, nor compliance with any of the terms, conditions, requirements, or provisions contained herein, is prevented by, is a breach of, or will result in a breach of any term, condition, or provision of any agreement or document to which it is now a party, or by which it, or any of its properties, is bound.

12. WARRANTIES OF TITLE AND QUIET POSSESSION. Landlord covenants that Landlord is seized of the Premises as ground tenant pursuant to the Ground Lease and, assuming Tenant fully performs as required by this Lease, Tenant shall have quiet and peaceable possession of the Premises during the Term, in accordance with this Lease.

13. USE OF PREMISES. Subject to the other terms and provisions contained herein, Tenant shall be permitted to use the Premises only for the operation, maintenance and repair of the Cowles Center in order to achieve the Governmental Program as set forth in Section 1.b. above. The Cowles Center may be used for other uses related and ancillary thereto, including but not limited to stores or kiosks selling items relating to performances at the Cowles Center, restaurants, and food service, which related ancillary uses shall not exceed five percent (5%) of the square footage of the Cowles Center, and such other use as Landlord and the Legislature of the State of Minnesota may expressly and formally authorize. Alternatively, with the prior written approval of the Commissioner of the Minnesota Office of Management and Budget (the “**Commissioner**”), the ancillary uses may constitute 5% of the total usage of the Premises, without regard to square footage, over an annualized period. The Tenant shall submit a plan for such ancillary use to the Commissioner demonstrating compliance with the overall 5% maximum usage test as a condition of such approval.

No use shall be made or shall be permitted to be made of the Premises nor shall any acts be done which will cause a cancellation of any insurance policy covering the Improvements on the Premises, or any part thereof. Tenant shall, at its sole cost, comply with all requirements necessary for the maintenance of insurance of any insurance organization or company, as herein provided, covering any building and appurtenances located on the Premises.

Furthermore, during the term of this Lease, Tenant shall comply with all applicable laws affecting the Premises if either: (a) the breach of such laws might result in any penalty on Landlord or the forfeiture of Landlord’s title to the Premises; or (b) the breach of which would have an adverse effect on public health or safety. Tenant shall not commit or allow to be committed any waste of or nuisance on the Premises.

14. ABANDONMENT OF PREMISES. If Tenant shall abandon, vacate, or surrender the Premises or shall be dispossessed by process of law, or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, at the option of Landlord.

15. LANDLORD'S RIGHT OF ENTRY. Tenant shall permit Landlord and the agents and employees of Landlord to enter into and on the Premises at all reasonable times during business hours and with at least five (5) days written notice for the purpose of inspecting them or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, without any charge to Landlord and without any liability to Landlord for any loss of occupation or quiet enjoyment of the Premises thereby occasioned.

16. ENCUMBRANCE OF TENANT'S LEASEHOLD INTEREST. With the prior approval of Landlord and the Commissioner, Tenant may encumber by mortgage or other proper instrument its leasehold interest in the Premises including all Improvements placed by Tenant thereon, as security for any indebtedness of Tenant incurred to finance or refinance Improvements on the Premises as provided in the Grant Agreement, provided such mortgage contains an acknowledgement that the mortgagee's rights are subject to the rights of Landlord under this Lease and the Ground Lease and the rights of the State under the Grant Agreement and the Declaration. Any such mortgage or other instrument shall provide that Tenant shall have access to insurance and condemnation proceeds so as to allow Tenant the right to rebuild or restore any portions of the Premises destroyed or condemned in the event that Landlord permits such rebuilding or restoration under the terms of this Lease. No such mortgage or encumbrance, or any foreclosure, conveyance, or exercise of right by any secured lender shall relieve Tenant from its liabilities hereunder, nor prevent Landlord from exercising its rights to terminate the Lease.

If Tenant so encumbers its leasehold interest and if Tenant or the holder of the indebtedness secured by such encumbrance gives notice to Landlord of the existence thereof and the address of such holder, then Landlord will mail or deliver to such holder at that address a duplicate copy of all notices in writing which Landlord may, from time-to-time, give to or serve on Tenant under and pursuant to the terms and provisions hereof. Such copies shall be mailed or delivered to such holder at or as near as possible to the same time such notices are given to or served on Tenant.

Such holder may, at its option, at any time before the rights of Tenant are terminated as provided herein, pay any of the rent due hereunder or pay any taxes and assessments or do any other act or thing required of Tenant by the terms hereof or do any act or thing that may be necessary and proper to be done in the observance of the covenants and conditions hereof or to prevent the termination hereof. All payments so made, and all things so done and performed by such holder, if done prior to the rights of Tenant having been terminated, shall be as effective to prevent a termination of the rights of Tenant hereunder as they would have been if done and performed by Tenant.

Upon such holder succeeding to the interest of Tenant hereunder, such holder shall be bound by all terms and conditions of this Lease, and shall be deemed to have assumed all of Tenant's obligations hereunder from and after such time as it succeeds to the interest of Tenant.

17. NON-RENEWAL OR EARLY TERMINATION OF THIS LEASE, PAYMENT FOR IMPROVEMENTS TO TENANT

a. In the event that the Landlord does not renew this Lease upon any renewal date pursuant to Section 4 and the Landlord has determined to continue to carry out the Governmental Program in the Premises, then, at the time of non-renewal:

(i) if the non-renewal is upon the first renewal date, the Landlord shall reimburse Tenant for sixty percent (60%) of its Investment; and

(ii) if the non-renewal is upon the second renewal date, the Landlord shall reimburse Tenant for twenty percent (20%) of its Investment.

b. In the event the Landlord terminates this Lease pursuant to Section 30 for a default and the Landlord has determined to continue to carry out the Governmental Program in the Premises, then the Landlord shall have no obligation to reimburse the Tenant for its Investment.

c. In the event the Landlord determines by City Council action to discontinue the Governmental Program in the Premises, for any reason, including a change in the applicable legislation authorizing the Governmental Program, upon termination or non-renewal of this Lease, then the Premises shall be sold and proceeds distributed as provided in Section 4.02 of the Grant Agreement and Section 13.1 of the Ground Lease. The relative contributions of the State, the Landlord and the prior tenant to the Initial Acquisition and Betterment Costs and the relative contributions of the Landlord and the prior tenant to the Initial Acquisition and Betterment Costs are set forth in Exhibit B and Exhibit C of the Ground Lease, respectively. If Tenant makes capital contributions to Subsequent Betterment Costs of the Premises, such contributions will be taken into account as provided in Section 4.02 of the Grant Agreement.

e. **“Investment”** means the amount of money contributed initially and subsequently for the acquisition and betterment of the Premises by the Tenant. The parties agree that the determination of Investment for purposes of this section shall not be subject to either depreciation or discount for passage of time, nor shall it be subject to appreciation in value, it being the intent of the parties to look solely to the actual dollar amount of same. Tenant shall annually advise the CPED Director, as provided in Section 9.b.(1) D, of the amount of all capital improvements and capitalized repairs for the applicable year that augment the Tenant’s Investment in the Improvements, and the amount of Tenant’s Investment shall be adjusted annually to reflect such additional amounts. Any dispute as to the Investment amount shall be resolved by binding arbitration by an arbitrator selected by the Chief Judge of the Hennepin County District Court and in accordance with the Rules of the American Arbitration Association for Commercial Arbitration, provided that discovery shall be allowed pursuant to procedures approved by the arbitrator.

f. Amounts to be paid by the Landlord to the Tenant for its Investment in the Premises shall be due and payable ninety (90) days after the termination or non-renewal of this Lease (the **“Payment Date”**), except those sums which cannot be determined as of such date shall be due

and payable upon determination. All amounts due hereunder, if not paid, shall earn interest from and after the Payment Date, until paid in full at the rate of two percent (2%) over the prime rate announced from time-to-time by U.S. Bank National Association.

g. This Section 17 shall survive the termination or non-renewal of this Lease.

18. Intentionally Omitted.

19. SUBLETTING AND ASSIGNMENTS. Tenant shall not assign any of its rights hereunder, or sublet all or any portion of the Premises, without Landlord's prior written consent which consent may not be unreasonably delayed or withheld; provided, however, that Tenant may sublet or license from time-to-time without Landlord's consent such space as appropriate for theatrical, musical, educational and cultural activities that further the Governmental Program or for other permitted ancillary uses, subject to the limitations in Section 13. All subtenants and licensees shall operate the licensed or subleased premises for the purpose and in a manner so as to be related and ancillary to the Governmental Program.

Further notwithstanding the foregoing, Tenant shall be permitted to mortgage its interest hereunder to any mortgagee, provided such mortgage is in connection with Tenant's financing or refinancing of the development or improvement of the Premises as contemplated herein subject to the requirements of Section 16 hereof. On the foreclosure of any such mortgage, the mortgagee may thereafter assign or transfer its interest in the leasehold to any other assignee or transferee, subject to the provisions of Minn. Stat. §16A.695 and the Grant Agreement, provided that any assignee thereof shall agree to be bound by the terms and conditions of this Lease. Thereafter, there shall be no other assignments or transfers of the leasehold interest without the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole discretion, and Landlord's consent to one assignment or transfer shall not be deemed to be a consent to any subsequent assignment or transfer. Any other transfer or assignment without Landlord's consent shall be void and shall at the option of Landlord constitute an Event of Default hereunder.

20. NOTICES. All communications, demands, notices, or objections permitted or required to be given or served under this Lease (a "Notice") shall be in writing and shall be deemed to have been duly given or served when delivered in person to the other party or its authorized agent or two (2) days after being deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, and addressed to the other party to this Lease, to the address set forth next to such party's signature at the end of this Lease, or if to a person not a party to this Lease, at the following addresses:

To Tenant: _____

Minneapolis, MN 55____
Attention:

And a copy to: _____

Minneapolis, MN 55____
Attention:

To Landlord: Minneapolis Department of Community
Planning and Economic Development
505 Fourth Avenue South, Room 320
Minneapolis, MN 55415
Attention: Director

And a copy to: Minneapolis City Attorney
505 Fourth Avenue South, Room 220
Minneapolis, MN 55415 Attention:
Managing Attorney

Any party may change its address by giving Notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth (10th) day after the giving of such notice, such newly designated address shall be such party’s address for the purposes of all communications, demands, notices, or objections permitted or required to be given or served under this Lease.

21. Intentionally omitted.

22. CONSTRUCTION OF ADDITIONAL IMPROVEMENTS. Tenant, but only with the prior written approval of Landlord, which approval shall not be unreasonably delayed or withheld, shall have the right to make such alterations, improvements, and changes to any building or improvement which may from time-to-time be on the Premises as Tenant may deem necessary or to replace any such building or improvement with a new one. Landlord and Tenant acknowledge that during such additional construction, the Governmental Program may be interrupted as is reasonably necessary for orderly and safe construction to occur, provided that the Governmental Program shall resume immediately upon completion of construction. Any changes to the Cowles Center shall be constructed in material compliance with all applicable

federal, state and local laws, rules and regulations; and in compliance with the terms and conditions of all applicable licenses and permits; and, together with any fixtures related to the operation of any buildings located on the Premises, shall immediately become the property of the Ground Landlord, and Landlord and Tenant shall have only a leasehold interest therein, subject to the terms and provisions contained herein and in the Ground Lease. Upon request of the Ground Landlord, Tenant will execute and deliver to the Ground Landlord bills of sale from time-to-time transferring to the Ground Landlord title to personal property which becomes a fixture and property of the Ground Landlord under the preceding sentence. Tenant shall annually certify the costs of any capital improvements to and as part of the annual report required under Section 9.b.(1)(D)

23. REPAIRS AND DESTRUCTION OF IMPROVEMENTS.

a. Maintenance of Improvements. Tenant shall, throughout the Term of this Lease, at its own cost and without any expense to Landlord, keep and maintain the Premises, including all buildings and improvements of every kind which may be a part thereof, and all appurtenances thereto, including public and private sidewalks located thereon and adjacent thereto, in good, sanitary, lawful, and neat order, condition, and repair and, except as specifically provided herein, shall restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Landlord shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the Premises or any buildings or improvements thereon.

b. Maintenance Reserve. Tenant shall maintain a maintenance reserve fund in an amount equal to at least ___% of the annual budget.

c. Damage to and Destruction of Buildings or Improvements. The damage or destruction or partial destruction of any building or other improvement which is a part of the Premises shall not release Tenant from any obligation hereunder, except as hereinafter expressly provided.

In case of damage to or destruction of such building or improvement which is not substantial, Tenant shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such damage or destruction, and Tenant shall have the right to any insurance proceeds the premium for which has been paid by Tenant, to be used by Tenant to pay the cost of such repair and restoration.

In the case of damage to or destruction of such building or improvement which is substantial, Tenant shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such change or destruction, provided that the cost of the restoration is covered by insurance plus any deductible under such policy. If a damage or destruction is not so covered, and the damage is substantial, the parties shall consult as to whether to proceed with renovation, and how to pay the uninsured costs thereof. If the parties determine that it is inappropriate to rebuild the building or improvements on the Premises this Lease and Tenant's interest in the Premises shall be terminated and shall have the same effect

as if a sale shall have occurred (subject to Landlord's determination that the Premises are no longer usable or needed by Landlord to carry out the Governmental Program), and the insurance proceeds shall be paid in accordance with the provisions of Section 17(d) above. No settlement with the insurance company shall be agreed to by Tenant without the prior written consent of Landlord, the Ground Landlord, and the Commissioner.

Except as otherwise provided in this Section, and without limiting such obligations of Tenant, if Tenant elects to rebuild, and any mortgagee consents to rebuilding, if necessary, it is agreed that the proceeds of any insurance covering such damage or destruction shall be paid to Landlord and Tenant, to be held in escrow for such repair or replacement with an escrow agent acceptable to Landlord, Tenant, and any mortgagee, to be disbursed in accordance with standard commercial construction lending conditions customarily required by institutional lenders. The Tenant shall not be obligated to operate the Governmental Program on the Premises from the date of damage or destruction of the buildings or improvements until repair or reconstruction of the buildings or improvements on the Premises is complete.

24. MECHANICS' LIENS. Tenant hereby covenants and agrees that Tenant will not permit or allow any mechanics' or material supplier's liens to be placed on Landlord's interest in the Premises during the Term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so filed against Landlord's interest, Tenant shall take all steps necessary to remove it within 120 days of its being filed; provided, however, that Tenant may contest any such lien provided Tenant first posts a surety bond or letter of credit or cash with the applicable court sufficient to release the Premises from such lien, or otherwise protect Landlord from foreclosure thereof.

25. INDEMNIFICATION OF LANDLORD.

a. To the fullest extent permitted by law, Tenant shall, and hereby does, indemnify, save, hold harmless, and defend Landlord, its officials, employees, representatives, and agents but only when acting in their capacities as such (collectively, the "Indemnified Party" or "Indemnified Parties"), from and against all claims, costs (including reasonable attorneys fees to the extent provided in clause (e) below), liabilities, losses, or damages suffered or incurred by any of the Indemnified Parties arising from or as a result of any loss, injury, death, or damage to persons or property arising out of the use, possession, construction of improvements, operation, or maintenance of the Premises or any part thereof, or as a result of Tenant's failure to comply with the Grant Agreement, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Indemnified Parties.

b. Tenant hereby waives and releases all claims against the Indemnified Parties for damages to any building and improvements which are now on or hereafter placed or built on the Premises and to the property of Tenant in, on, or about the Premises. Tenant also agrees that it will not assert against the Indemnified Parties in any legal proceeding any claim, cross-claim or third party claim for which Tenant is obligated under the provisions of clause (a) of this Section 25 to provide indemnification to the Indemnified Parties.

c. Notwithstanding the provisions of clauses (a) and (b) above, the provisions of clause (a) and (b) above of this Section 25 shall not apply to claims, costs, liabilities, losses, or damages which are caused by the willful or intentional misconduct of the Indemnified Parties. No person or entity other than the Indemnified Parties shall have any benefit whatsoever from the agreements contained in clause (a) and (b) above, other than any indirect benefit accruing to taxpayers or residents of the City of Minneapolis by reason of the benefit to Landlord and the Indemnified Parties of such agreements, and shall not be deemed to be a third party beneficiary of the agreements of Tenant contained in clauses (a) and (b) above.

d. Nothing in this Section 25 shall be construed to, and shall not, expand Landlord's maximum liability over the limits set forth in Minnesota Statutes, Chapter 466, as amended from time-to-time, or any other or successor law which has the effect of limiting Landlord's liability.

e. Promptly after receipt by an Indemnified Party of notice of the commencement of any action for which Tenant has indemnified the Indemnified Parties hereunder, the Indemnified Party will notify Tenant in writing of the commencement thereof, and, subject to the provisions hereinafter stated, Tenant shall assume, at its expense, the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Indemnified Parties) insofar as such action shall relate to any alleged liability for which Tenant has indemnified the Indemnified Parties hereunder. The Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of Tenant unless (i) the employment of such counsel has been specifically authorized by Tenant, or (ii) the named parties to any such action (including any impleaded parties) include more than one of the Indemnified Parties and a conflict of interest among Tenant and Indemnified Parties exists, and as a result Tenant and the Indemnified Parties cannot adequately be represented by the same counsel. In the case of such a conflict of interest, Tenant shall not have the right to assume the defense of such action on behalf of such Indemnified Parties and the Indemnified Party shall have the right to select separate counsel, at the expense of Tenant but subject to the limitation set forth in the following sentence, to assume such legal defense and to otherwise participate in the defense of such action on behalf of the Indemnified Parties. In connection with any one such action or separate but substantially arising out of the same general allegations or circumstances, Tenant shall not be liable for the fees and expenses of more than one separate firm of attorneys for all such Indemnified Parties, which firm shall be reasonably acceptable to Tenant and shall be designated in writing by the Indemnified Parties. Tenant shall not be liable for any settlement of any such action effected without its written consent. If such action is settled with the written consent of Tenant, or if there be a final judgment for the plaintiff in any such action, with or without the consent of Tenant, Tenant agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment, but only to the extent provided in subsection (a) of this Section 25. This indemnity includes reimbursement for expenses reasonably incurred by any of the Indemnified Parties in investigating the claim and in defending it if Tenant declines to assume the defense.

26. INSURANCE.

a. **Insurance Coverage of Premises.** Tenant shall at all times during the Term of this Lease and at Tenant's sole expense keep all Improvements which are now or hereafter a part of the Premises insured against "all risks", for those risks that are available at commercially reasonable rates, for the full insurable value of such Improvements, and during the construction of any improvements under Section 22, "builders risk" and standard fire and extended coverage, with a deductible not to exceed \$100,000, and with loss payable to Ground Landlord, Landlord, Tenant, the State, and any mortgagee holding a permitted encumbrance on the Premises, as their respective interests may appear. Any loss adjustment shall be made in accordance with the requirements for the use and distribution of insurance proceeds in the event of damage as otherwise provided herein, but shall require the prior written consent of Ground Landlord, Landlord, the State, Tenant, and any mortgagee. Tenant shall be responsible for any insurance deductible.

b. **Commercial General Liability Insurance.** Tenant shall maintain in effect throughout the Term of this Lease, at its own expense, commercial general liability insurance covering the Premises and its appurtenances and the sidewalks fronting on the Premises in the amount of at least Two Million Dollars combined single limit, and insurance on all boilers and other pressure vessels, fired or unfired. Such insurance shall: (i) be primary with respect to Landlord's insurance or self-insurance; (ii) not exclude explosion, collapse and underground property damage; (iii) be written on an "Occurrence" Form policy basis; (iv) shall name Ground Landlord, Landlord and the State of Minnesota as additional insureds thereunder; and (v) not contain an "aggregate" policy limit (combined general liability and excess liability) of less than Ten Million Dollars per annual policy period unless specifically approved in writing by Landlord. Additionally, Ground Landlord, Landlord and the State of Minnesota shall be named as additional insureds on any contractor's general liability insurance maintained by the general contractor or construction manager responsible for constructing the improvements to the Premises.

c. **Workers' Compensation Insurance.** Tenant shall maintain Workers' Compensation Insurance with not less than statutory minimum limits, and Employers' Liability Insurance with minimum limits of at least \$100,000 per accident and with an all states endorsement.

d. **Insurance Certificates.** Tenant shall supply to Landlord, concurrently with signing this Lease and thereafter as reasonably requested by Landlord, current insurance certificates for policies required in this Section. Tenant shall promptly furnish to Landlord all endorsements and other written notices which modify or change any insurance coverage with respect to the Premises or Tenant's operation at the Premises, and all paid premium receipts by Tenant regarding such required insurance.

e. **Additional Required Insurance.** The limits cited under each insurance requirement above establish minimums; and it is the sole responsibility of Tenant to purchase and maintain additional insurance that Tenant may determine to be necessary in relation to this Lease or its operation of the Premises.

f. Non-waiver of Statutory Limits. Nothing in this contract shall constitute a waiver by Landlord of any statutory limits or exceptions on liability.

g. Placement of Insurance. Tenant shall place the insurance with responsible insurance companies authorized and licensed to do business in the State of Minnesota having an A.M. Best Company rating of at least A:VIII, and shall deliver endorsements and certificates in the form required above evidencing such coverage to Landlord on the date of Tenant's execution of this Lease and from time-to-time thereafter as reasonably required by Landlord. The policies required in this Section shall be endorsed to indicate that the insurer cannot cancel or change the insurance without first giving Ground Landlord, Landlord and the State thirty (30) days' written notice.

h. Landlord's Right to Pay Premiums on Behalf of Tenant. Tenant shall pay all of the premiums there for and deliver such policies, or certificates thereof, to Landlord. In the event of the failure of Tenant, either to effect such insurance in the names called for or to pay the premiums there for or to deliver such policies or certificates thereof to Landlord, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefore. Such premiums, together with interest thereon at the rate of two percent (2%) over the prime rate of US Bank National Association, accruing from the date of payment by Landlord, shall be repayable to Landlord within thirty (30) days after written notice of the payment of such insurance, and failure to repay the premiums shall carry with it the same consequences as failure to pay any installment of Rent. All rebates on account of any such premiums paid by Landlord shall belong to Landlord, provided Tenant has not reimbursed Landlord for such premiums and Tenant shall have no obligation to reimburse Landlord to the extent of such rebates received and retained by Landlord.

Each insurer mentioned in this Section shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, and in form acceptable to Landlord, that it will give to Landlord and the State thirty (30) days' written notice before the policy or policies in question shall be altered or canceled.

i. Increase in Coverage. The insurance and the size of any applicable deductible required to be maintained pursuant to this Lease shall be subject to review as to its adequacy by an Independent Insurance Consultant, as defined below, once every three years beginning in the year 2030. The Independent Insurance Consultant shall not be an employee or officer of Landlord. Tenant shall cause such review to be conducted and shall cause such Consultant to prepare a written report regarding such review containing such Consultant's recommendations, if any, for changes in such insurance. Tenant shall cause copies of such report to be delivered promptly to Landlord and agrees to follow the recommendations of such Independent Insurance Consultant to the extent practicable. For purposes of this subsection, the term "Independent Insurance Consultant" means any person who is not an employee or officer of Tenant, appointed by Tenant, qualified to survey risks and to recommend insurance coverage for organizations engaged in like operations to those of Tenant and having a favorable reputation for skill and experience in such surveys and such recommendations, and who may be a broker or agent with

whom Tenant transacts business, and reasonably acceptable to Landlord.

j. Blanket Insurance Policies. Notwithstanding anything to the contrary contained in this Section, Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided, however, that the coverage afforded Landlord will not be reduced or diminished or otherwise be different from that which would exist under a separate policy meeting all other requirements of this Lease by reason of the use of such blanket policy of insurance.

27. PROHIBITION OF INVOLUNTARY ASSIGNMENT.

Neither this Lease nor the leasehold estate of Tenant nor any interest of Tenant hereunder in the Premises or in any buildings or improvements thereon shall be subject to involuntary assignment, transfer, or sale, by operation of law or otherwise, and any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect. For purposes of this Section, the merger or consolidation of Tenant with any other entity or entities shall be deemed to be a transfer and prohibited by this Section unless either: (i) such merger is with another entity and Tenant is the survivor and remains exempt from income tax under § 501(c)(3) of the Internal Revenue Code of 1986 as amended (the "Code"); or (ii) such merger is with another entity which is exempt from income tax under § 501(c)(3) of the Code, Tenant is not the surviving entity, said surviving entity expressly assumes all obligations of Tenant hereunder, said surviving entity remains exempt from income tax under § 501(c)(3) of the Code, and said surviving entity has comparable or higher "net worth" (or its equivalent under accounting principles applicable to Section 501(1)(3) organizations) as Tenant has on the date hereof.

The occurrence of any involuntary assignment prohibited by the provisions of this Section 27 shall be deemed to constitute a Default under Section 28 hereof, and upon the expiration of the applicable cure period contained in Section 29 hereof, Landlord shall be entitled to exercise all remedies set forth in this Lease.

28. EVENTS OF DEFAULT. Any of the following events shall constitute a "Default" under this Lease:

a. If, without the written consent of Landlord and the Commissioner, any part of the Premises ceases to be used as a performing arts education and performance venue and related and ancillary activities to achieve the Governmental Program; or

b. If a default under Section 27 hereof occurs; or c. If, without the written consent of Landlord, the State, and the Commissioner, and except for the permitted encumbrances identified on Exhibit D attached hereto, and except as allowed under Sections 16 or 19 hereof, Tenant sells, transfers, leases, encumbers, or otherwise conveys, in any way or manner, whether voluntary or involuntary, or by action of law, all or any part of its interest in the Premises, or amends or modifies any agreement relating to such sale which had previously been so consented to and approved by Landlord and the Commissioner or

d. If, without the written waiver of Landlord, Tenant fails to annually certify that the Premises is being used as a performing arts and education center and related and ancillary activities to achieve the Governmental Program as required in Section 1 of this Lease; or

e. If, without the written waiver of Landlord, Tenant fails to provide the Annual Report to Landlord; or

f. If Tenant fails to continuously maintain the insurance required by Section 26 of this Lease; or

g. If Tenant, upon request, refuses to allow Landlord, the Commissioner, or any auditor for the State of Minnesota or for the Minnesota Legislature, to inspect audit, copy, or abstract any and all of Tenant's financial records (books, records, papers) or other documents relevant to this Lease, the Grant Agreement, or the Premises; or

h. If Tenant, upon request, refuses to allow Landlord, the Commissioner, or any authorized representative of the State of Minnesota, to inspect the Premises; or

i. If Tenant fails to cooperate fully with Landlord in complying with any of the provisions of the Grant Agreement, G.O. Compliance Legislation, or the Commissioner's Order or Tenant fails to comply with the Grant Agreement, G.O. Compliance Legislation, or the Commissioner's Order and such failure results in a default notice from the State Entity, as defined therein; or

j. If any representation or warranty made by Tenant hereunder prove to have been untrue or incorrect in any material respect, as of the time such representation or warranty was made; or,

k. If, without the written consent or waiver of Landlord, Tenant fails to fully comply with any other material provision, term, condition, covenant, or warranty contained in this Lease, or fails to fully comply with any provisions of the Declaration; or

l. If, under any material document, instrument or agreement relating to the acquisition, construction, financing, or refinancing, of the improvements to the Premises, there occurs an event which constitutes an event of default by Tenant thereunder, after applicable grace and cure periods, and the other party thereto gives notice to Tenant of the default, if notice is required before the exercise of remedies.

29. NOTICE OF DEFAULT.

a. Upon the occurrence of a Default, an Event of Default shall not be deemed to have occurred under this Lease unless Landlord has given Tenant written notice of the Default and Tenant has failed to cure such Default within the time period specified in subsection (b) below or, if applicable, in subsection (c) below.

b. For those Defaults described in Section 27 and subsections 28 (g) and (h) the notice and cure period shall be ten (10) days; for those Defaults described in subsection 28 (f) the notice and cure period shall be thirty (30) days (provided said insurance does not expire); and for all other Defaults the notice and cure period shall be ninety (90) days.

c. Notwithstanding the preceding paragraph of this Section 29, in the event that a Default occurs and cannot be cured within the applicable cure period provided in subsection (b) above, and in the event that Tenant has commenced the action necessary to cure the Default during the applicable cure period provided in subsection (b) above, then Tenant shall have such time as shall be reasonably necessary to cure such Default so long as Tenant is reasonably, continuously and diligently pursuing efforts to cure such Default.

Notwithstanding the provisions of this Section set forth above, in no event shall any cure period, including any extension of a cure period, be greater than the cure period available under the Grant Agreement if the Default by Tenant hereunder also causes a default or event of default by Landlord under the Grant Agreement.

Additionally, no extensions of the cure period set forth in subsection (c) above shall be granted or allowed for a Default under Section 27 hereof.

30. DEFAULT AND TERMINATION. Upon the occurrence and during the continuance of an Event of Default under this Lease, Landlord, in addition to the other rights or remedies it may have, including damages, shall have the immediate right to terminate this Lease by delivery of written notice of termination, and reenter the Premises and remove all persons and property otherwise from the Premises.

31. ADDITIONAL REMEDIES. During the continuance of an Event of Default under this Lease, and after giving Tenant any notice required by Section 29 hereof and the running of any applicable time period without Tenant having cured, Landlord may (a) in addition to the remedies in Section 30 and this Section, exert any remedies it may have in law or equity and, (b) if the State issues a demand, commences an action, actually receives payment from Landlord, or exercises any other remedies against Landlord, then Landlord may also similarly demand, commence an action, or exercise any other remedies against, and be immediately entitled to receive from Tenant, or do to Tenant that which the State does to Landlord on the condition that such demand, action, payment, or other action by the State against Landlord is caused by a Default by Tenant under this Lease.

32. Intentionally omitted.

33. LANDLORD'S RIGHT TO PERFORM. In addition to any other provision contained herein, in the event that an Event of Default by Tenant shall have occurred and be continuing, Landlord may, at Landlord's option but without any obligation, take any action to perform the obligations of Tenant which gave rise to the Event of Default or with respect to which Tenant is otherwise in Default under this Lease, and Landlord shall not be liable, or be held liable or in any way

responsible for any loss, inconvenience, annoyance, or damage resulting to Tenant on account thereof, other than for Landlord's willful or intentional misconduct. Tenant shall repay to Landlord on demand the entire expense of Landlord's performance together with interest at the rate of two percent (2%) in excess of the prime rate of US Bank National Association, accruing from the date of any disbursement.

Landlord shall be permitted to enter the Premises while exercising any right given to it by the terms of this Section. Any act or thing done by Landlord pursuant to the provisions of this Section shall not be or be construed to be a waiver of any such Default or Event of Default by Tenant, or as a waiver of any covenant, term, or condition herein contained or the performance thereof, or of any other right or remedy of Landlord, hereunder or otherwise.

34. LANDLORD DEFAULTS AND TENANT REMEDIES.

a. In the event that (i) Landlord (a) fails to observe, perform or comply with any provision, term, condition, covenant, agreement or warranty required to be observed, performed or complied with by Landlord under this Lease, or (b) fails to observe, perform or comply with any obligation, provision, term, covenant, condition or agreement to be observed, performed or complied with by Landlord under the Grant Agreement, unless Landlord's failure is the result of a Default by Tenant under this Lease, and (ii) Landlord fails to cure such Default within ten (10) days of written notice of default from Tenant, then a Landlord Event of Default shall exist under this Lease. Upon the occurrence and during the continuance of a Landlord Event of Default, Tenant may exercise any of the following remedies:

1. Subject to Sections 65 and 67 hereof, commence an action at law to recover the damages incurred by Tenant and caused by Landlord Event of Default, which damages shall be limited to the cost of curing Landlord's Default;

2. Commence an action in equity to compel the performance by Landlord of those actions or inactions which serve as the basis of a Landlord Event of Default; or

3. In addition to any other provision contained herein, in the event that an Event of Default by Landlord shall have occurred and be continuing, Tenant may, at Tenant's option but without any obligation, take any action to perform the obligations of Landlord, which gave rise to the Event of Default or with respect to which Landlord is otherwise in Default under this Lease, and Tenant shall not be liable, or be held liable or in any way responsible for any loss, inconvenience, annoyance, or damage resulting to Landlord on account thereof, other than for Tenant's willful or intentional misconduct. Landlord shall repay to Tenant on demand the entire expense of Tenant's performance together with interest at the rate of two percent (2%) in excess of the prime rate of US Bank National Association, accruing from the date of any disbursement.

Landlord agrees to comply with all terms and conditions of the Grant Agreement (unless Landlord's failure to comply is the result of Tenant's failure to comply with the terms and conditions of this Lease) and Tenant agrees to cooperate fully with Landlord in so complying.

Landlord and Tenant further agree that in the event that Landlord fails to comply with any provision in the Grant Agreement then, if Landlord fails to cure such failure within sixty (60) days of Landlord's receipt of Tenant's written demand or the State's notice of default, Tenant shall have the right to take such action.

35. NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time-to-time and as often as may be deemed expedient.

36. EFFECT OF EMINENT DOMAIN.

a. Effect of Total Condemnation. In the event that the entire Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall be terminated and all proceeds shall be payable in the same manner as if the Premises were sold pursuant to Section 17 above.

b. Effect of Partial Condemnation. In the event that a portion of the Premises shall be so appropriated or taken to an extent that Tenant can no longer operate the Governmental Program, then Tenant shall have the right to give Landlord written notice of the right to treat the partial condemnation as a sale pursuant to Section 17(d) above within one hundred twenty (120) days after such portion of the Premises has been so appropriated or taken. Provided the Landlord agrees in such determination, in that event, this Lease shall be terminated and the proceeds of the condemnation shall be applied as if the condemned portion of the Premises were sold in accordance with Section 17(d) above. In the event the Landlord does not concur, Tenant shall either continue the program on the residual property, or shall have the right to terminate this Lease.

In the event of partial taking in which Tenant elects to continue this Lease in the Premises, this Lease shall continue in full force as to the part not taken, and the condemnation award for the Premises shall be applied first to restore the remaining portion of the Premises to a configuration and condition so that the Premises can be used for the purposes set forth in Section 1 hereof (with the condemnation proceeds to be held by a mutually agreeable escrow agent in escrow for such restoration to be disbursed in accordance with standard commercial construction conditions customarily required by institutional lenders), and, to the extent of any remaining proceeds, as if the condemned portion of the Premises were sold in accordance with Section 17(d) above.

None of the foregoing provisions shall preclude Tenant from making a separate claim against the condemning authority for the value of any trade fixtures, furniture, and equipment taken by said condemning authority and its relocation expenses provided such claim does not

diminish or impair the award with respect to the Premises.

37. SURRENDER OF LEASE: EFFECT ON SUBLEASES. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall operate as an assignment to Landlord of any or all such subleases, subtenancies, or license agreements.

38. OWNERSHIP OF IMPROVEMENTS. The parties acknowledge that Ground Landlord is the absolute owner of any and all buildings or improvements of any nature or kind on the Premises, regardless of who placed such buildings or improvements thereon, together with any and all fixtures related to any of the buildings located on the Premises, and, except as provided in Section 17, upon the termination or expiration of the Term of this Lease, Tenant shall not have any interest whatsoever therein. Prior to expiration of the Term or any termination of this Lease, the Tenant shall have the right under Sections 23 and 36 hereof, to share in the insurance and condemnation proceeds.

39. AMENDMENT, MODIFICATION, AND WAIVER. No amendment, modification, or waiver of any condition, provision, or term of this Lease shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or its duly authorized representative, and approved in writing by the State and the Commissioner, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.

40. APPROVAL BY STATE OF MINNESOTA. This Lease shall not be valid or of any effect until signed by both parties and consent in writing has been given by the Commissioner.

41. EFFECT OF TENANT'S HOLDING OVER. Any holding over after the expiration of the Term of this Lease, with consent of Landlord, shall be construed to be a tenancy from month to month, at the same Rent as required to be paid by Tenant for the period immediately prior to the expiration of the Term hereof, and shall otherwise be on the terms and conditions herein specified, so far as they are applicable.

42. PARTIES BOUND. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective assigns, executors, heirs, and successors.

43. TIME OF ESSENCE. Time is of the essence in this Lease, and of each and every covenant, term, condition, and provision hereof.

44. CAPTIONS. All captions, headings, or titles in the subsections or Sections of this Lease are inserted for convenience of reference only and shall not constitute a part of this Lease as a limitation of the scope of the particular subsections or Sections to which they apply.

45. NO PARTNERSHIP, JOINT VENTURE, OR FIDUCIARY RELATIONSHIP CREATED HEREBY. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between Landlord and Tenant, it being understood that the

sole relationship created hereby is one of landlord and tenant. All laws and statutes of the State of Minnesota relative to landlord and tenant relationships shall be applicable to the parties hereto.

46. CUMULATIVE RIGHTS. Except as otherwise expressly stated herein, no right or remedy herein conferred on or reserved to Tenant or Landlord is intended to be exclusive of any other right or remedy hereof provided by law, but each shall be cumulative in, and in addition to, every other right or remedy given herein or not or hereafter existing at law, in equity, or by statute.

47. SEVERABLE PROVISIONS. Each provision, section, sentence, clause, phrase, and word of this Lease is intended to be severable. If any provision, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the remainder of the Lease .

48. ENTIRE AGREEMENT. This Lease and the Ground Lease (and the other agreements contemplated in those agreements) contain the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersede all prior agreements and understandings between the parties with respect to such subject matter. No representations, warranties, undertakings, or promises, whether oral, implied, written, or otherwise, have been made by either party hereto to the other unless expressly stated in this Lease or unless mutually agreed to in writing between the parties hereto after the date hereof, and neither party has relied on any verbal representations, agreements, or understandings not expressly set forth herein.

49. REFERENCE TO GENDER. Where appropriate, the feminine gender may be read as the masculine gender or the neuter gender; the masculine gender may be read as the feminine gender or the neuter gender; and the neuter gender may be read as the masculine or the feminine gender.

50. MINNESOTA LAW. This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota.

51. FURTHER ASSURANCES. In addition to any other information which may be reasonably requested, either party shall without charge, from time-to-time hereafter, but not more often than once every twelve (12) months, within thirty (30) days after written request, certify by written instrument duly executed and acknowledged to any person, firm, or corporation specified in such request:

a. whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment;

b. whether the responding party has actual knowledge (without obligation to make inquiry) of any Event of Default under the Lease and;

c. whether the responding party has actual knowledge (without obligation to

make inquiry) of any offsets, counterclaims, or defenses to the terms and obligations under the Lease.

Any such certificate may be relied on by the party who requested it and any other person, firm, or corporation to whom it may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing it. For any request more frequent than every twelve (12) months, the responding party may require payment of its reasonable costs in preparation of the estoppel response.

52. SHORT-FORM RECORDABLE LEASE. The parties will at any time, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form of this Lease, setting forth a description of the Premises, the term of this Lease, and options to renew, and any other portions hereof, excepting the rent provisions, as either party may request.

53. FEDERAL INCOME TAX DEDUCTIONS. Only Tenant shall have the right to take deductions on its tax returns with respect to such buildings, structures, improvements, changes, alterations, repairs, additions, and installations and the depreciation or amortization thereof; provided, however, that Landlord makes no representations or warranties as to the amount of any taxes or deductions or the treatment of any particular tax item.

54. BROKERAGE FEES. Each party hereto warrants that it has not incurred any real estate brokerage fees, finders' fees, loan brokerage fees, or any other fees to any third party in connection with this Lease, and in the event that any third party institutes legal action in an effort to recover such fees, the parties shall jointly defend such action. If a judgment is obtained against the parties jointly, the party responsible for breach of this warranty shall reimburse the other for the latter's attorneys' fees, court costs, expenses, and share of the judgment.

55. COMPLIANCE WITH G.O. COMPLIANCE LEGISLATION AND THE COMMISSIONER'S ORDER.

a. Tenant acknowledges and agrees that the Cowles Center on the Premises is "state bond financed property", as such term is used in the Grant Agreement, G.O. Compliance Legislation and Commissioner's Order, and that therefore, the provisions contained in such statute and Order apply to the Premises and this Lease.

b. Landlord and Tenant acknowledge and agree that Landlord will not receive any money from Tenant pursuant to this Lease, and as a result thereof the Commissioner does not reasonably expect to receive any monies as contemplated by Section 4.02, paragraph (f) of the Commissioner's Order, and therefore the provisions of Section 4.05 of the Commissioner's Order do not apply.

56. LISTING OF JOBS. Tenant shall, for one year from the date hereof, list any vacant or new positions it may have with state workforce centers, as required by Minn. Stat. § 116L.66 as

such may subsequently be amended, modified or replaced.

57. RECORD KEEPING AND REPORTING. Tenant shall maintain books, records, documents, and other evidence pertaining to the costs or expenses associated with the construction of any improvements, the operation of the Governmental Program, and compliance with the requirements contained in this Lease and the Grant Agreement, and shall, upon ten (10) day's prior written request, allow Landlord, State, and either the Legislative Auditor or State Auditor for the State of Minnesota, whichever is applicable, to inspect, audit, copy, or abstract, any and all of its books, records, papers, or other documents relevant to this Lease or the Grant Agreement. Tenant shall use generally accepted accounting principles in the maintenance of such books and records, and shall retain all of such books, records, documents and other evidence (i) relating to the construction of any improvements, for a period of six (6) years from the date that the improvements have been initially constructed and put into operation, and (ii) relating to the operation of the Governmental Program, for a period of six (6) years from the date such books, records, documents and other evidence are created.

Landlord agrees to protect such information as non-public or trade secret information to the extent such protection is available under Minnesota Statutes, Chapter 13. Nothing herein shall be construed to require Landlord to incur any costs or expenses in complying with this provision unless Tenant agrees in advance to pay or reimburse Landlord for any costs and expenses incurred by Landlord in complying with this agreement.

58. NON-DISCRIMINATION. Tenant agrees not to engage in unlawful discriminatory practices with respect to the Premises or the operation or management of the Cowles Center, and it shall, with respect thereto, fully comply with all applicable provisions in Minn. Stat. Chapters 363A and 181, as such may be amended, modified or replaced.

59. WORKER'S COMPENSATION. Tenant agrees to fully comply with all applicable provisions relating to worker's compensation contained in Minn. Stat. §§ 176.181 Subd. 2, and 176.182, as such may be amended, modified or replaced, with respect to the Premises.

60. PREVAILING WAGE. Tenant agrees to comply with all applicable provisions of Minn. Stat., Chapter 177, including, but not limited to §§ 177.41 - 177.435 as amended from time-to-time.

61. COMPLIANCE WITH LANDLORD'S CONTRACTING REQUIREMENTS.

a. Incorporation of Other Contract Requirements. With respect to the construction of any improvements, Tenant shall comply with applicable City contracting requirements such as prevailing wage and apprenticeship training program policies, Small and Underutilized Businesses Program ordinance, workforce utilization plan.

b. Contract Documents. Tenant shall incorporate in all contracts for improvements, to which it is a party, the requirements of this Section and Section 60, and shall cause its contractors

and subcontractors for the improvements to incorporate the requirements of this Section in all subcontracts, including contracts for purchase of materials and services.

62. Intentionally omitted.

63. HAZARDOUS WASTE POLLUTION AND CONTAMINANTS.

a. For purposes of this Section 63, the following defined terms shall have the following meanings:

(1) Hazardous Substance means asbestos, urea formaldehyde, polychlorinated biphenyls (“PCBs”), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law;

(2) Environmental Laws means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., the Hazardous Materials Transportation Act, §1802 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Clean Air Act, 33 U.S.C. §1321 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Minnesota Environmental Response and Liability Act, Minn. Stat. Ch. 115B, the Minnesota Petroleum Tank Release and Cleanup Act, Minn. Stat. Ch. 115C, and any other federal, state, county, municipal, local or other statute, law relating to Hazardous Substances;

b. Tenant agrees to comply with all Environmental Laws applicable to the Premises. Tenant shall bear all costs and expenses arising from compliance with all Environmental Laws. If Tenant fails to comply with any Environmental Laws, Landlord shall have the right, but not the obligation, to undertake such compliance and charge Tenant the costs of compliance plus interest at the rate of ten percent per annum accruing from the date of disbursement and also with reasonable attorney fees.

c. Tenant agrees to defend, indemnify and hold harmless Landlord, its officers, employees and agents (hereinafter collectively referred to as the “Indemnitees”) from and against and shall reimburse each such Indemnitee for any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to person, property or natural resources, cost, expense, action or cause of action arising in connection with or as the result of the existence, use, handling, storage, transportation, manufacture, release or disposal of any Hazardous Substance in, on or under the Premises, whether foreseeable or unforeseeable, regardless of the source, the time of occurrence or the time of discovery (hereinafter collectively referred to as “Loss”). The foregoing indemnification against Loss includes, without limitation, indemnification against all costs in law or in equity of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Premises are in compliance with, and of causing the Premises to be in compliance with, all applicable Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the

Indemnitees' reasonable consultants' fees, court costs and expenses incurred in connection with any thereof.

d. The obligations of Tenant to indemnify the Indemnitees shall survive expiration or termination of this Lease. The rights of the Indemnitees hereunder shall be in addition to any other rights or remedies which the Indemnitees may have against Tenant under this Lease or any other document, or at law or in equity.

64. WAIVER OF SUBROGATION. Tenant, on behalf of itself and its insurer, hereby waives all claims and rights of recovery against Landlord which it would, but for this Section, have to Landlord for losses occurring to the Premises and to the improvements, betterments, trade fixtures, equipment, personal property and other property located therein or thereupon:

a. to the extent actually covered by insurance required to be carried by the party waiving;
or

b. to the extent actually covered by any other insurance being carried by the party waiving at the time of such occurrence.

65. WAIVER OF CERTAIN DAMAGES. IN CONSIDERATION OF ENTERING INTO THIS LEASE, LANDLORD AND TENANT HEREBY WAIVE AND FOREVER GIVE UP ANY RIGHT TO CLAIM OR RECOVER DAMAGES FOR LOST INCOME OR PROFITS AS A RESULT OF ANY BREACH OF THIS LEASE OR ANY DOCUMENTS OR AGREEMENTS REFERRED TO HEREIN. THE AGREEMENTS AND WAIVERS SET FORTH HEREIN SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

66. COMPLIANCE WITH LAWS. Tenant agrees that it will comply with all present and future laws, ordinances, and regulations, as amended and in effect from time-to-time, applicable to its use, occupancy, alteration or improvement of the Premises.

67. LIMITATION ON LIABILITY. Notwithstanding anything to the contrary in this Lease (except as otherwise provided in Sections 17 and 34 herein), the Ground

Lease, and the Grant Agreement, it is understood and agreed by Landlord and Tenant that no covenant, provision or agreement of Landlord herein or in the Ground Lease or the Grant Agreement or in any other document executed by Landlord in connection with the Governmental Program, or any obligation herein or therein imposed upon Landlord or breach thereof, shall give rise to a pecuniary liability of Landlord, its officers, employees, or agents, or a charge against Landlord's general credit or taxing powers or shall obligate Landlord, its officers, employees, or agents, financially in any way. No failure of Landlord to comply with any term, condition, covenant, or agreement therein shall subject Landlord, its officers, employees, or agents, to liability for any claim for damages, costs, or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Lease or revenues therefrom. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general

credit, general funds or taxing powers of Landlord. If, notwithstanding the provisions of this Section, Landlord, its officers, employees, or agents, incur any expense, or suffer any losses, claims, or damages or incur any liabilities, Tenant will indemnify and hold harmless Landlord, its officers, employees, or agents, from the same and will reimburse Landlord, its officers, employees, or agents, for any legal or other expenses incurred by Landlord, its officers, employees, or agents, in relation thereto, and this covenant to indemnify, hold harmless and reimburse Landlord, its officers, employees, or agents shall survive the termination of this Lease.

68. GRANT AGREEMENT PREVAILS. Whenever there shall exist a conflict between the provisions of this Lease and the Grant Agreement, the Grant Agreement shall prevail. Landlord shall not amend or otherwise modify the Grant Agreement without the prior written consent of Tenant.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

Signature pages follow.

Signature Page to Lease/Use Agreement by and between City of Minneapolis and

Tenant's Address:

Minneapolis, MN 55_____

TENANT:

By_____

Its_____

STATE OF MINNESOTA)

) ss.

COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before the this ____ day of _____, 2025, by

_____ the _____, a _____.

EXHIBIT A

Legal Description of Cowles Center

The land is situated in the City of Minneapolis, County of Hennepin , State of Minnesota, and is described as follows:

Parcel 1:

Tract A: That part of Lots 9 and 10, Block 1, Hoag's Addition to Minneapolis, lying Southerly and Westerly of the following described line:

Commencing at the most Southerly corner of said Lot 10; thence North 45 degrees 04 minutes 02 seconds West, assumed bearing, along the Southwesterly line of said Lots 9 and 10 a distance of 125.05 feet to the point of beginning of the line to be described; thence North 44 degrees 53 minutes 12 seconds East 51.14 feet; thence South 45 degrees 06 minutes 48 seconds East 125.14 feet to the Southeasterly line of said Lot 10 and there terminating.

Excepting therefrom the Northeasterly 3 feet of the Northwesterly 47.46 feet thereof.

(torrens property, certificate of title no. 1076925)

Tract B:

Non-exclusive easements as contained in Limited Warranty Deed dated November 13, 2001, recorded December 31, 2001 as Document No. 3479194 in the Office of the Registrar of Titles, Hennepin County, Minnesota.

Parcel 2:

Lots 1 and 2 and that part of Lot 3 lying Southeasterly of a line parallel to and 165 feet Northwesterly of the Southeasterly line of Lot 1, all in Block 1, Hoag's Addition to Minneapolis except the following:

Beginning at the Southeast corner of Block 1, in Hoag's Addition to Town (now City) of Minneapolis; thence Northeasterly along Hennepin Avenue 88 feet; thence Northwesterly parallel with Sixth Street 165 feet; thence Southwesterly 88 feet to Sixth Street; thence at right angles along Sixth Street to the place of beginning; being the Southwesterly 88 feet of Lots 1 and 2 and the Southeasterly 1/2 of Lot 3, all in Block 1, said Addition, according to the plat thereof on file or of record in the office of the County Recorder for Hennepin County, Minnesota.

(abstract property)

EXHIBIT B

Cowles Center Improvements

2009 Project Summary

The project is to design, construct, furnish and equip a center for Performing Arts and Education.

The construction consists of renovating the existing 1910 Shubert Theater to a 510 seat auditorium, adding a new infill Great Hall and stage house. The new Great Hall will be located between the Hennepin Center for the Arts and the Shubert and will become the main entry. The first floor of the Great Hall will contain the entry lobby, a concierge desk, concessions, public restrooms, storage, loading dock and back of house support space. The second floor of the Great Hall will provide a distance-learning studio and rehearsal room, visible to the public. Mechanical equipment is located in the lower level of the Shubert and on the roof of the Great Hall.

The theater is designed for excellent sight lines and acoustics, as well as comfort. Dance is the primary focus. Education is a strong part of the Minnesota Shubert. Video conferencing across the State of Minnesota will continue and be expanded. The front of the Shubert Theater will be restored to its 1910 appearance including a replica of the original canopy and marquee. The Great Hall will have a new high-resolution marquee capable of showing live video.

Service will occur from 6th Street North by way of the existing restricted private service drive which will be reconstructed for a loading dock and trash access. There is no on-site parking. The new building will fill the site with the exception of the service drive and the recess at the main entry

This project will have no impact on the State of Minnesota’s operating expenses.

Total Square Footage	38,407 sf
Total Construction Cost	\$20,505,000 plus Relocation
Cost per Square Foot	\$534/sf
Total Project Cost	\$39,272,926
Site Information	
Construction	
Commissioning and Relocation	\$35,000 (B-3 Commissioning); \$4,209,514 (move of Shubert in 1999)
Public Opening	Spring 2011
Non-State Sources	\$27,272,926 (69.4%)

Building/Project Data Sheet

Name of Project: Minnesota Shubert Performing Arts and Education Center

Agency:

Project/Building Location: 516 Hennepin Ave, Minneapolis, MN

Building Occupancy Type: Assembly

Primary Space Types: Auditorium, Production support, Concessions, Education Studio

Type of Construction: New Construction, Remodel

Building Size:

Number of Stories: Shubert: 3 (existing: 1 grade level + 2 balconies;
new: 1 basement, 1 at grade, 1 upper + access mezzanine)

Stage House: 6 (approximate overall height - 1 grade level, 1 basement + access mezzanine)

Great Hall: 2

Square Feet per Floor: Lower Level: 10,822 sf
First Floor: 17,072 sf
Second Floor: 7,089 sf
Third Floor: 1,066 sf
Fourth: 2,358 sf

Total Square Feet: 38,407 sf

Space Efficiency: Usable Space: 32,165, 84%
Note: In theatrical facilities excludes circulatory, toilet and mechanical areas; all other areas are deemed usable.

Office Space: 752 sf

Gross Sq. Ft. per person: 98sf
Typical Work Station Size: 5'-3" x 3'-11"

Site Size: 0.47 Acres

Parking: No on-site parking. Type (surface or structured): N/A
Area of Parking: N/A Number of Stalls: N/A

Roofing Type: Adhered EPDM Membrane

Exterior Wall Type: Aluminum Storefront, Metal Mesh,

Solid-Composite Panels, Existing brick, Stucco

Interior Wall Type: Metal Stud Framing, gyp. bd. finish, and unit masonry

Structural System Type: Structural Steel, concrete

Mechanical System Type: Heat pump system with fluid cooler and hot water boiler, packaged roof top air handling units, air to air heat recovery ventilation unit, VAV system control, electronic sensor valve bathroom fixtures, new DDC system

Fire Protection Description: Fully protected building from HCA water service

Electrical System Type: Stationary distribution switchboards, panel boards, engine generator set and automatic transfer switch

Technology Systems:

Costs:

Total Project Cost: \$39,350,557

Furniture, Fixtures, Equipment Signage Cost: \$2,816,971 (in McGough construction budget)

Predesign Cost: \$1,000,000

Relocation Cost: None for tenants

Site Acquisition Cost: \$2,932,040 + \$1,140,000 (City land write-down)

Phasing Cost:

Site Improvements Cost: In construction

Technology Cost: In FF&E budget

Building Cost: Cost to relocate to site and create new foundation \$4,209,514

Hazardous Materials Abatement Cost: None

Parking Cost: N/A

EXHIBIT C

Grant Agreement

EXHIBIT D

Permitted Encumbrances

[Need to update based on updated title work]

1. Real estate taxes and installments of special assessments not currently due and payable;
2. Easements, covenants, conditions, restrictions, and limitations, if any, that do not impair the use of the Premises.
3. Reservation of any minerals or mineral rights reserved to the State of Minnesota;
4. Building and zoning laws, ordinances, and state and federal regulations;
5. Any liens or other encumbrances created by Tenant in accordance with this Lease;
6. The provisions of Minnesota Statute Section 16A.695 regarding the interests of the State of Minnesota;
7. Reservations, covenants, restrictions, easements, rights, obligations and provisions as contained in Deed Document No. 3479194 as evidenced by a recital on the Torrens certificate of title.
8. Terms, conditions and provisions of Resolution 78R-307 by the City Council of the City of Minneapolis recorded November 8, 1978 as Document No. 1302994 (Torrens) and recorded November 13, 1978 as Document No. 4428475 (Abstract).
9. Covenants, conditions, restrictions and provisions of Contract for Private Redevelopment between the City of Minneapolis and Artspace Projects, Inc. entered into on November 25, 1998, as amended, and as set forth in Quit Claim Deed recorded October 16, 2006 as Document No. 8878843.

As affected by Assignment and Assumption of Redevelopment Agreement dated as of December 22, 2009, recorded December __, 2009, as Document No. _____ with the Hennepin County Recorder.

10. Reverter rights in favor of the City of Minneapolis as contained in Quit Claim Deed recorded October 16, 2006 as Document No. 8878843.

As affected by Assignment and Assumption of Redevelopment Agreement dated as of December 22, 2009, recorded December __, 2009, as Document No. _____ with the Hennepin County Recorder.

11. Non-exclusive easement for ingress and egress for pedestrian traffic and exclusive easement to maintain an air duct and the terms, conditions and provisions as contained in Easement Agreement dated April 30, 1979, recorded September 19, 1980 as Document No. 4589729.

12. Terms, conditions, provisions, covenants, agreements, rights and obligations as contained in Party Wall Agreement recorded in Book 26 of Misc., page 59 as supplemented by Agreement recorded in Book 128 of Misc., page 301.

13. Ground Lease dated as of December 22, 2009, by and between Shubert Landholding LLC, a Minnesota nonprofit limited liability company, as Landlord, and the City of Minneapolis, a Minnesota municipal corporation, as Tenant, as evidenced by Short Form Ground Lease dated as of _____, 2009, recorded _____, 2009, as Document No. _____.

14. Lease/Use Agreement dated as of December 22, 2009, by and between the City of Minneapolis, a Minnesota municipal corporation, as Landlord, and Minnesota Shubert Center for Dance and Music, Inc., a Minnesota nonprofit corporation, as Tenant, as evidenced by Short Form Lease dated as of _____, 2009, recorded _____, 2009, as Document No. _____.

15. Declaration by the City of Minneapolis dated December 22, 2009, recorded _____, 2009, as Document No. _____.

16. Leasehold Construction Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Financing Statement dated as of December 22, 2009, by and between Minnesota Shubert Center for Dance and Music, Inc., a Minnesota nonprofit corporation, as mortgagor, and USBCDE Sub-CDE XXXI, LLC, a Delaware limited liability company, as mortgagee and secured party.

17. Recognition, Non-Disturbance and Attornment Agreement dated as of December __, 2009, by and among Minnesota Shubert Center for Dance and Music, Inc., a Minnesota nonprofit corporation, USBCDE Sub-CDE XXXI, LLC, a Delaware limited liability company, and City of Minneapolis, recorded December 22, 2009, as Document No. _____ with the Hennepin County Recorder and as Document No. _____ with the Hennepin County Registrar of Titles.

18. Recognition, Non-Disturbance and Attornment Agreement dated as of December 22, 2009, by and among Minnesota Shubert Center for Dance and Music, Inc., a Minnesota nonprofit corporation, USBCDE Sub-CDE XXXI, LLC, a Delaware limited liability company, and Shubert Landholding LLC, a Minnesota limited liability company, recorded December __, 2009, as Document No. _____ with the Hennepin County Recorder and as Document No. _____ with the Hennepin County Registrar of Titles.

EXHIBIT E

Equipment List

[To be inserted upon completion of inventory; also need to address maintenance, usage, replacement and sale of equipment]