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REAL ESTATE DIVISION

LEASE AGREEMENT

between

**CAPITOL CITY PROPERTY MANAGEMENT, INC.
(LANDLORD)**

and

**THE CITY OF SAINT PAUL, ACTING THROUGH
THE SAINT PAUL POLICE DEPARTMENT
(TENANT)**

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LEASE AGREEMENT

THIS LEASE AGREEMENT, made this ____ day of _____, _____, between **Capitol City Property Management, Inc.** (herein called "Landlord"), and **The City of Saint Paul, Acting Through the Saint Paul Police Department** (herein called "Tenant"); witnesseth, that:

ARTICLE 1. PREMISES.

A. Premises. Landlord, subject to the terms and conditions hereof, hereby leases to Tenant the premises (hereinafter referred to as the "Premises") comprising approximately 3,191 square feet of net usable area on the 2nd floor skyway level of the building located at 401 Robert Street in St. Paul, Minnesota (hereinafter referred to as the "Building"), as depicted on Exhibit A attached hereto. The Building consisting of a multi-story office tower and two (2) levels of retail space, and the land (the "Land") underlying it are hereinafter referred to as the "Project." The Land is legally described in Exhibit B attached hereto.

B. Acceptance of Premises. Landlord has provided to Tenant a proposed floor plan for the Premises, which Tenant has agreed is the approximate size and location of the Premises.

Tenant agrees that upon taking possession of the Premises, it is accepting the Premises in its condition "as-is", except as otherwise provided in this Lease, and that Landlord has made and makes no representation or warranty of any kind about the condition of the Premises or its fitness for any use and that Landlord has no obligation hereunder to make repairs or replacements of the Premises or any part thereof.

C. Improvements. Any improvements to the Premises required by virtue of this Lease are to be completed by Landlord pursuant to plans and specifications prepared by Landlord and approved by Tenant ("Improvements").

ARTICLE 2. TERM. Tenant takes the Premises from Landlord, upon the terms and conditions herein contained, to have and to hold the same for the term ("Lease Term") of ten (10) years and zero (0) months commencing on October 16, 2000, unless sooner terminated as herein provided.

If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant at the commencement of the Lease Term hereof, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, nor shall the expiration date of the above Lease Term be in any way extended, but in that event, all rent shall be abated during the period between the commencement of the Lease Term and the time when Landlord delivers possession. Landlord and Tenant shall execute a Commencement Date Agreement in the form attached hereto as Exhibit D upon fixing the commencement date for this Lease.

ARTICLE 3. BASE RENT. Base Rent of One Dollar (\$1.00) in advance and on January 1 of each year and other valuable consideration per year by the Tenant for the Premises.

ARTICLE 4. USE. Tenant shall use the Premises only for a Saint Paul police substation and for related activities, including roll call, locker/changing rooms, and administration. No portion of the Premises may be used as a police holding room or interrogation area, nor may any suspects be detained or held at the Premises or the Building, provided however that suspects may be held or detained on the Premises for a period of not more than two hours where the suspect's presence on the Premises is incidental to transportation or detention of the suspect to a location outside of the Premises or Building. At the discretion of Tenant, a portion of the Premises may be used by the MTC police for monitoring the transit station. Tenant shall not do or permit to be done in or about the Premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or which will in any way conflict with any law, statute, ordinance, or governmental rule or regulation now in force or which may hereafter be enacted. Tenant shall, at Tenant's expense, take all actions necessary to comply with all laws, rules, regulations, requirements, and ordinances existing or hereafter enacted or imposed by any governmental authority having jurisdiction over the project, the Premises, Landlord, or Tenant applicable to Tenant and Tenant's use of the project at the Building and the Premises.

ARTICLE 5. OPERATING COSTS AND TAXES. Tenant shall not be required to pay operating costs and taxes.

ARTICLE 6. ADDITIONAL TAXES. Not applicable.

ARTICLE 7. COMMON AREAS.

A. Definition. "Common Areas" means at any time those portions of the Property, areas or improvements, not leased or designated for lease to tenants that are provided for use in common by (or by the sublessees, agents, employees, customers or licensees of) Landlord, Tenant, and any other landlords or tenants of the Property, whether or not those areas are open to the general public, and includes any fixtures, chattels, systems, decor, signs, facilities, or landscaping contained, maintained or used in connection with those areas, and is deemed to include any city sidewalks adjacent to the Property and any pedestrian walk way system whether above or below grade, park, or parking or other facility open to the general public for which Landlord is subject to obligations arising from the Property and Property.

B. Use of Common Area. Tenant and its invitees may use the Common Areas non-exclusively and in accordance with Landlord's rules and regulations, as established from time to time. Tenant may not use the Common Areas for displays, advertising, or sale of merchandise of any kind, and shall not place any objects in the Common Areas.

ARTICLE 8. OBLIGATIONS OF LANDLORD. Landlord agrees that it shall:

A. Subject to any laws or governmental regulations now or hereafter in effect, furnish heat and air conditioning in the common areas which maintains a temperature that, in Landlord's judgment, allows for comfortable occupancy of the Premises for normal business operations daily Monday through Saturday from 7:00 a.m. to 5:00 p.m., Sundays and holidays excepted. Wherever machines or equipment that generate heat and affect the temperature otherwise maintained in the Premises by the air conditioning system are used by Tenant, Landlord reserves the right to install supplemental air conditioning equipment in the Premises, and the cost of the equipment, its operation, and its maintenance shall be paid through separate metering or as Additional Rent by Tenant to Landlord on the monthly rent payment dates in such a manner as may be agreed upon. Such equipment shall be owned by Landlord.

B. Provide passenger elevator service in common with other occupants of the Building during all working days. Provide freight elevator service in common with other occupants of the Building from 8:00 a.m. to 4:00 p.m., Saturdays, Sundays, and holidays excepted.

C. Make all normal repairs to exterior of Tenant's Premises, the roof, foundation, structural supports, plumbing, sewer, and electrical systems to the point of entry to the Premises, and all mechanical, fire protection, and security systems serving the Building outside the Premises, excluding repairs to any special treatment of walls, floors, or ceilings made by or at the request of Tenant and excluding repairs to any fixtures or other improvements installed or made by or at the request of Tenant.

D. Provide water adequate for Tenant's use for drinking, lavatory, and toilet purposes in the Common Areas drawn through fixtures installed by Landlord.

E. Provide power as set forth in Exhibit C, Section 4.02.

Tenant understands and acknowledges that Landlord does not warrant that any of the services referred to above will be free from interruption from causes beyond the reasonable control of Landlord. Such interruption of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof or render Landlord liable to Tenant for damages by abatement of rent or otherwise or relieve Tenant from performance of Tenant's obligations under this Lease.

ARTICLE 9. OBLIGATIONS OF TENANT. Tenant agrees that it shall:

A. Comply with all laws, ordinances, and regulations applicable to the Premises and the occupancy thereof and will observe such reasonable rules and regulations as from time to time may be put in effect by Landlord for the general safety, comfort, and convenience of Landlord, occupants, and tenants of the Building.

B. Give Landlord access to the Premises at all reasonable times with reasonable notice without charge or diminution of rent, to enable Landlord to examine the same and to make such repairs, additions, and alterations as Landlord may deem advisable.

C. Keep the Premises in good order and condition and replace all glass broken by Tenant with glass of the same quality as that broken, except glass broken by fire or by the risks covered by extended coverage endorsements to Landlord's fire insurance policies, and commit no waste on the Premises.

D. Upon the termination of this Lease in any manner whatsoever, remove Tenant's goods and effects and those of any other person claiming under Tenant, and quit and deliver up the Premises to Landlord peaceably and quietly in as good order and condition as the same exists at the commencement of the Lease Term or as the same may hereafter be put in by Landlord or Tenant, reasonable use, wear, and tear thereof, damage by fire and other casualty, and repairs which are Landlord's obligations excepted. Goods and effects not removed by Tenant at the termination of this Lease, however terminated, shall be deemed abandoned, and Landlord may dispose of the same as it deems expedient.

E. Neither voluntarily nor by operation of law, assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants, and invitees of Tenant excepted) to occupy or use the Premises or any portion thereof, without the prior written consent of Landlord, which shall not be unreasonably withheld or delayed. Further, if Tenant shall propose to assign or sublet this Lease or any interest therein, it will so notify Landlord, in writing, not less than sixty (60) days prior to the proposed assignment or subletting. Landlord shall have the right by giving notice to Tenant thirty (30) days after receipt of Tenant's notice to regain possession of the Premises and terminate the Lease as of the date on the proposed assignment and subletting. Notwithstanding the foregoing, a merger, consolidation or amalgamation of Tenant with a third party, and the issuance, transfer, or sale of stock in Tenant shall not require Landlord's approval, but Tenant shall notify Landlord in writing at least 30 days prior to any merger, consolidation, or amalgamation.

F. Not place signs on the Premises, nor change any previously approved signage, except as approved in writing by Landlord. Tenant's signage package shall be approved in writing by Landlord prior to execution of this lease, and shall include (1) window sign; and (2) "blade sign" visible from the Building's skyway.

G. Not overload, damage, or deface the Premises or do any act which may make void or voidable any insurance on the Premises or the Building or which may result in an increased or extra premium payable for Landlord's insurance covering the Project.

H. Not make any alteration of or addition to the Premises without the written approval of Landlord. Tenant shall provide to Landlord copies of all plans for alterations prior to commencement of any work. All alterations, additions, or improvements which are made by Landlord or Tenant to the Premises, except movable furniture, trade fixtures, and equipment, shall become the property of Landlord upon installation and shall remain upon and be surrendered with the Premises, as a part thereof, at the termination of this Lease, unless Landlord directs Tenant in writing to remove any alterations or additions, as Landlord directed at the time Landlord provided Tenant with its consent to the installation of such alterations or additions. Any alterations or additions purchased with the tenant improvement allowance shall remain upon termination of this Lease unless Landlord otherwise directs in writing. Tenant shall repair any damage caused by such removal and shall restore the Premises and leave it clean. Tenant shall be liable to Landlord for Landlord's costs for storing, removing, and disposing of any alterations or additions or repairing any damage to the Building caused by the removal of any of the foregoing from the Building. Tenant's obligations under this Section shall survive expiration or other termination of this Lease.

I. Keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. If Tenant proposes to make any improvements, additions, or alterations, at Landlord's sole option, Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond or other security acceptable to Landlord in an amount equal to one and one-half (1½) times any and all estimated cost of improvements, additions, or alterations in the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.

ARTICLE 10. HAZARDOUS SUBSTANCES. Hazardous Substance ("Substance") means any substance designated pursuant to the Clean Water Act, Title 33 U.S.C. Section 1321 or Minnesota Statute Chapter 115 or Chapter 116, any element, compound, mixture, solution, constituent, or substance designated pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Title 42 U.S.C. Section 9602 or the Minnesota Environmental Response and Liability Act (MERLA), Minnesota Statute Chapter 115B, any hazardous waste having the characteristics identified under or listed pursuant to the Solid Waste Disposal Act, Title 42 U.S.C. Section 6921 or the Minnesota Waste Management Act, Minnesota Statute Chapter 115A, any toxic pollutant listed under Section 307(a) of the Clean Water Act, Title 33 U.S.C. Section 1317(a) or Minnesota Statute Chapter 115D, any hazardous air pollutant listed under Section 112 of the Clean Air Act, Title 42 U.S.C. Section 7412 or Minnesota Statute Chapter 116, any imminently hazardous chemical substance or mixture with respect to which the Administrator of the Environmental Protection Agency has taken action pursuant to Section 7 of the Toxic Substances Control Act, Title 15 U.S.C. Section 2606, any Petroleum Product listed under Minnesota Statute Chapter 116C, and any Hazardous Waste, Hazardous Substance, Pollutant, or Contaminant that is regulated or actionable under the law in Minnesota, and any federal, state, or local law, rule, regulation, or common law ("Environmental Laws"). The term also includes, but is not limited to, polychlorinated biphenyls, asbestos, urea formaldehyde, or related substances and petroleum and petroleum products. Tenant hereby agrees that (A) no activity will be conducted on the Project or Premises that will produce any Substances, except

for such activities that are part of the ordinary course of Tenant's business activities (the "Permitted Activities") provided said Permitted Activities are conducted in accordance with all federal, state and local environmental laws, ordinances and regulations, and provided further that Tenant has provided Landlord with written notice of said "Permitted Activities," and Landlord has consented to the Permitted Activities in advance and in writing; Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency for such permitted activities; (B) Neither the Project, nor the Premises will be used in any manner for the storage of any Substances except for the temporary storage of such materials that are used in the ordinary course of Tenant's business (the "Permitted Materials"), provided such Permitted Materials are properly stored in a manner and location meeting all Environmental Laws and acknowledged and consented to in advance in writing by Landlord; Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency for such permitted activities; (C) no portion of the Project or the Premises will be used as a landfill or a dump; (D) Tenant will not install any underground tanks of any type; (E) Tenant will not allow any surface or subsurface conditions to exist or come into existence that constitute, or with the passage of time may constitute a public or private nuisance; (F) Tenant will not permit any Substances to be brought onto the Project or Premises, except for the Permitted Materials described above, and if so brought or found located thereon, the same shall be immediately removed, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws and pursuant to a remediation plan approved by the Minnesota Pollution Control Agency. If at any time during or after the Lease Term, the Premises are found to be so contaminated or subject to said conditions, Tenant shall diligently institute proper and thorough cleanup procedures at Tenant's sole cost, and Tenant agrees to indemnify, defend and hold harmless Landlord, its lenders, any managing agents and leasing agents of the Project, and their respective agents, partners, officers, directors and employees, from all claims, demands, actions, liabilities, costs, expenses, penalties (whether civil or criminal), damages (actual or punitive), including attorneys' fees and costs, and obligations of any nature arising from or as a result of the use of the Premises by Tenant. The foregoing indemnification and the responsibilities of Tenant shall survive the termination or expiration of this Lease.

During and after the Lease Term, Tenant shall promptly provide Landlord with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, claims, complaints, investigations, judgments, letters, notice of environmental liens, and other communications, written or oral, actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, the State of Minnesota Pollution Control Agency, or other federal, state or local agency or authority, or any other entity or individual, concerning (i) any Hazardous Substance regarding the Project or the Premises; (ii) the imposition of any lien on the Project or the Premises; or (iii) any alleged violation of or responsibility under any Environmental Law.

Landlord represents that Landlord has no knowledge of any Hazardous Materials in the Premises as of the date that possession is delivered to the Tenant.

ARTICLE 11. CASUALTY LOSS. In case of damage to the Premises or the Building by fire or other casualty, Tenant shall give immediate notice to Landlord who shall thereupon cause the damage to be repaired with reasonable speed at the expense of Landlord subject to delays which may arise by reason of adjustment of loss under insurance policies and for delays beyond the reasonable control of Landlord, and to the extent that the Premises are rendered untenable, the rent shall proportionately abate, except in the event such damage resulted from or was contributed to by the act, fault, or neglect of Tenant, Tenant's employees or agents, in which event there shall be no abatement of rent. In the event the damage to the Premises shall be so extensive that Landlord shall decide not to repair or rebuild, this Lease shall, at the option of Landlord, be terminated as of the date of such damage by written notice from Landlord to Tenant, and the rent shall be adjusted to the date of such damage and Tenant shall thereupon promptly vacate the Premises. Further, although the Premises may not be so injured or destroyed as to enable Landlord to terminate this Lease as aforesaid, if more than one-third (1/3) of the present total square foot floor area of the Building is injured or destroyed by fire or the elements, or by any other cause, Landlord may then, at its option, terminate this Lease.

ARTICLE 12. LIABILITY. Tenant agrees that Landlord and its building manager and their officers and employees shall not be liable to Tenant for any damage to or loss of personal property in the Premises unless such damage or loss is the result of the willful misconduct of Landlord, its building manager, or their officers or employees, and Landlord and its building manager and their officers and employees shall not be liable to Tenant for any such damage or loss, whether or not the result of their negligence to the extent Tenant is compensated therefor by Tenant's insurance.

Landlord shall not be liable to Tenant, or those claiming through or under Tenant, for any injury, death, or property damage occurring in, on, or about the Premises during the Lease Term; and Tenant shall indemnify Landlord against, and hold Landlord harmless from, liability, or claims thereof, arising out of any injury, death, or property damage occurring in, on, or about the Premises during the Lease Term.

ARTICLE 13. INSURANCE.

A. Insurance by Landlord. During the Lease Term, Landlord shall maintain at its own expense (subject to participation by Tenant by payment of Operating Expenses under Section 3(F)(4)) liability insurance, fire insurance with extended coverage, boiler and pressure vessel insurance, and other insurance on the Building and all property and interest of Landlord in the Building with coverage and in amounts deemed reasonable by Landlord from time to time.

B. Insurance by Tenant. Tenant is an arm of the City of Saint Paul and is self-insured.

C. Subrogation. Landlord and Tenant mutually waive their respective rights of recovery against each other for any loss of, or damage to, either parties' property, to the extent that such loss or damage is insured by an insurance policy required to be in effect at the time of such loss or damage.

ARTICLE 14. INDEMNIFICATION. Tenant shall indemnify, hold harmless, and defend Landlord (except for Landlord's gross negligence or willful misconduct) against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising out of any occurrence in, on or about the Property, if caused or contributed to by Tenant or Tenant's agents or invitees, or arising out of any occurrence in, upon or at the Property or Premises, or on account of the use, condition, occupational safety or occupancy of the Property or Premises. It is the intent of the parties hereto that the indemnity contained in this section shall not be limited or barred by reason of any negligence on the part of Landlord or Landlord's agents, except as expressly provided herein. Such indemnification shall include and apply to attorneys' fees, investigation costs, and other costs actually incurred by Landlord. Tenant shall further indemnify, defend and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease. The provisions of this section shall survive the expiration or termination of this Lease with respect to any damage, injury, death, breach or default occurring prior to such expiration or termination. This Lease is made on the express conditions that Landlord shall not be liable for, or suffer loss by reason of, injury to person or property, from whatever cause, in any way connected with the condition, use, occupational safety or occupancy of the Property or Premises specifically including, without limitation, any liability for injury to the person or property of Tenant or Tenant's agents.

ARTICLE 15. EMINENT DOMAIN. If the entire Premises are taken by eminent domain, this Lease shall automatically terminate as of the date of taking. If a portion of the Premises are taken by eminent domain, Landlord shall have the right to terminate this Lease as of the date of taking by giving notice thereof to Tenant within ninety (90) days after such date of taking. If Landlord does not elect to terminate this Lease, it shall, at its expense, restore the Premises, exclusive of any improvements or other changes made therein by Tenant, to as near the condition which existed immediately prior to the date of taking as reasonably possible and to the extent that the Premises are rendered untenable, the rent shall proportionately abate. All damages awarded for a taking under the power of eminent domain shall belong to and be the exclusive property of Landlord, whether such damages be awarded as compensation for diminution in value of the leasehold estate hereby created or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any separate award made to Tenant for relocation. Further, if any part of the Project is taken by eminent domain so as to render more than one-third (1/3) of the Building, based upon the present total square footage of the Building, untenable, then Landlord shall have the option to terminate this Lease whether or not the Premises are affected.

ARTICLE 16. DEFAULT. Tenant hereby agrees that in case Tenant shall default in making its payments hereunder or any of them or in performing any of the other agreements, terms, and conditions of this Lease after ten (10) days' written notice from Landlord, then, in any such event, Landlord, in addition to all other rights and remedies available to Landlord, by law or other provisions hereof, may, without process, re-enter immediately into the Premises and remove all persons and property therefrom and, at Landlord's option, annul and cancel this Lease as to all future rights of Tenant. Tenant further agrees that in case of any such termination, Tenant will indemnify Landlord against all loss of rents and other damage which Landlord may

incur by reason of such termination, including, but not being limited to, costs of restoring and repairing the Premises and putting the same in rentable condition, costs of renting the Premises to another tenant, loss or diminution of rents, and other damage which Landlord may incur by reason of such termination, and all reasonable attorneys' fees and expenses incurred in enforcing any of the terms of this Lease. Neither acceptance of rent by Landlord, with or without knowledge of breach, nor failure of Landlord to take action on account of any breach hereof or to enforce its rights hereunder, shall be deemed a waiver of any breach, and absent written notice or consent, said breach shall be a continuing one.

Tenant further agrees that if (i) Tenant is declared bankrupt or insolvent, (ii) Tenant petitions for, or consents to, the appointment of a receiver trustee or custodian of all or substantially all of Tenant's assets, (iii) Tenant petitions or consents to be declared a bankrupt or insolvent, (iv) a petition is filed by a third person to have Tenant declared bankrupt or insolvent or to have a receiver appointed with respect to all or substantially all of Tenant's assets and such petition is not discharged within sixty (60) days after service thereof is made on Tenant, or (v) Tenant has generally not paid its debts, and such debts become due, then, at Landlord's option, without limiting Landlord's other rights and remedies to which Landlord is entitled under law or in equity by reason of any of the aforesaid occurrences and without relieving Tenant of Tenant's obligations under this Lease, Landlord may terminate this Lease and, whether or not this Lease is terminated, may re-enter the Premises and remove all persons therefrom, all as set forth in the foregoing paragraph of this Section 16.

Regardless of whether any default is cured by Tenant, Tenant shall be liable to Landlord as Additional Rent all attorneys' fees and costs incurred in connection with each default by Tenant.

ARTICLE 17. NOTICES. All bills, statements, notices, or communications which Landlord may desire or be required to give to Tenant shall be deemed sufficiently given or rendered if in writing and either delivered to Tenant personally or sent by registered or certified mail addressed to Tenant at the following address: Police Department, City of Saint Paul, Attention: Commander Beverly Hall, 100 East Eleventh Street, Saint Paul, Minnesota, 55101, or to such other address or addresses as Tenant may from time to time notify Landlord in writing, and the time of rendition thereof or the giving of such notice or communication shall be deemed to be the time when the same is delivered to Tenant or three (3) days after being deposited in the mail as herein provided. Any notice by Tenant to Landlord must be served by registered or certified mail addressed to Landlord at the address where the last previous rental hereunder was payable, or in case of subsequent change upon notice given, to the latest address furnished by written notice pursuant to this Article.

ARTICLE 18. HOLDING OVER. Should Tenant continue to occupy the Premises after expiration of the Lease Term or any renewal or renewals thereof, or after a forfeiture incurred, such tenancy shall be from month to month and in no event from year to year or for any longer term. The monthly Base Rent during such month-to-month tenancy shall be two (2) times the amount of the monthly Base Rent set forth in Section 3 of this Lease.

ARTICLE 19. SUBORDINATION. Tenant accepts this Lease subject and subordinate to all mortgages or trust deeds, now or hereafter a lien upon or affecting the Premises. Tenant shall, at any time hereafter on demand, execute any instruments, releases, or other documents that may be required by any mortgagee, trustee, or landlord for the purpose of subjecting and subordinating this Lease to the lien and rights of any such mortgage or trust deed or mortgagee or trustee, and the failure of Tenant to execute any such instruments, releases, or documents within ten (10) days after written request therefor shall constitute a default hereunder. In the case of failure of Tenant to execute such instruments, releases, or documents on demand, Landlord is hereby authorized as the attorney and agent of Tenant to execute such releases, instruments, or other documents, and in such event Tenant hereby confirms and verifies any such instruments so executed by virtue of this power of attorney. However, in the event that such mortgagee or trustee elects to have this Lease prior in lien to its mortgage or trust deed, then in such event, upon such mortgagee or trustee notifying Tenant to that effect, this Lease shall be deemed prior in lien to said mortgage or trust deed. Tenant further agrees to execute such other documents as any mortgagee or trustee may reasonably request confirming any aspects of Tenant's occupancy hereunder, including but not limited to any attornment agreement. In the event that Landlord enters into a mortgage creating a lien on the Premises, Landlord and Tenant agree to execute the Subordination Agreement substantially in the form attached as Exhibit H, and Landlord shall cause its mortgagee to execute the same Agreement whereby the mortgagee agrees not to disturb Tenant's rights under this Lease, so long as Tenant is not in default under the terms of this Lease.

ARTICLE 20. ESTOPPEL. Tenant shall at any time and from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge, and deliver to Landlord a statement in writing, (i) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Failure to sign the statement or failure to specify any default claimed shall be deemed approval of the statement submitted to Tenant by Landlord.

ARTICLE 21. SERVICE CHARGE. Not applicable.

ARTICLE 22. SECURITY DEPOSIT. Not applicable.

ARTICLE 23. PROPERTY TAXES. Not applicable.

ARTICLE 24. MORTGAGEE PROTECTION. Tenant agrees to send any mortgagees and/or deed of trust holders, by certified mail, a copy of any notice of default served by Tenant upon Landlord, provided that prior to such notice Tenant has been notified, in writing by way of notice of assignment of rents or otherwise, of the addresses of such mortgagees and/or deed of trust holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, any such mortgagees and/or deed of trust holders shall

have an additional thirty (30) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be reasonably necessary if within such thirty (30) days any mortgagee and/or deed of trust holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings), in which event the Lease shall not be terminated when such remedies are being diligently pursued.

ARTICLE 25. GENERAL. This Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of lessor and lessee. No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. Each term and each provision of this Lease performable by Tenant shall be construed to be both a covenant and a condition. The topical headings of the several paragraphs and clauses are for convenience only and do not define, limit, or construe the contents of such paragraphs or clauses. This Lease shall be governed by Minnesota law.

All preliminary negotiations are merged into and incorporated in this Lease. This Lease can only be modified or amended by an Agreement in writing signed by the parties hereto. All provisions hereof shall be binding upon the heirs, successors, and assigns of each party hereto.

ARTICLE 26. RECIPROCAL COVENANT ON ADA. Within ten (10) days after receipt, Landlord and Tenant shall advise the other party in writing, and provide the other with copies of (as applicable) any notices alleging violation of the Americans with Disabilities Act of 1990 ("ADA") relating to any portion of the Property or the Premises; any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Property or the Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Property or the Premises.

Landlord shall be responsible for compliance with the ADA in the construction of Landlord's work in the original buildout within the common areas of the Building and the Property, and Tenant shall be responsible for compliance with the ADA within the Premises and in the Building to the extent that modifications are required for the conduct of Tenant's business.

ARTICLE 27. LAWS THAT GOVERN. The terms and conditions of this Lease shall be governed by the laws of the State of Minnesota, and all actions regarding the Lease shall be venued in Ramsey County, Minnesota.

ARTICLE 28. RECORDATION. Neither Landlord nor Tenant shall record this Lease among or in any public records.

ARTICLE 29. FORCE MAJEURE. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, to the extent such inability or delay is caused by

reason of war, civil unrest, strike, labor troubles, unusually inclement weather, governmental delays, inability to procure services or materials despite reasonable efforts, third party delays, acts of God, or any other cause(s) beyond the reasonable control of the Landlord (which causes are referred to collectively herein as "Force Majeure"). Any time specified obligation of Landlord in this Lease shall be extended one day for each day of delay suffered by Landlord as a result of the occurrence of any Force Majeure.

ARTICLE 30. LANDLORD'S LIEN. Not applicable.

ARTICLE 31. BROKERS. Landlord and Tenant each represent and warrant to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker other than The Welsh Companies in the negotiating or making of this Lease, and Landlord and Tenant agree to indemnify the other, its agents, employees, partners, directors, shareholders and independent contractors harmless from all liabilities, costs, demands, judgments, settlements, claims and losses, including reasonable attorneys fees and costs, incurred by the other in conjunction with any such claim or claims of any other broker or brokers claiming to have interested Tenant in the Property or Premises or claiming to have caused Landlord or Tenant to enter into this Lease. Landlord agrees that it shall pay The Welsh Companies according to its agreement with The Welsh Companies.

ARTICLE 32. NO WAIVER. Nothing in this Lease Agreement is to be construed as a waiver of the Tenant municipal tort liability limits set forth in Minn. Stat. § 466.01 et seq., and all indemnification, liability, loss and damage clauses are subject to the limits in Minnesota Statutes Chapter 466.

ARTICLE 33. QUIET ENJOYMENT. Landlord covenants that Landlord has the right to enter into this Lease and that, if Tenant is not in material default of this Lease beyond the period for cure, Tenant shall lawfully, peaceably and quietly have, hold, occupy and enjoy the Premises through the Term and any extension thereof without hindrance or ejection by Landlord or any person claiming by, through or under Landlord or Landlord's successors, and Landlord shall defend Tenant's right to such quiet enjoyment.

ARTICLE 34. ASSIGNMENT BY LANDLORD. Landlord may transfer, assign, mortgage and pledge its interest in this Lease at any time without Tenant's consent. In addition, Landlord may master lease the entire Building to Minnesota Life Insurance Company, its successors and assigns ("ML") pursuant to the terms of a written master lease (the "ML Master Lease"). In the event Landlord's interest is assigned or transferred (whether voluntarily, or involuntarily through foreclosure), Tenant shall be bound under all of the terms and conditions of this Lease for the balance of its terms with the same force and effect as if mortgagee, assignee, transferee, or ML (as the case may be) were the Landlord under this Lease. Tenant hereby attorns to such party as its Landlord, said attornment to be effective and self-operative immediately upon the transfer of Landlord's interest in this Lease to such party without the execution of any further instruments on the part of any parties. Tenant shall not be obligated to pay its Rent directly to the mortgagee, assignee, transferee, or ML (as the case may be) until Tenant receives written notice from such party that it has succeeded to the interests of Landlord under this Lease.

In the event that Landlord enters into the ML Master Lease, Landlord's interest in this Lease shall be deemed to have been assigned to ML. This Lease shall automatically, without further action on the part of any party, be converted to a sublease with ML, as sublessor, and Tenant, as sublessee, upon the same terms and conditions of this Lease.

ARTICLE 35. RELOCATION - SUBSTITUTE PREMISES. Landlord shall have the right at any time, upon reasonable notice to Tenant (the "Relocation Notice"), to relocate Tenant to different premises in the Building (the "Substitute Premises"), provided that the Substitute Premises are of approximately the same size and finish as the Premises and provided that Landlord reimburses Tenant for all reasonable out-of-pocket expenses incurred by Tenant as a result of the relocation. Tenant shall relocate to the Substitute Premises within the time set out in the Relocation Notice. Upon the date Tenant takes possession of the Substitute Premises, this Lease shall be deemed amended to provide for the Substitute Premises and all other terms and conditions of the Lease shall remain in full force and effect. Tenant agrees to execute any document reasonably required by Landlord to reflect the relocation to the Substitute Premises.

ARTICLE 36. MISCELLANEOUS.

A. All Obligations Are Rent. Not applicable.

B. Legal Costs. In any litigation between the parties arising out of this Lease, the non-prevailing party shall pay to the prevailing party all reasonable expenses and costs including attorneys' fees incurred by the prevailing party in connection with the litigation (including fees and costs in preparation for and at trial, and on appeal, if applicable) ("Legal Costs"). The Legal Costs shall be payable on demand, and, if the prevailing party is Landlord, the Legal Costs shall be deemed Additional Rent, subject to all of Landlord's rights and remedies provided herein.

C. Waiver of Jury Trial; Counterclaim. Not applicable.

D. Authority to Execute. The parties executing this Lease warrant that this agreement is being executed with full corporate authority and that the officers whose signatures appear hereon are duly authorized and empowered to make and execute this Lease in the name of the corporation by appropriate and legal resolution of its Board of Directors.

E. Guaranty. Not applicable.

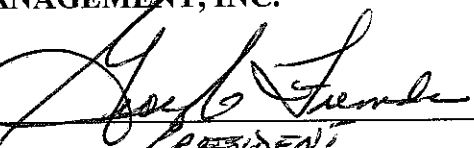
F. Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or joint venture or of any association whatsoever between Landlord and Tenant; it being expressly understood that neither the method of computation of rent, nor any other provisions contained herein, nor any act or acts of the parties shall be deemed to create any relationship between Landlord and Tenant other than that of landlord and tenant.

ARTICLE 37. TERMINATION OPTION. Landlord and Tenant shall each have the right to terminate this Lease at any time during the Term and without cause, upon 120 days' advance written notice to the other party of its intention to terminate. The parties shall execute a Termination of Lease effective 120 days following said written notice.

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

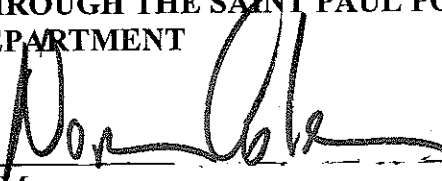
LANDLORD:

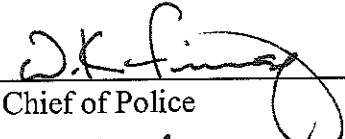
**CAPITOL CITY PROPERTY
MANAGEMENT, INC.**

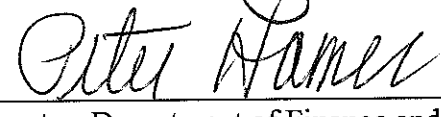
By 
Its RESIDENT

TENANT:

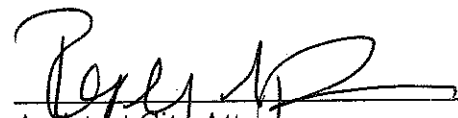
**THE CITY OF SAINT PAUL, ACTING
THROUGH THE SAINT PAUL POLICE
DEPARTMENT**

By 
Its Mayor

By 
Its Chief of Police

By 
Its Director, Department of Finance and
Management Services

Approved as to form:


Assistant City Attorney

*CHK
DHM 11/15/01*

EXHIBIT A

PREMISES

EXHIBIT B

LAND

Parcel 1 (Torrens):

Lots 9, 10, 11 and 12; Lot 13 excepting the Northwesterly 5 feet taken for alleyway; all in Block 4, City of Saint Paul, Capital of Minnesota, commonly called "St. Paul Proper".

Parcel 2 (Abstract):

Lot 1, except the northeasterly 31 feet thereof;

Lots 2, 3, 4, 5, 6, 7, 8, 14 and 15;

The Northwesterly 5 feet of Lot 13;

Lot 16, except the northeasterly 31 feet thereof;

All in Block 4, "St. Paul Proper", according to the recorded plat thereof, Ramsey County, Minnesota.

EXHIBIT C

WORK PLAN

Intentionally omitted.

EXHIBIT D

LEASE COMMENCEMENT AGREEMENT

THIS LEASE COMMENCEMENT AGREEMENT is attached to and made a part of that certain Lease dated the ____ day of _____, _____ (“Lease”), by and between Capitol City Property Management, Inc. (“Landlord”), and The City of Saint Paul, Acting Through the Saint Paul Police Department. (“Tenant”).

Landlord and Tenant are parties to the Lease. All capitalized terms used herein shall have the same meanings as were ascribed to such terms in the Lease, unless otherwise indicated.

Landlord and Tenant do hereby declare that (a) the Commencement Date is hereby established to be _____; and (b) the Lease Term shall expire on _____, unless the Lease is earlier terminated as may be provided therein. The Lease is in full force and effect as of the date hereof, and Landlord has fulfilled all of its obligations under the Lease required to be fulfilled by Landlord on or prior to such date.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Declaration on this ____ day of _____, 200 ____.

LANDLORD:

**CAPITOL CITY PROPERTY
MANAGEMENT, INC.**

By: _____
Title: _____

TENANT:

**THE CITY OF SAINT PAUL, ACTING
THROUGH THE SAINT PAUL POLICE
DEPARTMENT**

By: _____
Title: _____

EXHIBIT E

GUARANTY

Intentionally omitted.

EXHIBIT F

RULES

1. **Security.** Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using or entering the same, or any equipment, finishings or contents thereof, and Tenant shall comply with Landlord's reasonable requirements relative thereto.
2. **Locks.** Landlord may from time to time install and change locking mechanisms on entrances to the Building, common areas thereof, and the Premises, and (unless 24 hour security is provided by the Building) shall provide to Tenant a reasonable number of keys and replacements therefor to meet the bona fide requirements of Tenant. In these rules "keys" include any device serving the same purpose. Tenant shall not add to or change existing locking mechanisms on any door in or to the Premises without Landlord's prior written consent. If with Landlord's consent, Tenant installs lock(s) incompatible with the Building master locking system:
 - (a) Landlord, without abatement of Rent, shall be relieved of any obligation under the Lease to provide any service to the affected areas which require access thereto,
 - (b) Tenant shall indemnify Landlord against any expense as a result of forced entry thereto which may be required in any emergency, and
 - (c) Tenant shall at the end of the Lease Term and at Landlord's request remove such lock(s) at Tenant's expense.
3. **Return of Keys.** At the end of the Lease Term, Tenant shall promptly return to Landlord all keys for the Building and Premises which are in possession of Tenant.
4. **Windows.** Tenant shall observe Landlord's rules with respect to maintaining window coverings at all windows in the Premises so that the Building presents a uniform exterior appearance, and shall not install any window shades, screens, drapes, covers or other materials on or at any window in the Premises without Landlord's prior written consent. Tenant shall ensure that window coverings are closed on all windows in the Premises while they are exposed to the direct rays of the sun.
5. **Repair, Maintenance, Alterations and Improvements.** Tenant shall carry out Tenant's repair, maintenance, alterations and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other tenants in the Building.
6. **Water Fixtures.** Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant shall be paid for by Tenant.

7. **Personal Use of Premises.** The Premises shall not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.
8. **Heavy Articles.** Tenant shall not place in or move about the Premises without Landlord's prior written consent any safe or other heavy article which in Landlord's reasonable opinion may damage the Building, and Landlord may designate the location of any heavy articles in the Premises.
9. **Bicycles, Animals.** Tenant shall not bring any animals or birds into the Building, and shall not permit bicycles or other vehicles inside or on the sidewalks outside the building except in areas designated from time to time by Landlord for such purposes.
10. **Deliveries.** Tenant shall ensure that deliveries of materials and supplies to the Premises are made through such entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and shall promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Building caused by any person making such deliveries.
11. **Furniture and Equipment.** Tenant shall ensure that furniture and equipment being moved into or out of the Premises is moved through such entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and by movers or a moving company approved by Landlord, and shall promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Building caused thereby.
12. **Solicitations.** Landlord reserves the right to restrict or prohibit canvassing, soliciting or peddling in the Building.
13. **Food and Beverages.** Except as to restaurant tenants, only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve or distribute foods or beverages in the Building, or use the elevators, corridors or common areas for any such purpose.
14. **Refuse.** Tenant shall place all refuse in proper receptacles provided by Tenant at its expense in the Premises or in receptacles (if any) provided by Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts and shafts of the Building, free of all refuse.
15. **Obstructions.** Tenant shall not obstruct or place anything in or on the sidewalks or driveways outside the Building or in the lobbies, corridors, stairwells or other common areas of the Building, or use such locations for any purpose except access to and exit from the Premises without Landlord's prior written consent. Landlord may remove at Tenant's expense any such obstruction or thing (unauthorized by Landlord) without notice or obligation to Tenant.

16. **Dangerous or Immoral Activities.** Tenant shall not make any use of the Premises which involves the danger of injury to any person, nor shall the same be used for any immoral purpose.
17. **Proper Conduct.** Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building or which will impair the comfort and convenience of other tenants in the Building.
18. **Employees, Agents and Invitees.** In these Rules and Regulations, Tenant includes the employees, agents, invitees and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.
19. **Housekeeping.** Tenant shall prevent paper, books, magazines, and other obstructions from being placed on heat, ventilating and air conditioning convectors and any other interference with the heat, ventilating and/or air conditioning system within the Premises.
20. **Energy Conservation.** Tenant shall make every effort to practice energy conservation within the Premises and will cooperate with Landlord in establishing and implementing such conservation programs as Landlord may from time to time develop.
21. **Loading and Delivery.**
 - (a) The delivery and shipping of merchandise, supplies, fixtures and other materials or goods of whatsoever nature to or from the Premises and all loading, unloading, and handling thereof shall be done only at such times, in such areas, by such means, and through such elevators, entrances, malls, and corridors, as are designated by Landlord.
 - (b) Landlord accepts no liability and is hereby relieved and released by Tenant in respect of the operation of the delivery facilities in the Building, or the adequacy thereof, or of the acts or omissions of any person or persons engaged in the operation thereof, or in the acceptance, holding, handling, delivery or dispatch, or failure of any acceptance, holding, handling or dispatch, or any error, negligence of delay therein.
 - (c) Landlord may from time to time make and amend regulations for the orderly and efficient operation of the delivery facilities, and may require the payment of reasonable and equitable charges for deliver services and demurrage provided by Landlord.
22. **Name of Building.** Landlord shall have the right, after 30 days notice to Tenant, to change the name, number or designation of the Building during the Lease Term without liability to Tenant.
23. **Balcony.** In the event that the Premises include a balcony, the balcony shall not be used for smoking, for grilling or burning of any sort, nor for storage of any materials. Any

items temporarily placed on the balcony, such as chairs or tables, shall be removed each day when the use is discontinued.

24. **Smoke-Free.** The Building is a smoke-free building. All areas of the Building including restrooms, parking ramp, loading dock, and vestibules are smoke-free.

EXHIBIT G

RETAIL ADDENDUM

Intentionally omitted.

EXHIBIT H

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Intentionally omitted.