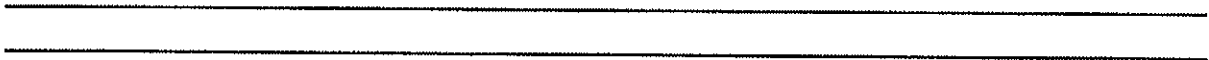


**GROUND LEASE**  
**by and between the**  
**CITY OF ANOKA, MINNESOTA**  
**and the**  
**METROPOLITAN COUNCIL**



**TABLE OF CONTENTS**

1 PROPERTY AND TERM .....1

2 RENT .....1

3 CONSTRUCTION OF IMPROVEMENTS; ALTERATIONS .....2

4 MAINTENANCE, REPAIRS AND UTILITIES .....3

5 REAL ESTATE TAXES .....3

6 USE OF PROPERTY .....4

7 REDEVELOPMENT BY LANDLORD .....5

8 LIABILITY OF PARTIES .....6

9 DAMAGE AND DESTRUCTION .....6

10 ASSIGNMENT AND SUBLETTING .....7

11 DEFAULT AND REMEDIES .....7

12 NOTICES .....8

13 WARRANTY OF TITLE AND QUIET ENJOYMENT .....9

14 FIXTURES .....9

15 HAZARDOUS SUBSTANCES .....9

16 ALTERNATIVE DISPUTE RESOLUTION .....11

17 DEFINITIONS .....12

18 GENERAL PROVISIONS .....12

SIGNATURES .....13

EXHIBIT A—Legal Description .....14

EXHIBIT B—Graphic Description of Improvements .....15

EXHIBIT C—Drainage Easement .....16

EXHIBIT D—Memorandum of Ground Lease.....	17
EXHIBIT E—Landlord Retail Area.....	20

## GROUND LEASE

This Ground Lease ("Lease") is made and entered into as of 8.16, 2010 (the "Effective Date"), by and between the City of Anoka, Minnesota ("Landlord") and the Metropolitan Council (the "Tenant").

### 1. PROPERTY AND TERM.

1.1. Property. For and in consideration of the performance of the terms, conditions, and obligations of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord real property located in the City of Anoka, County of Anoka, and State of Minnesota, as more particularly described on **Exhibit A** attached (the "Property"). A cross-reference to all defined terms in this Lease appears at Section 18.

1.2. Limitation on Leasehold Interest. Landlord specifically excepts and reserves to itself the right to redevelop the Property consistent with the terms of this Lease.

1.3. Term. The initial term of this Lease shall commence on the Effective Date and shall expire on May 31, 2107 (the "Initial Term").

1.4. Automatic Renewals. This Lease shall automatically renew for an additional term of one hundred (100) years. After such automatic renewal, this Lease shall automatically renew for successive twenty (20) year terms. Each automatic extension of the Lease term may be referred to herein as an "Extension Term." All of the terms and conditions of this Lease shall apply during each Extension Term. References to "Term" shall be deemed to include the Initial Term and any automatic Extension Term. If the Platform Agreement dated May 31, 2007, between BNSF Railway Company ("BNSF") and the Tenant (the "Platform Agreement") is terminated, Landlord shall have the option to terminate this Lease upon one hundred twenty (120) days' written notice to Tenant. The Tenant shall give written notice to Landlord within five (5) days following any termination of the Platform Agreement.

1.5. Memorandum of Lease. Landlord and Tenant shall execute and record against the Property a Memorandum of Lease substantially in the form attached as **Exhibit D** (the "Memorandum of Lease").

### 2. RENT.

2.1 Rent Start Date. The date on which Rent first becomes payable (the "Rent Start Date") shall be the date upon which this Lease has been fully executed by the parties (the "Rent Start Date").

2.2 Rent. On the Rent Start Date, Tenant shall pay Ninety Eight and 00/100 (\$98.00) to Landlord as rent for the Initial Term. Thereafter, in advance of each Extension Term, Tenant agrees to pay Landlord within thirty (30) days of invoicing by Landlord to Tenant rent in the amount of One Dollar and 00/100 (\$1.00) per year. The amounts set forth in this Section 2.2 ("Rent") shall be paid to Landlord at the address set forth below or such other address as

Landlord may specify in writing from time to time. All Rent required to be paid hereunder shall be paid without the right of offset, deduction or withholding, and Tenant shall not be entitled to any credits against the payment of Rent.

2.3 Operating Expenses. Tenant shall be responsible for directly paying all other charges, costs, fees and expenses incurred by Tenant in connection with this Lease or the use of the Property (“Operating Expenses”).

### 3. CONSTRUCTION OF IMPROVEMENTS; ALTERATIONS.

3.1 Construction of Improvements. The Minnesota Department of Transportation (“Mn/DOT”) has constructed on the Property a surface parking lot containing 377 parking stalls, including 12 ADA-accessible stalls, a vehicle circulation system which includes bus and passenger vehicle drop off and pickup in proximity to the platform, sidewalks, road access, driveways, signage and other improvements as shown on the site plan attached as Exhibit B (the “Improvements”). If changes in applicable law require an increase in the number of ADA-accessible stalls, Landlord and Tenant shall agree as to how best to accommodate such changes. Mn/DOT also constructed the storm water pond shown on Exhibit B, which is not located on the Property. The storm water pond was initially designed to serve the Improvements along with a significant portion of the City of Anoka’s proposed station area improvements. The Landlord shall own, operate and maintain the storm water pond. Landlord shall grant a drainage easement to Tenant substantially in the form attached as Exhibit C (the “Drainage Easement”) to provide for Tenant’s use of the storm water pond shown on **Exhibit B**.

3.2 Alterations; Ownership of Improvements. After the initial completion of the Improvements, without Landlord’s approval, Tenant may alter the Improvements and may add additional passenger amenities. Landlord’s prior written consent shall be required to build structured parking or buildings or install above or below-ground storage tanks, which consent shall not be unreasonably withheld or delayed. Any alterations or additions to the Improvements after their initial completion shall be referred to as “Alterations.” If Landlord’s consent is required to any Alterations, Tenant shall present detailed plans and specification and construction drawings (“Plans”) to Landlord. Should Landlord fail to approve the proposed Plans (or to provide a reasonably detailed written explanation for non-approval) within sixty (60) days after the receipt thereof, such Plans shall be deemed approved by Landlord. The Improvements and all Alterations to the Property shall (i) be constructed at Tenant’s sole cost and expense; (ii) comply with all applicable laws; (iii) be performed lien-free and in a workmanlike manner with good and sufficient materials; and (iv) be the property of Tenant until the termination of this Lease. Upon termination of this Lease, Landlord and Tenant shall agree as to ownership and disposition of the Improvements and Alterations.

3.3 Liens. Neither Landlord nor Tenant shall allow or permit any mechanic’s liens, materialmen’s liens or any construction liens or judgment liens of any kind to be perfected against the Property, Tenant’s leasehold interest therein or any other property of Landlord.

4. MAINTENANCE, REPAIRS AND UTILITIES.

4.1 Repairs and Maintenance.

(a) Except as set forth in Section 7 in the context of a redevelopment of the Property, Tenant agrees to, at its sole cost and expense, operate and maintain the Improvements in good condition and repair. Upon the expiration or termination of this Lease, Tenant shall deliver the Property to Landlord with all debris and personal property removed and in good operating condition and repair, ordinary wear and tear excepted.

(b) Landlord may enter and inspect the Property at any time to determine the manner in which it is being used, maintained and repaired. Landlord shall use commercially reasonable efforts not to interfere with Tenant's operations at the Property.

(c) If any maintenance or repairs required to be made by Tenant hereunder are not made within thirty (30) days after Tenant's receipt of written notice from Landlord (or if such repairs cannot reasonably be completed during such period, to the extent Tenant does not commence repair during such thirty (30)-day period and thereafter diligently prosecute such repair to completion), Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage that may result by reason of such repairs (except to the extent such liability or damage arises from Landlord's negligence or intentional misconduct), and Tenant shall pay to Landlord immediately upon demand the cost of such maintenance or repairs together with an amount equal to ten percent (10%) thereof or the then current rate Landlord charges other tenants pursuant to its city ordinance.

4.2 Utilities. Tenant shall be solely responsible for and promptly pay all charges for all utilities (including without limitation gas, electric, fuel, water, sewer, telephone, trash) separately metered on the Property which relate to the Improvements. Except to the extent caused by the negligence or intentional misconduct of Landlord, its agents or employees, Landlord shall not be liable for any interruption or failure in the supply or availability of any utilities to the Property.

5. REAL ESTATE TAXES.

5.1 Taxes. Tenant shall be responsible for all taxes and assessments and other charges levied against the Property due to Tenant's operations ("Taxes"). "Taxes" shall mean: (i) all real estate taxes and special assessments on the Property (adjusted after protest or litigation, if any) which accrue during the Term of the Lease; (ii) any taxes levied in lieu of any such real estate taxes or special assessments; (iii) all other levies, taxes, assessments, governmental charges, water and sewer rents or charges, and all other charges or burdens of whatsoever kind or nature, foreseen or unforeseen, charged upon the Property; and (iv) all costs and expenses directly incurred by Landlord in contesting the validity of, seeking a reduction of or seeking to prevent an increase in any such real estate taxes or assessments. Landlord and Tenant agree that all Taxes (unless attributable to improvements requested by Tenant) shall be paid for over the maximum period allowed by law and that only those installments which fall due during the term of this Lease shall be included in the Taxes payable by Tenant. Tenant shall be

responsible for all personal property taxes attributable to any personal property at the Property. "Taxes" shall not include (a) any inheritance, estate, succession, transfer, gift, franchise, corporation, income or profit taxes; provided, however, if at any time the method of taxation shall be altered, so that there shall be levied, assessed, or imposed: (i) a tax on the rents received by Landlord, (ii) a fee measured by the rents receivable from the Improvements located on the Property, or (iii) a tax or license fee imposed upon Landlord which is otherwise measured by or based in whole or in part upon the improvements located on the Property or any portion thereof, then such tax or fee shall be included in the computation of Taxes; or (b) any penalties assessed or levied against Landlord or the Property due to Landlord's failure to timely pay any Taxes.

5.2 Payment of Taxes. Provided that Tenant receives adequate notice that Taxes are due, Tenant shall pay on or before the last day on which payment may be made without penalty or interest, all Taxes payable by Tenant pursuant to Section 5.1. All Taxes assessed or imposed for the fiscal periods in which the term of this Lease commences and terminates shall be apportioned.

5.3 Contests. Tenant has the right to promptly contest or review any Taxes by appropriate proceedings ("Proceedings"), at its own expense. Tenant may defer payment of any contested Taxes only if, before instituting any Proceedings, Tenant furnishes to Landlord security reasonably satisfactory to Landlord and sufficient to cover the amount of the contested Taxes, with interest and penalties for the period during which the Proceedings may be expected to take. Notwithstanding the furnishing of security (other than a cash deposit), Tenant shall promptly pay any Taxes that were contested if such contest is lost or any charge for which Landlord becomes subject to criminal or any other liability for non-payment; provided that if Tenant has made a cash deposit to Landlord, Landlord may pay any such amounts out of the deposit. When any contested Taxes are paid or cancelled, any balance of any cash deposit not so applied shall be repaid to Tenant without interest. All Proceedings shall be initiated promptly after the imposition or assessment of any contested Taxes. If there is any refund with respect to any contested Taxes based on a payment by Tenant, Tenant shall be entitled to receive it for its own account to the extent of such payment.

6. USE OF PROPERTY. The Property shall only be used for the purpose of commuter parking and bus and passenger drop off and pickup for users of the Northstar Commuter Rail Project and for any incidental purposes related thereto, including but not limited to bicyclists and pedestrians. The Property shall not be used in such manner as to violate any applicable law, rule, ordinance or regulation of any governmental body. Tenant shall not use or permit the use of the Property in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to, neighboring properties. Tenant shall, at its expense, obtain and keep in effect all necessary permits and licenses to operate the Improvements. Landlord specifically reserves the right to use up to two portions of the Property identified on Exhibit E for incidental use, without Tenant's consent, including but not limited to retail use, which provides an amenity to the transit rider, such as a coffee kiosk. Landlord may use more than two portions of such Property identified on Exhibit E for incidental use upon Tenant's consent.

7. REDEVELOPMENT BY LANDLORD.

7.1 Landlord's Right to Redevelop. Landlord shall have the right to redevelop the Property, subject to all of the provisions of this Section 7.

7.2 Tenant's Review of Redevelopment Plan. Tenant shall have the right to review any redevelopment plan to make sure the plan is consistent with transit operation, maintenance, safety and platform access requirements. If the redevelopment plan in any way reduces the operational utility of the transit facility or poses a legitimate safety concern for the users of the transit facility, then Tenant shall have the right to raise objections with Landlord and any other applicable government entity to the extent the objections are based on specific and identified safety or operational concerns. No changes can be made to the platform or access to the platform without Tenant's approval.

7.3 Permanent Replacement Parking. Landlord shall provide permanent replacement parking spaces on a 1-to-1 basis at no expense to Tenant, so that at no time are there fewer than 377 parking spaces (of the same approximate size as the parking spaces in the initial Improvements), including 12 ADA-accessible stalls, for use by station commuters. During design development of any permanent replacement parking, Landlord shall consult with Tenant regarding the location, configuration and additional parking needs of any permanent replacement parking, any modified bus circulation patterns, and any effects on transit passenger access and amenities arising from the replacement parking. Tenant has the right to approve the location of the permanent replacement parking to ensure the continued operational utility and safety of the transit facility.

7.4 Temporary Replacement Parking. Tenant shall have the right to approve the location of any temporary replacement parking during construction, which approval shall not be unreasonably withheld. If the temporary parking is more than 1,200 feet from the platform, Landlord shall cause shuttle bus service to be provided for every inbound and outbound scheduled train which stops at the Anoka station. Both parties will work cooperatively to locate temporary replacement parking.

7.5 Storm Water Pond. If the storm water pond is relocated, enlarged or replaced with an alternative storm water management system or facility, Landlord shall be solely responsible for the costs associated with design, construction, operation and maintenance of said alternative system or facility.

7.6 Structured Parking. If the redevelopment involves construction of structured parking (which may include underground parking) to replace all or part of the surface parking, Landlord shall bear the initial construction cost. Landlord and Tenant shall reach agreement as appropriate at that time as to responsibility and cost sharing for operation and maintenance of the structured parking and obligation to rebuild in the event of damage as set forth in Section 9. Landlord shall consider provisions in its redevelopment plan for bus service and necessary bus layover bays. If a pedestrian overpass is proposed, Landlord and Tenant shall reach agreement on the design, construction, ownership, operation and maintenance of any pedestrian overpass and shall be subject to compliance with all BNSF requirements.

7.7 Amendment to Lease and Other Documents. Provided that all of the provisions of this Section have been complied with, Landlord and Tenant agree to execute amendments to this Lease, the recorded Memorandum of Lease and the Drainage Easement to address operation, maintenance and any other issues raised by the redevelopment and will also revise the legal description of the Property subject to the Lease and the Memorandum of Lease if necessary to accommodate the redevelopment.

8. LIABILITY OF PARTIES. Each party shall be responsible for any loss or claim arising out of its own actions or inactions. No party shall be deemed to limit or waive any municipal liability limitations applicable to such party contained in Minnesota Statutes, particularly chapter 466.

9. DAMAGE AND DESTRUCTION.

9.1 Damage to Property. In the event of damage or destruction to the Property or any portion thereof, at any time during the Term, this Lease shall continue in full force and effect and Tenant shall continue to pay all Rent and other charges payable hereunder by Tenant. If such damage or destruction impairs Tenant's ability to operate the Improvements or reduces the number of spaces in the Improvements, Landlord shall proceed as soon as practicable after the loss is adjusted to repair, replace and restore the Property to its condition prior to such damage or destruction and complete the repair and reconstruction with proper diligence. Should Landlord fail to complete the restoration of the Property within two hundred seventy (270) days following the date of the casualty, Tenant shall have the right to: (i) repair the Property at its own expense and recover such cost from Landlord, or (ii) terminate this Lease by delivering written notice of such termination to Landlord at any time after the expiration of such two hundred seventy (270)-day period and prior to the date on which Landlord substantially completes its restoration obligations hereunder.

9.2 Damage to Improvements. In the event of damage or destruction to the Improvements or any portion thereof, at any time during the Term, this Lease shall continue in full force and effect and Tenant shall continue to pay all Rent and other charges payable hereunder by Tenant. Subject to any obligation of Landlord to repair the Property as set forth in the previous Section, Tenant shall proceed as soon as practicable after the loss is adjusted to repair, replace and restore the Improvements to their condition prior to such damage or destruction and complete the repair and reconstruction with proper diligence. Except as set forth in the following sentence, should Tenant fail to complete the restoration of the Improvements within two hundred seventy (270) days following the date of the casualty, Landlord shall have the right to: (i) repair the Improvements at its own expense and recover such cost from Tenant, or (ii) terminate this Lease by delivering written notice of such termination to Tenant at any time after the expiration of such two hundred seventy (270)-day period and prior to the date on which Tenant substantially completes its restoration obligations hereunder. If all or a portion of Tenant's work to repair the Improvements cannot be completed until Landlord completes all or a portion of work to repair the Property pursuant to Section 9.1, then the 270-day deadline imposed by this Section on Tenant for that portion of its work shall be tolled by the same number of days that it takes Landlord to complete the necessary portion of its work pursuant to Section 9.1.

10. ASSIGNMENT AND SUBLETTING. Upon written notice to Landlord, but without Landlord's consent, Tenant may assign or sublease this Lease to any party which has succeeded to the rights and obligations of the Council under the Platform Agreement provided (i) Tenant is not then in default under this Lease, (ii) the proposed assignee or sublessee agrees in writing to assume and be bound by all of the terms, covenants and conditions of this Lease, (iii) an executed original of the assignment or sublease agreement is delivered to Landlord, and (iv) the Property shall continue to be used solely for commuter parking for the Anoka station of the Northstar commuter rail line or as otherwise provided under the terms of this lease.

11. DEFAULT AND REMEDIES.

11.1 Tenant's Default. Any one or more of the following events shall constitute an "Event of Default" and entitle Landlord to exercise its rights and remedies:

(a) Tenant shall fail to keep, perform or observe any covenant, agreement or condition hereunder and shall fail to remedy such failure within sixty (60) days after written notice thereof has been mailed by Landlord (or in the event the default cannot be cured within such sixty (60) days, if such failure is not remedied within such longer period as necessary to cure up to sixty (60) days, provided the remedy is commenced within said sixty (60)-day period and continuously and diligently pursued to completion).

(b) The Property is abandoned or vacated by Tenant or the Property shall cease to be used for commuter parking for the Anoka station of the Northstar commuter rail line for reasons other than for repair, maintenance or otherwise for a period in excess of twelve (12) months (unless, in the latter case, Tenant gives written assurances satisfactory to Landlord that its non-use of the Property for commuter parking is not intended to be permanent and will be resumed as soon as possible). Temporary relocation or non-use of all or part of the Improvements due to redevelopment by Landlord pursuant to Section 7 shall not be deemed an abandonment, vacation or cessation of use by Tenant under this subsection.

(c) With respect to any assignee of Tenant which is a private entity (referred to in this subparagraph as "Tenant"), the admission in writing by Tenant of its inability to pay its debts when due; or the appointment of a receiver or trustee for the business or property of Tenant, unless such appointment shall be vacated within thirty (30) calendar days of its entry; or the making by Tenant of an assignment for the benefit of its creditors, or if in any other manner Tenant's interest in this Lease shall pass by operation of law; or the commencement of a case under any chapter of the federal Bankruptcy Code by or against Tenant, or the filing of a voluntary or involuntary petition proposing the adjudication of Tenant, as bankrupt or insolvent; or the reorganization of Tenant, unless a petition is filed or case commenced by a party other than Tenant and is withdrawn or dismissed within thirty (30) days after the date of its filing.

(d) With respect to any assignee of Tenant which is a private entity (referred to in this subparagraph as "Tenant"), Tenant shall dissolve or, after failing to maintain its legal existence, fails to bring itself into good standing in the state in which it is organized within thirty (30) days.

## 11.2 Landlord's Remedies.

(a) If an Event of Default occurs, in addition to every right allowed at law and in equity, Landlord shall have the right (but not the obligation) to give to Tenant a notice of termination of this Lease, and upon thirty (30) days after the giving of such notice, this Lease, the Term and the estate hereby granted shall expire and terminate on the date specified in said notice.

(b) In the event Tenant does not perform its maintenance and repair duties, Landlord may only exercise remedies in accordance with Section 4.1(c).

11.3 Legal Expenses. In case suit shall be brought by Landlord or Tenant for recovery of possession of the Property or because of any other Event of Default, or due to the failure of any party to comply with the terms of this Lease, the non-prevailing party(ies) shall pay all expenses incurred by the prevailing party(ies) in connection with such proceedings, including reasonable attorney's fees and expenses.

11.4 Landlord Default and Tenant's Remedies. In the event Landlord fails to perform any of its obligations under this Lease and such failure continues for sixty (60) days after receipt of written notice from Tenant specifying the nature of the default and the action required of Landlord (with reference to the applicable Lease provision Tenant claims is not being performed), Landlord shall be deemed to be in default (or in the event the default cannot be cured within such sixty (60) days, if such failure is not remedied within such longer period as necessary to cure, provided the remedy is commenced within said sixty (60)-day period and continuously and diligently pursued to completion) ("Landlord's Default"). In the event of Landlord's Default, Tenant may (i) seek an equitable remedy, including injunctive relief or specific performance, provided, however, no damages may be obtained against Landlord in such instance, or (ii) obtain a judgment for the reasonable and actual out of pocket expenses incurred by Tenant in curing Landlord's obligation, provided, however, the commissioners, officers and employees of Landlord shall have no personal liability for such judgment. In no event, however, shall Tenant be entitled to withhold Rent or set-off Rent or other charges due hereunder as a result of an uncured Landlord Default.

## 12. NOTICES.

12.1 Notices. Any notice, demand or other communication required or permitted by law or any provision of the Lease to be given or served on a party shall be in writing, addressed to the parties at the addresses below, and either (i) deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, (ii) delivered by an overnight private mail service which provides delivery confirmation such as Federal Express, Airborne or UPS, (iii) personally delivered at such address, or (iv) by facsimile with confirmation sheet made available for inspection and followed by regular mail or other means above. Either party may designate additional addresses for the receipt of notices or demands at any time by written notice to the other. Notice shall be deemed given when received.

If to Landlord: City of Anoka  
2015 First Avenue North Anoka, MN 55303  
Attn: City Manager  
Fax: 763.576.2927

If to Tenant: Metropolitan Council  
390 Robert Street North  
St. Paul, MN 55101  
Attn: Office of General Counsel  
Fax: (651) 602-1640

13. WARRANTY OF TITLE AND QUIET ENJOYMENT. Landlord represents and warrants that it has fee title to the Property and has the authority to execute this Lease. Subject to the terms of this Lease, upon paying the Rent and performing the other terms, covenants and conditions of this Lease on Tenant's part to be performed, Tenant shall and may peaceably and quietly have, hold, occupy, possess and enjoy the Property during the Term.

14. FIXTURES. Landlord acknowledges, consents and agrees that all signage and other property which is installed or placed in, on or about the Property by Tenant ("Fixtures") shall be and at all times remain the property of Tenant and may be removed at any time during the Term or upon the expiration or earlier termination of the Term, whether or not such Fixtures may be regarded as property of Landlord by operation of law or otherwise. Tenant shall immediately repair or cause to be repaired any damage to the Property caused by such removal at no cost to Landlord.

15. HAZARDOUS SUBSTANCES.

15.1 Definitions. For purposes of this Lease:

"Environmental Laws" means any and all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any governmental authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances, environmental protection, or health and safety, as now or may at any time hereafter be in effect and as amended from time to time, as well as the regulations adopted and promulgated thereunder, including without limitation: the Clean Water Act, also known as the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq.*; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 *et seq.*; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Public Law 99-499, 100 Stat. 1613; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 11001 *et seq.*; the Resource Conservation and Recovery Act, also known as the Solid Waste Disposal Act, 42 U.S.C. Section 6901 *et seq.*; and the Minnesota Environmental Response and Liability Act, Minnesota Statutes chapter 115B.

“Hazardous Substance” means (i) hazardous materials, hazardous wastes, and hazardous substances as those terms are defined under any Environmental Laws; (ii) petroleum, petroleum products, and by-products, including crude oil and any fractions thereof; (iii) natural gas, natural gas liquids, liquefied natural gas, synthetic gas, and any mixtures thereof; (iv) asbestos or any material that contains any hydrated magnesium silicate minerals that crystallize as bundles of long, thin fibers that readily separate when broken or crushed; (v) radon; (vi) any other hazardous or radioactive substance, material, contaminant, pollutant, or waste; (vii) any substance with respect to which any federal, state, or local Environmental Law or governmental agency requires environmental investigation, monitoring, or remediation; and (viii) any other substance or material now or in the future deemed to be hazardous, dangerous, toxic, or a pollutant or contaminant under any Environmental Laws.

15.2 Prohibition. Tenant and its contractors shall comply with all Environmental Laws, including but not limited to those governing the release, use, storage, generation, treatment, transportation, disposal, or handling of Hazardous Substances. Tenant and its contractors shall not release, install, use, generate, store, locate, produce, process, treat, transport, incorporate, discharge, emit, deposit, or dispose of Hazardous Substances, other than those commonly used in transit operations in, upon, under, over or from the Property without first obtaining the Landlord’s written approval.

Landlord and its contractors shall comply with all Environmental Laws, including but not limited to those governing the release, use, storage, generation, treatment, transportation, disposal, or handling of Hazardous Substances with respect to its use of the Property.

15.3 Indemnity. Subject to liability limits contained in Minn. Stat. chapter 466, as amended, Tenant or its contractor shall indemnify, defend and hold harmless Landlord, its agents and employees from and against any claim, damage or expense arising out of Tenant, its contractors, subtenants, assignees, agents or employees breach of the obligations and covenants established in Section 15.2. The Landlord’s right to indemnity shall not be considered a waiver of the limitations, defenses, and immunities available to the Tenant under state law.

Subject to liability limits contained in Minn. Stat. chapter 466, as amended, Landlord or its contractor shall indemnify, defend and hold harmless Tenant, its agents and employees from and against any claim, damage or expense arising out of Landlord, its contractors, subtenants, assignees, agents and employees breach of the obligations and covenants established in Section 15.2. The Tenant’s right to indemnity shall not be considered a waiver of the limitations, defenses, and immunities available to the Landlord under state law.

15.4 Landlord’s Representation. Landlord represents and warrants that, except as set forth in the Phase I Environmental Site Assessment dated July 22, 2005, as prepared by Braun Inertec Corporation, and the Phase II Environmental Site Assessment dated April 2007, as prepared by Short Elliot Henderson, Inc. (SHE), Landlord is unaware of any Hazardous Substances upon or within the Property. Landlord makes no other representation as to pre-existing hazardous substances and shall assume no responsibility for hazardous substances on

the Property except to the extent that it is a responsible party as to such substances under any applicable Environmental Law. Nothing herein shall impair Landlord's or Tenant's right of action against responsible parties under any applicable environmental law.

15.5 Upon termination of this Lease, Tenant shall cause any and all Hazardous Substances stored on or about the Property and any contamination caused by Tenant to be completely removed prior to Tenant's vacating the Property at Tenant's expense and in compliance with all applicable laws.

16. ALTERNATIVE DISPUTE RESOLUTION. In the event of a dispute between the parties arising under this Lease, the parties agree to attempt to resolve their dispute by following the process described below:

(a) A party (the Initiating Party) may initiate this dispute resolution process by providing the other party (the Responding Party) with a written notice describing the perceived conflict, the Initiating Party's position, and underlying reasons therefor.

(b) The Responding Party shall, within ten (10) working days of receipt of such notice, provide the Initiating Party with a written response describing its view of the perceived conflict, the Responding Party's position, and underlying reasons therefore.

(c) The parties shall meet within fourteen (14) working days from the date the Initiating Party receives the Responding Party's response to resolve the dispute. If the Parties are unable to resolve the dispute, the Parties shall meet with a neutral facilitator to be agreed upon by the Parties within ten (10) working days from the date of the meeting. Costs of such facilitator shall be shared equally by the Parties.

(d) At the first meeting the neutral facilitator will assist the parties in identifying the appropriate parties and participants in the dispute resolution process, their concerns, and establish a meeting agenda for any subsequent meetings. The parties shall agree on a process for resolving the problem, which could involve additional negotiations, mediation, or arbitration.

(e) In developing the process, the parties will be guided by the following principles:

(i) The parties will attempt in good faith to reach a negotiated settlement.

(ii) The parties agree there will be fair representation of the parties.

(iii) The parties will use legal proceedings as a last resort.

(iv) In the event the parties are unable to resolve the dispute, each party shall retain all rights, remedies, and defenses it had prior to entering the process, except that each party shall be responsible for its own attorney's fees and costs.

17. DEFINITIONS.

- (a) "Alterations" are defined in Section 3.2.
- (b) "Drainage Easement" is defined in Section 3.1.
- (c) "Environmental Laws" are defined in Section 15.1.
- (d) "Effective Date" is defined in the first paragraph of this Lease.
- (e) "Extension Term" is defined in Section 1.4.
- (f) "Event of Default" is defined in Section 11.1.
- (g) "Fixtures" are defined in Section 14.
- (h) "Hazardous Substances" are defined in Section 15.1.
- (i) "Improvements" are defined in Section 3.1.
- (j) "Initial Term" is defined in Section 1.3.
- (k) "Landlord" means the City of Anoka, Minnesota.
- (l) "Landlord's Default" is defined in Section 11.4.
- (m) "Lease" means this Ground Lease.
- (n) "Memorandum of Lease" is defined in Section 1.5.
- (o) "Operating Expenses" are defined in Section 2.3.
- (p) "Plans" are defined in Section 3.2.
- (q) "Platform Agreement" is defined in Section 1.4.
- (r) "Proceedings" are defined in Section 5.3.
- (s) "Property" is defined in Section 1.1.
- (t) "Rent" is defined in Section 2.2.
- (u) "Rent Start Date" is defined in Section 2.1.
- (v) "Taxes" are defined in Section 5.1.
- (w) "Tenant" means the Metropolitan Council.
- (x) "Term" is defined in Section 1.4.

18. GENERAL PROVISIONS.

18.1 Binding Effect. This Lease shall inure to the benefit of and bind the parties hereto and each of their respective heirs, successors, representatives and assigns.

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

18.3 Captions. The captions used in this Lease are inserted as a matter of convenience only, in no way define, limit or describe the scope of this Lease or the intentions of the parties hereto, and shall not in any way affect the interpretation or construction of this Lease.

18.4 No Waiver. A waiver by Landlord or Tenant, as the case may be, of any breach of any provision of this Lease shall not be deemed a waiver of any breach of any other provision hereof or of any subsequent breach of the same or any other provision.

18.5 Holdover. Tenant has no right to retain possession of the Property or any part thereof beyond the expiration or termination of this Lease. If Tenant holds over after the Term or any Extension Term without the written consent of Landlord, Tenant shall be deemed a "holdover tenant" and shall pay the Rent, taxes, Operating Expenses and other sums as herein required for so long as Tenant continues its occupancy. Nothing contained herein shall be construed as consent by Landlord to any holding over by Tenant. The foregoing provision shall not affect Landlord's right of reentry or any rights of Landlord hereunder or as otherwise provided by law.

18.6 Transfer by Landlord. In the event of a sale or conveyance by Landlord of the Property, the same shall operate to release Landlord from any liability upon any of the covenants or conditions herein contained first arising after the date of such sale or conveyance, and in such event Tenant agrees to look solely to the successor-in-interest of Landlord in and to this Lease with respect to liability first arising after the date of such sale or conveyance. This Lease shall not be affected by any such sale or conveyance, and Tenant agrees to attorn to the purchaser or grantee, which shall be obligated on this Lease only so long as it is the owner of Landlord's interest in and to this Lease.

18.7 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the state of Minnesota.

18.8 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first written above.

**THE CITY OF ANOKA, MINNESOTA**

By: \_\_\_\_\_ 

Its: Mayor

By: \_\_\_\_\_ 

Its: city manager

**METROPOLITAN COUNCIL**

By: \_\_\_\_\_ 

Its: \_\_\_\_\_

*mf*

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Lot 1, Block 2, Grant Properties, Anoka County, Minnesota

Lot 2, Block 1, Anoka Transit Village South, Anoka County, Minnesota

Lot 2A, Block 1, Anoka Transit Village South, Anoka County, Minnesota

Lot 2B, Block 1, Anoka Transit Village South, Anoka County, Minnesota

Lot 2C, Block 1, Anoka Transit Village South, Anoka County, Minnesota

Lot 3, Block 1, Anoka Transit Village South, Anoka County, Minnesota

**EXHIBIT B**  
**THE IMPROVEMENTS**





## EXHIBIT C

### ANOKA STATION DRAINAGE EASEMENT

A perpetual easement dedicated to the public for drainage purposes over, under, and across that portion of Government Lot 1, Section 6, Township 31, Range 24, Anoka County, Minnesota, described as follows:

Commencing at the north quarter (N  $\frac{1}{4}$ ) corner of said Section 6, thence South 89 degrees 57 minutes 45 seconds West, assumed bearing, 1,892.71 feet along the north line of the northwest quarter (NW  $\frac{1}{4}$ ) of said Section 6 to the centerline of Anoka County State Aid Highway No. 131; thence South 00 degrees 51 minutes 31 seconds West 741.06 feet along said centerline of Anoka County State Aid Highway No. 131; thence North 89 degrees 08 minutes 31 seconds West 33.00 feet to the westerly right of way line of said Anoka County State Aid Highway No. 131, the point of beginning; thence North 89 degrees 08 minutes 31 seconds West 367.00 feet; thence South 00 degrees 51 minutes 31 seconds West 580.50 feet to the northerly right of way line of the Burlington Northern Santa Fe Railroad Inc.; thence South 56 degrees 10 minutes 39 seconds East 398.60 feet, along said northerly right of way line of the Burlington Northern Santa Fe Railroad Inc. to the westerly right of way line of Anoka County State Aid Highway No. 31; thence North 00 degrees 51 minutes 31 seconds East 736.02 feet along the said westerly right of way line of Anoka County State Aid Highway No. 31/131 to the point of beginning.

Said perpetual drainage easement containing approximately 5.55 acres.

## EXHIBIT D

### MEMORANDUM OF GROUND LEASE

This is a MEMORANDUM OF GROUND LEASE by and between the City of Anoka, Minnesota ("Landlord") and the Metropolitan Council ("Tenant"). Landlord has demised and let to Tenant and Tenant has taken and leased from Landlord the real property herein described (the "Leased Premises") for the term herein stated, for the rent and upon the terms and conditions of the Ground Lease by and between Landlord and Tenant of even date herewith (as the same may hereafter be amended, modified, supplemented or restated, the "Ground Lease") upon the following terms:

Landlord: City of Anoka  
2015 First Avenue North  
Anoka, MN 55303

Tenant: Metropolitan Council  
390 Robert Street North  
St. Paul, MN 55101

Date of Lease Dated as of Aug. 16, 2010. Copies of the Ground Lease are on file in offices of Landlord and Tenant.

Legal Description of Leased Premises: See Exhibit A attached hereto.

Date of Commencement of Term: Aug. 16, 2010

Expiration Date of Initial Term: May 31, 2107

Renewal Options: The Ground Lease automatically renews for a 100-year term, and thereafter automatically renews for successive 20-year terms as more fully set forth in the Ground Lease.

Redevelopment Rights: Landlord has certain rights to redevelop the Leased Premises as set forth in the Ground Lease.

The purpose of this Memorandum of Ground Lease is to give record notice of the Ground Lease and the rights created thereby, all of which are hereby confirmed, and this Memorandum of Ground Lease shall not have the effect of in any way modifying, supplementing or abridging the Ground Lease or any of its provisions as the same are now or may hereafter be in force and effect. In the event of any conflict between the provisions of the Ground Lease and this Memorandum of Ground Lease, the provisions of the Ground Lease shall prevail.



TENANT:

METROPOLITAN COUNCIL

By: \_\_\_\_\_

Its: \_\_\_\_\_

*mf*

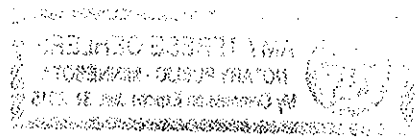
STATE OF MINNESOTA    )  
  )ss  
COUNTY OF ANOKA     )

On this \_\_\_\_ day of \_\_\_\_\_, 2010 before me, a notary public within and for Anoka County, personally appeared \_\_\_\_\_, to me personally known who by me duly sworn, did say that he/she is the \_\_\_\_\_ of the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota, and acknowledged the foregoing instrument on behalf of said Council.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

\_\_\_\_\_



**EXHIBIT E**  
LANDLORD RETAIL AREA



# EXHIBIT E



0 40 80 160 240 320 Feet



Kiosk Areas



