

## RESERVED PARKING AGREEMENT

THIS AGREEMENT is made as of \_\_\_\_\_, 2004, between the CITY OF MINNEAPOLIS, a Minnesota municipal corporation (the "City") and FELCOR/CSS HOLDINGS, L.P., a limited partnership organized under the laws of Delaware ("FelCor").

### RECITALS

Under a certain "Contract for Lease and Development of Air Rights for Hotel in Development District No. 54," dated December 8, 1980, as amended on October 28, 1981, and on December 27, 1982 (the "Development Contract"), the City, Inn Management, Inc., and Minneapolis Homotel Associates Limited Partnership ("Homotel"), agreed that the City would construct the Centre Village Municipal Parking Ramp (the "Parking Ramp") on land described on Exhibit A attached hereto and incorporated herein by reference. The parties to the Development Contract further agreed that the City would lease, and Homotel would take, for a period of ninety-nine (99) years, a certain parcel of air space in and immediately above the Parking Ramp, as described on Exhibit B attached hereto and incorporated herein by reference (the "Hotel Parcel") and construct thereon and therein a hotel.

Pursuant to the provisions of the Development Contract, the City and Homotel executed an Air Rights Lease as of February 1, 1983 (the "Air Rights Lease"), pursuant to which Homotel constructed an Embassy Suites Hotel (the "Hotel") on and in the Hotel Parcel.

Subsequently, the City conveyed fee simple title to the Hotel Parcel to Homotel by Deed of Conveyance of Land for Redevelopment (the "Deed") filed June 21, 1984 as Document Nos. 4910629 (abstract) and 1591125 (Torrens).

FelCor is Homotel's successor in interest in the Air Rights Lease and Deed and FelCor and its affiliates and subsidiaries now own and operate the Hotel.

The City currently provides parking areas for the Hotel on Level B of the Parking Ramp, together with an area for an express elevator between Level B and the Hotel lobby (the

“Express Elevator”). Both the City and FelCor now desire to document their existing arrangement for parking for the Hotel and provide for its continuance.

NOW, THEREFORE, the City and FelCor agree as follows:

## SECTION 1.

### PERMANENT PARKING SPACES

1.1) Permanent Parking Spaces. The City shall each day reserve sixty-five (65) parking spaces on Level B located closest to the Express Elevator of the Parking Ramp (the “Ramp Spaces”) and two (2) surface lot parking spaces (the “Surface Spaces”) located in the area approximately depicted on Exhibit C attached hereto and incorporated herein by reference for use by vehicles of Hotel guests and other vehicles designated by FelCor. The Ramp Spaces and Surface Spaces are sometimes collectively referred to herein as the “Permanent Parking Spaces.” The City hereby grants to FelCor an easement to use the Permanent Parking Spaces, and for vehicular and pedestrian access to and from the Permanent Parking Spaces, subject and pursuant to the terms and conditions of this Agreement. The Permanent Parking Spaces and the Daily Parking Spaces (as defined below) are sometimes collectively referred to herein as the “Parking Spaces.”

1.2) Increase in Permanent Parking Spaces. Upon sixty (60) days’ notice by FelCor to the manager of the Parking Ramp (the “Manager”), FelCor may increase the number of Ramp Spaces reserved under the provisions of Section 1.1, above, to not more than two hundred twenty-three (223) spaces. Consistent with the needs of its Hotel guests, FelCor shall use reasonable efforts to limit such requests.

1.3) Payment for Permanent Parking Spaces. Initially, the City shall charge FelCor “Parking Fees” in the sum of One Hundred Eighty Five and no/100 Dollars (\$185.00) per month for each of the Ramp Spaces and Two Hundred Ten and no/100 Dollars (\$210.00) per month for each of the Surface Spaces, which sum shall be billed by an invoice to FelCor by the City and paid by FelCor each month within twenty (20) days of receipt of such invoice. The amount of the Parking Fees for the Permanent Parking Spaces may be adjusted, but only:

- (a) one time during each calendar year;
- (b) to the fair market value thereof, determined in accordance with Section 4, below; and
- (c) upon thirty (30) days’ written notice.

## SECTION 2.

### DAILY PARKING SPACES

2.1) Notice. FelCor may, by notice in writing to the Manager, cause the Manager to reserve up to seventy-five (75) additional parking spaces, or more than seventy-five (75) additional parking spaces, if available at the time of the request (the “Daily Parking Spaces”) on

Level B and Level C for use by guests and other patrons of the Hotel, commencing upon delivery of such notice and continuing for the next twenty-four (24) hours thereafter. The Daily Parking Spaces so reserved on Level C shall be those closest to the elevator doors located on Level C. The City hereby grants to FelCor an easement to use the Daily Parking Spaces, and for vehicular and pedestrian access to and from the Daily Parking Spaces, subject and pursuant to the terms and conditions of this Agreement.

2.2) Payment for Daily Parking Spaces. The City shall submit an invoice to FelCor, c/o the General Manager of the Hotel (at the Hotel address set forth in Section 6.1, below) each month, and FelCor shall pay the invoice within twenty (20) days of receipt, for Daily Parking Space Parking Fees for the previous calendar month. The amount of the daily Parking Fees for each Daily Parking Space reserved by FelCor for the previous month shall be equal to the amount of the monthly Parking Fees for the Ramp Spaces (described in Section 1.3, above, as it may be adjusted from time to time) divided by the total number of days in the calendar month to which the invoice applies. By way of example, if the monthly Parking Fees for Ramp Spaces are \$185.00 and the month to which the invoice applies is a thirty-one (31) day month, then the Parking Fees for each of the Daily Parking Spaces reserved by FelCor for that month shall be \$5.97 per day. In addition, said invoices may include applicable sales taxes.

### SECTION 3.

#### PARKING PROCEDURES

3.1) Exclusive Ticket Spitter. The drivers of vehicles intending to use either the Permanent Parking Spaces or the Daily Parking Spaces shall, upon entering their vehicles at the top of the down-ramp to the underground levels of the Parking Ramp, take a ticket from the ticket spitter that the City has installed at the entry.

3.2) Tokens. The drivers of vehicles who obtain such tickets shall present them to the Hotel's front desk cashier and obtain from said cashier a token to permit their vehicles to exit the Parking Ramp, (a) at any time or times, as to the vehicles parked in the Permanent Parking Spaces, and, (b) at any time or times prior to the expiration of twenty-four (24) hours after the notice is delivered by FelCor to the Manager under Section 2.1, above, as to the vehicles parked in the Daily Parking Spaces. The token-accepting device at the exit of the Parking Ramp and all related equipment shall be maintained at the sole cost of the City.

3.3) Unlimited Exits and Entrances. The persons parking their vehicles in any of the Parking Spaces shall be able to drive such vehicles out of and into the Parking Ramp as many times as they wish during the periods in which they are entitled to use such Parking Spaces.

### SECTION 4.

#### CHANGES IN PARKING FEES

The City Council shall establish reasonable Parking Fees based upon the fair market value of the Ramp Spaces and the Surface Spaces. Fair market value shall be determined by a survey of parking fees charged at parking facilities within a two block radius of the Hotel Parcel ("Surrounding Parking Facilities"). Following review of the survey data, the City Council may

approve or modify the Parking Fees which may be updated from time to time. If FelCor believes at any time during the term of this Agreement that Parking Fees should be changed as of the next following January 1 because of a decrease in the fair market value thereof, it shall give notice of such desire (the “Notice of Change”) to the City on or before August 1st of any year during the term of this Agreement, together with the reasons for such belief. Thereupon, during the thirty (30) day period following the date of the Notice of Change, representatives of the City shall undertake a survey of parking fees charged at Surrounding Parking Facilities and present such evidence to the City Council along with FelCor’s Notice of Change. The City shall act in good faith in setting the Parking Fees based upon the fair market value of Ramp Spaces and Surface Spaces.

## SECTION 5.

### TERM OF AGREEMENT

Except as otherwise expressly set forth in this Agreement, this Agreement and the easements and covenants herein shall be permanent and perpetual, shall bind and inure to the benefit of the City and FelCor and their respective successors and assigns, shall be appurtenant to the Hotel Parcel, and shall run with the land.

## SECTION 6.

### PARKING RAMP OPERATION

The City covenants and agrees that until June 15, 2044, the City will cause the Parking Ramp to continue to be operated and maintained as a public parking facility (subject to the rights of FelCor hereunder). Until after June 15, 2044, the City shall not cause or permit any alternations or modification to the Parking Ramp that will decrease its parking capacity to the extent that it will interfere with the operation of the Hotel Parcel.

## SECTION 7.

### RELATED MATTERS

7.1) Self Help Rights. FelCor shall have the self-help rights described in Section 9.1 of the Restated Reciprocal Easement Agreement dated June 15, 1984, by and among the City, TGA Development Inc. and Minneapolis Homotel Associates Limited Partnership as recorded in Document No. 1584947 (the “REA”), except that such self-help rights shall be applicable to the City’s failure to perform its maintenance and repair obligations in this Agreement for all parking and related areas within the Parking Ramp.

7.2) Termination of Certain Agreements. The Development Contract and the Air Rights Lease have terminated and are of no further force and effect.

7.3) No Reduction in Rights. This Agreement shall not reduce any easement rights of the City or FelCor granted pursuant to the REA.

## SECTION 8.

### MISCELLANEOUS

8.1) Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when personally delivered or if sent by certified mail, postage prepaid, with return receipt requested, to the correct address as indicated below:

To the City:                   City of Minneapolis  
  Attention: Director of Traffic and Parking Services  
  Room 233, City Hall  
  Minneapolis, Minnesota 55415

To FelCor:                    FelCor/CSS Holdings, L.P.  
  c/o FelCor Lodging Trust Incorporated  
  545 East John Carpenter Freeway  
  Suite 1300  
  Irving, Texas 75062  
  Attention: General Counsel

With a copy to:               Embassy Suites, Hotel – Minneapolis Downtown  
  425 South Seventh Street  
  Minneapolis, Minnesota 55415  
  Attention: General Manager

The City and FelCor may, by such notice given to the other, designate any change in address to which notices and other communications shall be sent.

8.2) Estoppel Certificates. Within ten (10) days after either party shall so request, the other party agrees to deliver a certificate to the requesting party, or to any mortgagee of the Hotel Parcel, that this Agreement is in full force and effect, that there are no defenses or offsets available to the party signing such Certificate, that no breaches or defaults exist under this Agreement, that the requesting party has performed all of its obligations contained herein, or if there are such defenses, offsets, breaches, or defaults, the nature and amount thereof.

8.3) Execution Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and together which shall constitute one and the same Agreement.

8.4) Captions. The captions and headings herein are for convenience and reference only and do not limit or construe the provisions of this Agreement.

8.5) Severability. If any provision of this Agreement shall to any extent be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement be valid and enforceable to the fullest extent permitted by law.

8.6) Maintenance. The City shall maintain and keep the Parking Spaces and Parking Ramp in good repair and condition, at the City's expense.

8.7) Amendment. This Agreement may not be amended, modified, or supplemented except by a writing executed by the party against whom such amendment, modification, or supplement is sought to be enforced.

8.8) Authority. Each of the City and FelCor warrants and represents to the other that all necessary and appropriate actions by the Minneapolis City Council, in the case of the City, and by its general partners, in the case of FelCor, have been taken to permit them to execute this Agreement and perform their respective obligations hereunder, and each has all necessary legal power and authority to do so. These warranties and representations shall survive the execution of this Agreement and continue throughout its term.

8.9) Recording. The City and FelCor intend for this Agreement to be filed of record with the Hennepin County Recorder and/or Hennepin County Registrar of Titles, as applicable.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by its proper officers, and FelCor has caused the Agreement to be executed by its sole General Partner as of the date set forth on page 1 hereof.

CITY OF MINNEAPOLIS

By: \_\_\_\_\_  
Its: Finance Officer

Approved as to form:

By: \_\_\_\_\_  
Its: Assistant City Attorney

Approved:

By: \_\_\_\_\_  
Its: Department Head

FELCOR/CSS HOLDINGS, L.P.  
By: FELCOR/CSS HOTELS, L.L.C.  
General Partner

By: \_\_\_\_\_  
Charles N. Nye  
Its: Vice President

STATE OF MINNESOTA

ss.

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004 by \_\_\_\_\_, the Finance Officer of the CITY OF MINNEAPOLIS, a Minnesota municipal corporation, on behalf of the corporation.

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

STATE OF MINNESOTA

ss.

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004 by \_\_\_\_\_, the Assistant City Attorney of the CITY OF MINNEAPOLIS, a Minnesota municipal corporation, on behalf of the corporation.

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

STATE OF MINNESOTA

ss.

COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004 by \_\_\_\_\_, the Department Head of the \_\_\_\_\_ Department of the CITY OF MINNEAPOLIS, a Minnesota municipal corporation, on behalf of the corporation.

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

STATE OF \_\_\_\_\_

ss.

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004 by Charles N. Nye, the Vice President of FELCOR/CSS HOTELS, L.L.C., a Delaware limited liability company, in its capacity as sole general partner of FELCOR/CSS HOLDINGS, L.P., a limited partnership organized under the laws of Delaware, on behalf of the limited partnership.

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

My Commission Expires: \_\_\_\_\_

THIS INSTRUMENT WAS DRAFTED BY:  
LARKIN, HOFFMAN, DALY & LINDGREN, LTD.  
1500 WELLS FARGO PLAZA  
7900 XERXES AVENUE SOUTH  
BLOOMINGTON, MINNESOTA 55431  
(952) 835-3800

932807.4

EXHIBIT A  
to  
RESERVED PARKING AGREEMENT

Legal Description of Parking Ramp Land:

EXHIBIT B  
TO  
RESERVED PARKING AGREEMENT

Legal Description of Hotel Parcel:

EXHIBIT C  
TO  
RESERVED PARKING AGREEMENT

Depiction of Surface Spaces:

932807.4