

STORE REHABILITATION AGREEMENT
RELATING TO LOT 1, BLOCK 1, ARBOR POINTE COMMONS

THIS STORE REHABILITATION AGREEMENT RELATING TO LOT 1, BLOCK 1, ARBOR POINTE COMMONS (Agreement) is made, entered into and effective this 27th day of January, 2003, by and between Wal-Mart Stores, Inc., a Delaware corporation (hereafter referred to as Wal-Mart), and the City of Inver Grove Heights, a Minnesota municipal corporation (hereafter referred to as City). Subject to the terms and conditions hereafter stated and based on the representations, warranties, covenants, agreements and recitals of the parties herein contained, the parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Terms. The following terms unless elsewhere specifically defined herein shall have the following meanings as set forth below.

1.2 City. City means the City of Inver Grove Heights, a Minnesota municipal corporation.

1.3 Wal-Mart. Wal-Mart means Wal-Mart Stores, Inc., a Delaware corporation, and its successors and assigns. Wal-Mart also means any entity that in the future is the fee title owner of Lot 1, Block 1, Arbor Pointe Commons, so long as Wal-Mart Stores, Inc., operates the Store.

1.4 Property. Property means Lot 1, Block 1, Arbor Pointe Commons, according the plat thereof, on file and of record with the Dakota County Recorder, Dakota County, Minnesota.

1.5 Store. Store means the building being constructed by Wal-Mart on the Property.

1.6 Appraiser. Appraiser means a real estate appraiser holding a MAI designation and mutually selected by Wal-Mart and the City.

1.7 Vacant. Vacant means that the Store is not occupied by Wal-Mart Stores, Inc., as a retail merchandise facility and is not occupied by any tenant having more than a one (1) year lease for the Store or for any portion of the Store.

1.8 Formal Notice. "Formal Notice" means notice given by one party to the other if in writing and if and when delivered or tendered either in person or by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage prepaid, addressed as follows:

IF TO CITY:

City of Inver Grove Heights
Attention: Director of Public Works
8150 Barbara Avenue
Inver Grove Heights, MN 55077

IF TO WAL-MART

Wal-Mart, Stores, Inc.
2001 SE 10th Street
Bentonville, AR 72716-0550
Attention: Karen Roberts
Attention: Tom Kier

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party.

ARTICLE 2
RECITALS

Recital No. 1. The Property and the Store are located within the City. Wal-Mart owns the Property and the Store.

Recital No. 2. The purposes of this Agreement are (i) to address the possibility of a store removal in the event the value of the Property without the Store is greater than the value of the Property with the Store and (ii) to require that the maintenance and upkeep of the Store in its unoccupied condition be reasonably commensurate with the upkeep and maintenance that would have been made if the Store remained occupied.

ARTICLE 3
WAL-MART OBLIGATIONS

3.1 Continuing Upkeep and Maintenance. If the Store becomes Vacant or if the Store is not otherwise fully occupied, Wal-Mart shall nonetheless continue to maintain the exterior of the Store in a manner reasonably commensurate with the manner that the exterior was maintained by Wal-Mart when Wal-Mart occupied the Store.

If the Store becomes Vacant or if the Store is not otherwise fully occupied, Wal-Mart shall nonetheless continue to perform the following upkeep and maintenance responsibilities:

- a.) Wal-Mart must maintain the grass and landscaping in a neat and groomed fashion;
- b.) Wal-Mart must keep the parking lot and grounds on the Property free of litter and free of weeds;

- c.) Wal-Mart must promptly repair any broken windows or broken signs on the Property;
- d.) Wal-Mart must remove all junk vehicles from the Property;
- e.) Wal-Mart must plow the snow from the main private roadways and pathways on the Property that are identified by the City as the emergency access routes to the Store.

Any materials placed on the Store or on the signs to protect the Store and signs from vandalism must first receive approval from the City's Chief Building Official and the City's Development Director.

Wal-Mart and the City acknowledge and agree that if Wal-Mart does not comply with Sections 3.1 or 3.2, the City has the lawful authority under the Minnesota Statutes to employ the remedies and procedures set forth in Sections 3.2 and 3.3.

3.2 Remedies For Violation of Section 3.1. If Wal-Mart does not comply with Section 3.1, the City may avail itself of any of the following remedies:

- a.) The City may specifically enforce this Agreement.
- b.) The City may perform such tasks and in such case Wal-Mart shall reimburse the City for its costs and expenses.
- c.) The City may avail itself of any remedy afforded by law or in equity.

Prior to availing itself of any of the above-referenced remedies, the City shall send a Formal Notice to Wal-Mart and allow Wal-Mart thirty (30) days from the date of the written Formal Notice to perform the tasks.

If Wal-Mart has not completed the work within the thirty (30) days, then the City may proceed to perform the tasks. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to Wal-Mart. Wal-Mart must pay the invoice within thirty (30) days (the due date) after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the work. If the invoice is not paid by the due date, the unpaid amount of the invoice shall bear interest from the due date at the rate of eight percent (8%) until paid.

3.3 Remedies For Violation of Section 3.2. If Wal-Mart fails to pay the amount due under Section 3.2 of this Agreement, then the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Property in the next calendar year; such certification may be made under Minn. Stat. Chapter 444 in a manner similar to certification for unpaid utility bills. Wal-Mart waives any and all procedural and substantive objections to the imposition of such charges on the Property. Further, if reimbursement is not

made, then, in addition to other remedies, the City may specially assess the Property for the costs and expenses incurred by the City plus interest from the due date. Wal-Mart hereby waives any and all procedural and substantive objections to the construction of the work and improvements and the special assessments resulting therefrom, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the Property. Wal-Mart hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081. Wal-Mart acknowledges that the benefit from the performance of the tasks by the City equals or exceeds the amount of charges and assessments for the costs and expenses that are being imposed hereunder upon the Property. The special assessment shall be payable in one (1) annual installment in the year after levy. The special assessment shall bear interest at the rate of eight percent (8%) on the amount levied from the date of the levy. The amount levied shall be the costs and expenses incurred by the City together with the interest from the due date to the date of levy.

3.4 Non-Exclusive Nature of Remedies. No remedy herein conferred upon or reserved to the City under Section 3.2 or 3.3 shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 4 **DEMOLITION OF STORE**

4.1 Demolition of Store. If the Store is no longer occupied by Wal-Mart Stores, Inc., then each year on the anniversary date of the departure of Wal-Mart Stores, Inc., from the Store, Wal-Mart shall inform the City as to the occupants of the Store.

If the Store is Vacant for any of the following periods:

- a.) For more than three (3) consecutive years. For purposes of this Section 4.1(a), a year is 365 consecutive days.
- or
- b.) For more than four (4) years in the aggregate over any six (6) year period. For purposes of calculating the four (4) year period under this Section 4.1(b), when the Store is vacant the four (4) years need not be a continuous period of time; rather the four (4) years is an aggregate period of time. For purpose of computing the four (4) years, a year is 365 days, whether or not the days are consecutive. The six (6) year period of time is a continuous period but is not related to the calendar year; rather it is a continuous duration of six (6) years. For purpose of calculating the year with respect to the six (6) year period, a year is 365 consecutive days.

Then by Formal Notice to Wal-Mart, the City may request that Wal-Mart at its expense retain an Appraiser to determine the fair market value of the value with the Store and the fair market value of the Property without the Store.

If such a request is made, the Appraiser shall be mutually selected by the City and Wal-Mart. The Appraiser shall make a written report to the City and Wal-Mart with respect to the Appraiser's determination of the fair market value of the Property with the Store and the fair market value of the Property without the Store. Such report shall be made no later than ninety (90) days after the selection of the appraiser.

If the report shows that the fair market value of the Property without the Store is greater than the fair market value of the Property with the Store, then within six (6) months after the report is delivered to the City, the City, by Formal Notice to Wal-Mart, may demand that Wal-Mart demolish the Store. If such demand is made, Wal-Mart must demolish the Store at its expense within four(4) months after the date of the City's demand.

Wal-Mart and the City acknowledge and agree that if Wal-Mart does not comply with Sections 4.1 or 4.2, the City has the lawful authority under the Minnesota Statutes to employ the remedies and procedures set forth in Sections 4.2 and 4.3.

4.2 Remedies For Violation of Section 4.1. If Wal-Mart does not comply with Section 4.1, the City may avail itself of any of the following remedies:

- a.) The City may specifically enforce this Agreement.
- b.) The City may suspend or deny building or occupancy permits for the property.
- c.) The City may perform the demolition of the Store and in such case Wal-Mart shall reimburse the City for the City's costs and expenses relating to the demolition.
- d.) The City avail itself of any remedy afforded by law or in equity.

Prior to availing itself of any of the above-referenced remedies, the City shall send a Formal Notice to Wal-Mart and allow Wal-Mart thirty (30) days from the date of the written Formal Notice to perform the demolition. If Wal-Mart has not completed the demolition within the thirty (30) days, then the City may proceed to perform the demolition. Once the City's costs and expenses have been determined by the City, the City shall send an invoice for such costs and expenses to Wal-Mart. Wal-Mart must pay the invoice within thirty (30) days (the due date) after the date of the invoice. Such costs and expenses include, but are not limited to, costs charged the City by third parties such as contractors as well as the costs for City personnel that may have performed the demolition. If the invoice is not paid by the due date, the unpaid amount of the invoice shall bear interest from the due date at the rate of eight percent (8%) until paid.

4.3 Remedies For Violation of Section 4.2. If Wal-Mart fails to pay its obligations under Section 4.2 of this Agreement, then the City may certify to Dakota County the amounts due as payable with the real estate taxes for the Property in the next calendar year; such certification may be made under Minn. Stat. Chapter 444 in a manner similar to certification for unpaid utility bills. Wal-Mart waives any and all procedural and substantive objections to the imposition of such charges on the Property. Further, if reimbursement is not made, then, in addition to other remedies, the City may specially assess the Property for the costs and expenses incurred by the City plus interest from the due date. Wal-Mart hereby waives any and all procedural and substantive objections to the construction of the work and improvements and the special assessments resulting therefrom, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the Property. Wal-Mart hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081. Wal-Mart acknowledges that the benefit from the performance of the tasks by the City equals or exceeds the amount of charges and assessments for the costs and expenses that are being imposed hereunder upon the Property. The special assessment shall be payable in one (1) annual installment in the year after levy. The special assessment shall bear interest at the rate of eight percent (8%) on the amount levied from the date of the levy. The amount levied shall be the costs and expenses incurred by the City together with the interest from the due date to the date of levy.

4.4 Non-Exclusive Nature of Remedies. No remedy herein conferred upon or reserved to the City under Section 4.2 or 4.3 shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

4.5 Exercise of Right To Demand Appraisal Report. The right of the City under Section 4.1 to demand an appraisal report may be exercised from time to time by the City; provided, however, the right of the City under Section 4.1 to demand an appraisal report shall not be exercised more than four (4) times and shall not be exercised more than once in any one year period.

ARTICLE 5 **MISCELLANEOUS**

5.1 City Duties. Nothing contained in this Agreement shall be considered an affirmative duty upon the City to perform Wal-Mart's obligations contained in Sections 3.1 and 4.1 if Wal-Mart does not perform such obligations.

5.2 No Third Party Recourse. Third parties shall have no recourse against the City or Wal-Mart under this Agreement.

5.3 Binding Agreement. The parties mutually recognize and agree that all terms and conditions of this Agreement shall run with the Property and shall be binding upon the successors and assigns of the parties so long as Wal-Mart, Stores, Inc., operates a Store on the Property.

5.4 Amendment And Waiver. The parties hereto may by mutual written agreement amend this Agreement in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this Agreement or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this Agreement, waive compliance by another with any of the covenants contained in this Agreement and performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this Agreement. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

5.5 Governing Law. This Agreement shall be governed by and construed in accord with the laws of the State of Minnesota.

5.6 Counterparts. This Agreement 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 instrument.

5.7 Headings. The subject headings of the sections this Agreement are included for purposes of convenience only, and shall not affect the construction of interpretation of any of its provisions.

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5.8 Access. Wal-Mart hereby grants to the City, its agents, employees, officers, and contractors a license to enter the Property to perform all work and inspections deemed appropriate by the City if the City exercising its remedies under Sections 3.2 or 4.2.

CITY OF INVER GROVE HEIGHTS

By: George Townville
Mayor

WAL-MART STORES, INC.:

By: Barry Shannahan
Its: Assistant Vice-President/
Real Estate

ATTEST:

Catherine Lago
Deputy Clerk

ATTEST:

[Signature]

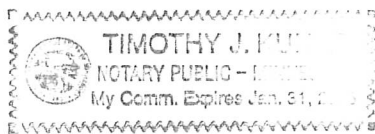
Approved as to legal terms only
by [Signature]
WAL-MART LEGAL DEPT.
Date: 1/30/03


THIS INSTRUMENT DRAFTED BY:

Timothy J. Kuntz
LeVander, Gillen, & Miller, P.A.
633 South Concord Street
Suite 400
South St. Paul, MN 55075
(651) 451-1831

STATE OF MINNESOTA)
)
) SS:
COUNTY OF DAKOTA)

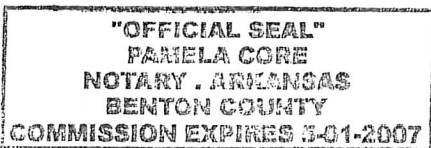
On this 27th day of January, 2003, before me a Notary Public within and for said County, personally appeared George Tourville and Catherine Iago to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and Deputy Clerk of the City of Inver Grove Heights, the municipality named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed in behalf of said municipality by authority of its City Council and said Mayor and Deputy Clerk acknowledged said instrument to be the free act and deed of said municipality.

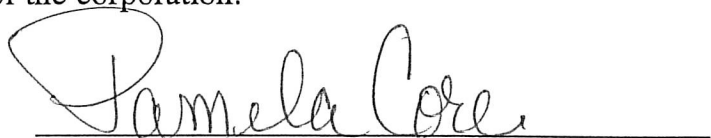



Notary Public

STATE OF ARKANSAS)
)
) SS.
COUNTY OF BENTON)

On this 30th day of JANUARY, 2003, before me a Notary Public within and for said County, personally appeared Barry Shannahan to me personally known, who being by me duly sworn, did say that Barry Shannahan is the Assistant Vice-President-Real Estate of Wal-Mart Stores, Inc., the Delaware corporation named in the foregoing instrument, and that said instrument was signed on behalf of said corporation by authority of the Board of Directors and said Barry Shannahan acknowledged said instrument to be the free act and deed of the corporation.




Notary Public