

SECOND AMENDMENT TO HEALTH CLUB LEASE

This SECOND AMENDMENT TO HEALTH CLUB LEASE (the "**Second Amendment**") effective as of the ____ day of _____, 201__, by and between the City of Minneapolis, a Minnesota municipal corporation, as landlord ("**Landlord**") and LTF Real Estate Company, Inc., a Minnesota corporation, as tenant ("**Tenant**").

RECITALS:

A. Landlord's predecessor, the Minneapolis Community Development Agency, a public body corporate and politic under Minnesota law, as landlord, and Tenant's predecessor, Arena Health Club Limited Partnership, a Minnesota limited partnership, as tenant, entered into that certain Health Club Lease dated as of March 1, 1995 (the "**Original Lease**"), as amended by First Amendment to Health Club Lease, dated as of February 1, 2013 (the "**First Amendment**" and with the Original Lease, collectively, the "**Lease**").

B. Pursuant to Section 5 of the First Amendment, Tenant agreed to make certain leasehold improvements to the Leased Premises (collectively, the "**Planned Leasehold Improvements**").

C. Currently, exhaust from locker rooms located in the Leased Premises discharges air into the large receiving area located in the Arena (outside of the Leased Premises) and exhaust from locker rooms and certain toilet groups located in the Leased Premises discharge air into the small loading dock located in the Arena (outside of the Leased Premises), all in violation of applicable building codes, the remediation of which will require construction and installation of certain improvements and equipment in the Leased Premises and in the Arena (outside of the Leased Premises) (collectively, the "**Exhaust Remediation Improvements**").

D. Landlord and Tenant desire to amend the Lease as provided below.

E. Capitalized terms not otherwise defined in this Second Amendment will have the meanings ascribed to them in the Lease.

Landlord and Tenant hereby agree to amend the Lease as follows:

1. Planned Leasehold Improvements. The second paragraph of Section 5 of the First Amendment is hereby replaced with the following:

Tenant agrees, at its own expense, to make not less than \$4,000,000.00 in leasehold improvements to the Leased Premises by June 30, 2015. Tenant shall construct the leasehold improvements in accordance with Section 9.1 of the Lease, including without limitation obtaining Landlord approval of the plans and specifications prior to commencement of the work. Tenant shall obtain surety bonds of the kind required in Minnesota Statutes §574.26, securing performance and payment of just claims in connection with all work undertaken by Tenant on the Leased Premises. Further, Tenant shall

post prominent, readily visible notices to the effect that no contractor performing work on the Leased Premises is entitled to a lien on the Leased Premises or any property of the Landlord.

2. Exhaust Remediation Improvements. Tenant, at Tenant's cost, intends to make Exhaust Remediation Improvements to the Arena and the Leased Premises. Tenant is hereby granted a temporary license to make the Exhaust Remediation Improvements to the Arena and the Leased Premises. The temporary license shall last for so long as Tenant needs in order to complete the Exhaust Remediation Improvements. Tenant shall obtain Landlord's prior written approval of the plans for the Exhaust Remediation Improvements, which approval shall not be unreasonably withheld, delayed or conditioned. Tenant shall obtain surety bonds of the kind required in Minnesota Statutes §574.26, securing performance and payment of just claims in connection with the Exhaust Remediation Improvements. Further, Tenant shall post prominent, readily visible notices to the effect that no contractor performing work on the Arena or the Leased Premises is entitled to a lien on the Arena, the Leased Premises or any property of the Landlord. After completion of the installation of the Exhaust Remediation Improvements, Landlord shall be solely responsible at Landlord's sole cost for any and all repairs, maintenance and replacement of the Exhaust Remediation Improvements, but Landlord shall not remove, alter, modify, or change any of the Exhaust Remediation Improvements, including in connection with any of Landlord's work on the Arena, if doing so would (a) cause noncompliance with the building code or (b) impact the functionality of the Exhaust Remediation Improvements, unless equivalent functionality is provided by another means. In addition, in connection with any removal, alteration, modification or change of any of the Exhaust Remediation Improvements not prohibited under the preceding sentence, Landlord shall coordinate its work with Tenant and exercise commercially reasonable efforts to minimize and mitigate (i) any material or adverse interference with the Leased Premises and (ii) any interruption of the conduct of Tenant's business in the Leased Premises.

3. Pool Unit and Carbon Filters. The fresh air intake louver for the Tenant's pool air handler is located at grade on 7th Street. The configuration of the building façade along with prevailing wind often directs vehicle exhaust into the louver resulting in vehicle fumes filling the pool area. Relocating the louver to a location that is not impacted by vehicle exhaust is not a possible solution due to the configuration of the Arena and the penetrations that would be necessary to the public spaces and emergency exit pathways. Landlord and Tenant have agreed that at the present time the best solution would be for Tenant to install an activated carbon filter in the pool unit to remove the vehicle emissions. However, installation of the carbon filters into the current pool unit will not be possible within the confines of the current mechanical room. Therefore, Tenant needs to purchase a new pool unit to allow installation of the carbon filters. The initial cost for the filter and installation will be between \$20,000-\$30,000. Tenant will need to replace the carbon filters in the pool unit on a periodic basis; the frequency of such replacement is directly related to the amount of vehicle emissions entering the louver. Tenant anticipates that the ongoing replacement costs will be approximately \$5,000-\$12,000 annually. As a result, Landlord agrees to purchase filters for the pool unit not to exceed \$12,000 per year commencing in the calendar year in which such filters are first installed.

4. Liquor and Restaurant Sales. The following is hereby added at the end of Section 6.1 of the Lease:

Tenant shall have the right to conduct liquor and café sales in the Leased Premises, provided Tenant obtains all necessary permits and licenses as required by law. The café and bar will only be open to members of the Tenant and café food sales will be limited to the foods customarily sold at other Life Time cafés in Minnesota, including, without limitation, meals, snacks, soups, salads, and smoothies.

5. Landlord's Remodeling of the Arena. In connection with any remodeling of the Arena by the Landlord, Landlord shall coordinate its work with Tenant and shall exercise commercially reasonable efforts to minimize (with respect to both the duration and effect) and mitigate any material or adverse interference with, interruption of, or alteration of (a) Tenant's existing exterior signage, (b) Tenant's access to the Leased Premises, (c) Tenant's approved improvements or upgrades in the vestibule, the elevator lobby and the skyway entry (collectively, "**Tenant's Upgrades**"), and (d) the Leased Premises or the conduct of Tenant's business in the Leased Premises. If Landlord determines in its commercially reasonable discretion that relocating Tenant's permanent exterior signage is required due to the reconfiguration of the exterior of the Arena, then Landlord shall obtain Tenant's prior written consent, not to be unreasonably withheld, of the revised location of Tenant's exterior signage. In addition, if Tenant timely delivers to Landlord conceptual drawings for Tenant's Upgrades, Landlord shall include for informational purposes such conceptual drawings in its request for proposals or bid documents for Landlord's remodeling of the Arena.

6. Submetering. Tenant may, at its option, investigate and, if Tenant so elects, install and/or revise the current submetering of utilities servicing the Premises, all at Tenant's sole cost and expense.

7. No Other Changes. Except as specifically provided in this Second Amendment, the Lease will remain unchanged and in full force and effect. In the event of a conflict between the provisions of the Lease and this Second Amendment, the provisions of this Second Amendment shall control.

8. Miscellaneous. This Second Amendment contains the complete agreement of the parties hereto and supersedes all prior written or oral agreements and understandings. This Second Amendment may be executed in several counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same instrument.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their duly authorized officers as of the day and year first above written.

LANDLORD:

CITY OF MINNEAPOLIS

By _____
Its Finance Officer

Approved as to form:

By _____
Assistant City Attorney

Department head responsible for monitoring contract:

By _____
Executive Director, Convention Center

STATE OF MINNESOTA }
COUNTY OF HENNEPIN } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by Kevin Carpenter, the Finance Officer of the City of Minneapolis, a Minnesota municipal corporation, on behalf of said municipal corporation.

Notary Public

TENANT:

LTF LEASECOMPANY, LLC

By _____
Name _____
Title _____

STATE OF MINNESOTA }
COUNTY OF CARVER } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by _____, the _____ of LTF Lease Company, LLC, a Delaware limited liability company, on behalf of said company.

Notary Public

CONSENT

The undersigned hereby gives any and all consents necessary under that certain Lease Guaranty dated July 26, 2006 to the foregoing Second Amendment to Health Club Lease.

LIFE TIME FITNESS, INC.

By _____

STATE OF MINNESOTA }
COUNTY OF CARVER } ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2013, by _____, the _____ of LIFE TIME FITNESS, Inc., a Minnesota corporation, on behalf of the corporation.

Notary Public

LTF Real Estate Company, Inc., a Minnesota corporation, hereby assigns all its right, title and interest under the Lease to LTF Lease Company, LLC, a Delaware limited liability company, who hereby assumes and agrees to perform all the obligations of the tenant under the Lease.

LTF Real Estate Company, Inc.,
a Minnesota corporation, as assignor of the
Lease

By: _____
Name: _____
Its: _____

LTF Lease Company, LLC,
a Delaware limited liability company, as
assignee of the Lease

By: _____
Name: _____
Its: _____