

COUNCIL MEMO

Agenda Item # 9.3

Meeting Date: February 6, 2023
Agenda Section: Ordinances & Resolutions
Item Description: ORD/Lease Extension with The Tavern At Green Haven, LLC for Food and Beverage Services at Green Haven Golf Course & Event Center.
(1st Reading)
Submitted By: Scott Baumgartner, City Attorney

BACKGROUND INFORMATION

The Tollettes, owners of The Tavern, which currently lease space at Green Haven, are requesting a two-year extension on their lease to 12/31/2025. This extension will allow The Tavern to book events out past the expiration of the current contract while The City and The Tavern negotiate a new contract.

Under the current contract, The Tavern pays the city \$3,000 in rent per month and 4% commission on gross sales. City staff has identified expenses related to the operation of The Tavern and have negotiated payment of these additional expenses by the Tavern, which are included in the Amendment to the Lease.

FINANCIAL IMPACT

To be determined

REQUESTED COUNCIL ACTION

Motion to Introduce and Hold the First Reading of an Ordinance Adopting the Green Haven Golf Course Restaurant Lease Amendment. Please be advised that the vote taken on this would be to allow the ordinance's Introduction and First Reading only. Formal action on the adoption of the Ordinance will occur at the 2nd Reading.

REQUIRED VOTE

Majority vote of Councilmembers present.



2015 First Avenue, Anoka MN 55303
Phone: (763) 576-2700 Website: <http://www.anokaminnesota.com>

**CITY OF ANOKA, MINNESOTA
ORDINANCE**

ORD-2023-XXXX

AN ORDINANCE APPROVING A LEASE AMENDMENT BETWEEN THE TAVERN AT GREEN HAVEN, LLC AND THE CITY OF ANOKA RELATING TO THE FOOD & BEVERAGE SERVICES AT GREEN HAVEN GOLF COURSE & EVENT CENTER

THE COUNCIL OF THE CITY OF ANOKA ORDAINS:

- Section 1.** The City of Anoka owns real property; Green Haven Golf Course & Event Center, located at 2800 Greenhaven Road.
- Section 2.** On January 16, 2018 the City of Anoka entered into a Lease Agreement with The Tavern At Green Haven, LLC relating to the food & beverage services at Green Haven Golf Course & Event Center.
- Section 3.** The Tavern At Green Haven, LLC has requested to extend the term of the Lease Agreement, currently set to expire on May 31, 2024 at 11:59 PM, to allow The Tavern At Green Haven, LLC to book events out past the expiration of the current contract while The City and The Tavern At Green Haven, LLC negotiate a new contract.
- Section 4.** The Council has determined in accordance with Section 13.05 of the City Charter that it would be in the best interest of the City of Anoka to enter into a Lease Amendment with The Tavern at Green Haven, LLC for food & beverage services.
- Section 5.** The City Council authorizes and directs the Mayor and City Clerk to execute the agreement and all of the document necessary to complete the lease.
- Section 6.** This ordinance shall be in full force and effective seven (7) days after publication.

ATTEST:

_____	Introduced: 02-06-2023
Phil Rice, Mayor	Adopted: _____
	Published: _____
	Effective: _____

	Aye	Nay	Abstain	Absent

Amy Oehlers, City Clerk	Rice	_____	_____	_____
	Scott	_____	_____	_____
	Skogquist	_____	_____	_____
	Weaver	_____	_____	_____
	Wesp	_____	_____	_____

**GREEN HAVEN GOLF COURSE RESTAURANT
LEASE AMENDMENT**

THIS LEASE AMENDMENT (“Lease Amendment”) is made and entered by and between the City of Anoka, a Minnesota municipal corporation (the “Landlord”), and The Tavern at Green Haven, LLC, a Minnesota limited liability company, doing business at 2800 Greenhaven Road, Anoka, MN 55303 (the “Tenant”), collectively referred to as the “Parties”, and is effective as of the date last signed by a party to this Lease Amendment (“Effective Date”).

WITNESSETH:

Landlord and Tenant entered into a restaurant lease whereby Landlord leased to Tenant certain portions of the Green Haven clubhouse for restaurant purposes, the terms and conditions of which are as identified in that certain Green Haven Golf Course Restaurant Lease executed by the Parties and dated January 16, 2018 (the “Agreement”).

Tenant has requested to extend the term of the Agreement, currently set to expire on May 31, 2024 at 11:59 PM.

In addition to, and as consideration by Landlord for, extending the term of the Agreement, additional terms and conditions of the Agreement will be amended by the Parties as contained in this Lease Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Section 1.01 of the Agreement shall be amended by adding the following definition:

“Tenant Area Maintenance Costs” (“TAM Costs”) means those expenses, in addition to Rent, to be paid by Tenant to Landlord to help cover costs associated with overhead and operating expenses for those areas and services used by Tenant.

2. Section 4.02 (b) and (c) of the Agreement shall be amended as follows:

(b) The Landlord shall determine in its sole discretion whether the Capital Improvement(s) are necessary for the profitable and efficient operation of the Clubhouse. The Landlord shall give great weight to the expertise of Tenant in making this determination. If the Landlord determines the Capital Improvement(s) are necessary, the Landlord and the Tenant shall agree, on a case by case basis, the allocation for the cost of such improvements. Title to and ownership of all Capital Improvements shall remain in the Landlord. The Landlord shall at all times have the right to make Capital Improvements to the Clubhouse in its sole discretion, without a recommendation by Tenant, provided that any substantial Capital Improvements initiated by the Landlord and not recommended by Tenant that materially interrupts operations at the Clubhouse shall give rise to Tenant's right to terminate this Agreement upon thirty (30) days written notice to the Landlord. Alternatively, the Parties may discuss Rent reductions or abatement consistent with the interruptions such Landlord initiated Capital Improvements may cause to Tenant’s operations. Material interruptions to Tenant’s operations shall be decided on a case-by-case basis which may

take into consideration, among other things, the time of year of the interruption, the extent of the interruption to Tenant's operations, and the estimated length of time said interruption is expected to last.

(c) Title to and ownership of all Existing Fixtures shall remain in the Landlord. The Landlord shall at all times have the right to replace, substitute, or add to the Existing Fixtures without a recommendation by Tenant, provided that any such replacement, substitution, or addition that materially interrupts operations at the Clubhouse shall give rise to Tenant's right to terminate this Agreement upon thirty (30) days written notice to the Landlord. Alternatively, the Parties may discuss Rent reductions or abatement consistent with the interruptions such Landlord initiated Capital Improvements may cause to Tenant's operations. Material interruptions to Tenant's operations shall be decided on a case-by-case basis which may take into consideration, among other things, the time of year of the interruption, the extent of the interruption to Tenant's operations, and the estimated length of time said interruption is expected to last.

3. Article V of the Agreement is amended by adding the following:

Section 5.01. Rent.

Years 5-8 - \$3,000 per month (Years 5 through 8 shall run from January 1, 2022 through December 31, 2025)

Section 5.02. TAM Costs. In addition to all other Rent and expenses to be paid by Tenant under the Agreement, Tenant shall also be responsible for those TAM Costs as set forth in Exhibit A attached hereto and made a part hereof. These TAM Costs, and Tenant's obligation to pay the same, shall commence and become part of the Agreement as of the Effective Date.

4. **Agreement Term.** Pursuant to Section 7.01 of the Agreement, the original Term was to commence on March 1, 2018, but Tenant's payments under the Agreement would not begin until August 1, 2018. Notwithstanding any Term limitations identified in Section 7.01 of the Agreement, or that may be assumed by the language contained in Section 5.01 of the Agreement, however, the Parties agreed that these five (5) months of non-payment would be added to the end of the Agreement, resulting in an extension of the Agreement for five (5) months, with the extended Term now ending on May 31, 2024 at 11:59 PM. The Parties have now agreed to extend the Term beyond May 31, 2024 to a new expiration date of December 31, 2025 at 11:59 PM.

5. Section 9.01 of the Agreement shall be amended as follows:

Section 9.01. Utilities.

(a) The Landlord shall make available adequate electrical and gas connections to the Clubhouse to permit Tenant to operate the electrical and gas operated equipment at the Clubhouse and shall make available adequate softened water connections for Clubhouse operation. The Landlord shall make available garbage and recycling pick up, snow removal, phone, internet and cable tv connections to the Tenant. Tenant's obligation to pay for its use of the building's utilities shall be as set forth in Section 5.02 of this Agreement.

6. **Full Force and Effect.** Except as expressly amended by the provisions of this Lease Amendment, the terms and conditions contained in the Agreement shall continue to govern the rights and obligations of the Parties and the Agreement shall remain in full force and effect until and unless expressly modified by the Parties in writing.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be effective as of the last date written below.

LANDLORD

CITY OF ANOKA, A MINNESOTA
MUNICIPAL CORPORATION

Dated: _____

By: _____
Phil Rice, Mayor

Dated: _____

By: _____
Amy Oehlers, City Clerk

TENANT

THE TAVERN AT GREEN HAVEN, LLC

Dated: _____

By: _____
Sherry Tollette

Its: Chief Manager and Chief Financial Manager

This Instrument was Drafted By:
Berglund, Baumgartner,
Kimball & Glaser, LLC
2140 4th Avenue N.
Anoka, MN 55303
Phone: (763) 427-8877

EXHIBIT A
TENANT AREA MAINTENANCE COSTS PER MONTH

<u>Property Insurance</u>	<u>\$129</u>
<i>Calculated: GreenHaven Insurance x % of building usage / 12 = Monthly insurance cost</i>	
<u>Real Estate Taxes</u>	<u>\$1,100</u>
<i>Calculated: 100% of GreenHaven tax (w/o The Tavern GreenHaven would be tax exempt)</i>	
<u>AMU (Electric, Sewer, Water) (Amount to be based upon actual usage)</u>	<u>\$1,075</u>
<i>Calculated: GreenHaven AMU Bill x % of building usage = Monthly AMU cost</i>	
<u>CenterPoint Energy (Gas) (Amount to be based upon actual usage)</u>	<u>\$975</u>
<i>Calculated: GreenHaven CenterPoint Bill x % of building usage = Monthly gas cost</i>	
<u>Garbage Service (Amount based upon garbage service charges)</u>	<u>\$54</u>
<i>Calculated: GreenHaven Garbage x % of building usage = Monthly garbage cost</i>	
<u>Sirius XM Subscription (Amount based upon provider cost)</u>	<u>\$38</u>
<i>Calculated: 100% of Sirius XM Subscription cost</i>	
<u>Comcast Subscription (Amount to be based upon # of TV's)</u>	<u>\$366</u>
<i>Calculated: The Tavern has 8 of the 10 TV's so 80% of the cost</i>	
<u>CenturyLink (Internet & Phone) (Amount based upon 50/50 split with Golf)</u>	<u>\$20</u>
<i>Calculated: 50% of the cost of Internet & Phone</i>	
<u>Security Alarm Service (Amount based upon 50% of service contract)</u>	<u>\$242</u>
<i>Calculated: 50% of the cost of the service contract with IPS</i>	
<u>Paper Products (Amount to be based upon 50/50 split with Golf)</u>	<u>\$250</u>
<i>Calculated: 50% of the cost of bathroom and common area paper product needs</i>	
<u>Maintenance & Repairs (Amount to be based upon actual direct cost)</u>	<u>\$1,767</u>
<i>Calculated: 100% of the R&M costs posted to the Event Center department.</i>	
 Total Monthly TAM Cost:	 <u>\$6,016</u>

Each of the TAM costs are based on the previous year's usage and there will be a "true-up" billing for actual costs/services used following the end of the year.



2015 First Avenue, Anoka MN 55303
Phone: (763) 576-2700 Website: www.ci.anoka.mn.us

**CITY OF ANOKA, MINNESOTA
ORDINANCE**

ORD-2018-1685

**AN ORDINANCE APPROVING A LEASE AGREEMENT BETWEEN THE TAVERN
AT GREEN HAVEN, LLC AND THE CITY OF ANOKA RELATING TO THE FOOD &
BEVERAGE SERVICES AT GREEN HAVEN GOLF COURSE & EVENT CENTER**

THE COUNCIL OF THE CITY OF ANOKA ORDAINS:

WHEREAS, the City of Anoka owns real property; Green Haven Golf Course & Event Center, located at 2800 Greenhaven Road:

WHEREAS, the council has determined in accordance with Section 13.05 of the City Charter that it would be in the best interest of the City of Anoka to enter into a Lease with The Tavern at Green Haven, LLC for food & beverage services.

NOW, THEREFORE, the Council of the City of Anoka, Minnesota, ordains:

1. The City Council approves, on a 4/5's vote, the Lease agreement (attached hereto as Exhibit A.)
2. That said lease agreement is effective March 1, 2018 and will expire on December 31, 2023 for a total of 5 years and 10 months.
3. That the proceeds of the lease shall be used as far as possible to retire any outstanding indebtedness incurred by the city in the purchase, construction, or improvement of this or other property use for the same public purpose. If there is no such outstanding indebtedness, the Council may by resolution designate some other public use for the proceeds.
4. This Ordinance shall be in full force and effective seven (7) days after publication.

ATTEST:



Phil Rice, Mayor



Amy Oehlers, City Clerk

Introduced: 01/01/2018
Adopted: 01/16/2018
Published: 01/26/2018
Effective: 02/02/2018

	Aye	Nay	Abstain	Absent
Rice	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Anderson	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Freeburg	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Weaver	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Wesp	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

ORIGINAL LEASE

Green Haven Golf Course Restaurant Lease

January 1, 2018

ORIGINAL LEASE

TABLE OF CONTENTS

	<u>Page</u>
Preamble	1
 ARTICLE I <u>Definitions</u> 	
Section 1.01. Definitions.....	1
 ARTICLE II <u>General Provisions</u> 	
Section 2.01. Appointment and Acceptance	2
Section 2.02. Representations and Warranties of the Tenant.....	2
Section 2.03. Right to Occupy Clubhouse Premises.....	3
 ARTICLE III <u>General Duties of Tenant</u> 	
Section 3.01. Operation of Food and Beverage Services.....	4
Section 3.02. Clubhouse Employees.....	6
 ARTICLE IV <u>Existing Equipment and New Equipment; Capital Improvements and Fixtures;</u> <u>Repair and Maintenance; Clubhouse Inventory</u> 	
Section 4.01. Existing Equipment and New Equipment.....	6
Section 4.02. Capital Improvements and Fixtures	7
Section 4.03. Repair and Maintenance.....	8
Section 4.04. Clubhouse Inventory	8
 ARTICLE V <u>Fees</u> 	
Section 5.01. Rent Fee	8
 ARTICLE VI <u>Insurance; Indemnification; Damage or Destruction</u> 	
Section 6.01. Insurance	9
Section 6.02. Indemnification	11
Section 6.03. Damage or Destruction	11

ARTICLE VII
Term of Agreement; Termination; Winding-Up

Section 7.01.	Term	11
Section 7.02.	Termination; Winding-Up.....	12

ARTICLE VIII
Default by Tenant; Default by the Landlord

Section 8.01.	Default by Tenant.....	13
Section 8.02.	Default by the Landlord	13
Section 8.03.	General	14

ARTICLE IX
Additional Provisions

Section 9.01.	Utilities.....	14
Section 9.02.	Binding Agreement; Assignment.....	14
Section 9.03.	Notices and Communications	15
Section 9.04.	Eminent Domain	15
Section 9.05.	Further Actions	15
Section 9.06.	Applicable Law	15
Section 9.07.	Third Party Beneficiaries	16
Section 9.08.	Approvals	16
Section 9.09.	Formalities	16
Section 9.10.	Severability	16
Section 9.11.	Nondiscrimination.....	16
Section 9.12.	Mediation	16
Section 9.13.	Data Practices Act.....	16

TESTIMONIUM.....	17
SIGNATURES.....	17

Exhibit A Dispute Resolution Procedures

Green Haven Golf Course Restaurant Lease

THIS AGREEMENT is made and entered into this 16 day of January, 2018, by and between City of Anoka (the "Landlord") and, The Tavern at Green Haven, LLC, a Minnesota limited liability company doing business at 2800 Greenhaven Road, Anoka, MN 55303 (the "Tenant"), collectively referred to as the "Parties."

WITNESSETH:

WHEREAS, the City of Anoka is the owner of certain clubhouse, restaurant, bar, and related facilities located at the Green Haven clubhouse in the City of Anoka, Minnesota, (herein referred to as the "Clubhouse Facilities" or "Clubhouse");

WHEREAS, Tenant is engaged in the business of marketing, selling food and beverages at places of public gatherings such as the Clubhouse, and has experience in all phases of the marketing and operation of facilities such as the Clubhouse;

WHEREAS, The City of Anoka is desirous of utilizing the services and experience of the Tenant in connection with the management, marketing, and operation, and maintenance of the Clubhouse during the Term hereof and the Tenant desires to render such services, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged by the Parties, the Landlord and the Tenant agree as follows:

ARTICLE I

Definitions

Section 1.01. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"Agreement" means this Green Haven Golf Course Restaurant Lease.

"Agreement Date" means the date first written above.

"Landlord" means City of Anoka.

"Capital Improvement" means the addition of a permanent structural improvement to the Clubhouse or Clubhouse Facilities or the restoration of some aspect of the Clubhouse or Clubhouse Facilities intended to enhance the property's overall value or increase its useful life.

"Clubhouse" or "Clubhouse Facilities" means the clubhouse, restaurant, bar, banquet rooms, and related facilities located at the Green Haven Golf Course.

"Contract Year" means each individual calendar year during the Term of this Agreement as described in Section 5.01 hereof.

"Default" has the meaning ascribed to it in Sections 8.01 and 8.02 of this Agreement.

"Dispute Resolution Procedures" means the procedures for mediation of disputes required pursuant to Section 9.13 of this Agreement, the description of which is set forth in Exhibit D attached hereto.

"Green Haven Golf Course" means the golf course, clubhouse, and related facilities and amenities located at 2800 Greenhaven Road, Anoka, MN 55303

"Food/Beverage Carts" means the motorized carts that provide food and beverage services upon the Green Haven Golf Course.

"Gross Sales" means the invoice value of all sales from the Clubhouse Facilities, before discounts, adjustments, deductions, exclusions or exemptions *other than* discounts to customers arising from marketing promotions such as "buy one get one free" and frequent diner cards.

"Tenant" means The Tavern at Green Haven, LLC, a Minnesota limited liability company doing business at 2800 Greenhaven Road, Anoka, MN 55303.

"Term" means the term of this Agreement as described in Section 7.01 hereof.

ARTICLE II

General Provisions

Section 2.01. Appointment and Acceptance. The Landlord hereby leases to Tenant as the exclusive Tenant of the Clubhouse and the Tenant hereby accepts the tenancy and assumes and agrees to perform for and on behalf of the Landlord all rights, powers, authorities, and obligations, of the Landlord pertaining to the operation, management, marketing, and maintenance of the Clubhouse. This Agreement shall not be interpreted to create an employment relationship between the Landlord and the Tenant, rather, it is understood that the Tenant is an independent contractor. Nothing in this Agreement shall create or be deemed to create or to constitute a partnership, joint venture, trust, or other fiduciary relationship between the Landlord and the Tenant.

Section 2.02. Representations and Warranties of the Tenant. The Tenant represents and warrants to the Landlord that:

(a) Tenant is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Minnesota and has full power to carry on its business as now being conducted;

(b) Tenant has all requisite power and authority to enter into this Agreement, perform its obligations hereunder, and to consummate the transactions contemplated hereby without the

approval of any third party. All necessary corporate action has been taken by Tenant with respect to the execution, delivery, and performance by Tenant of this Agreement and the consummation of the transactions contemplated hereby;

(c) Neither the execution and delivery of this Agreement nor the consummation by Tenant of the transactions contemplated hereby nor compliance by Tenant with any of the provisions of this Agreement will violate or cause a default under any statute (domestic or foreign), judgment, order, writ, decree, rule, or regulation of any court or governmental authority applicable to Tenant; breach or conflict with any of the terms, provisions, or conditions of the Articles of Incorporation or bylaws of Tenant; or violate, conflict with or breach any agreement, contract, mortgage, instrument, indenture, or license to which Tenant is a party or by which Tenant is or may be bound, or constitute a default thereunder, or result in the creation or imposition of any encumbrance upon, or give to any other party or parties any claim, interest or right with respect to, the Clubhouse or any equipment, furnishings or fixtures used or stored thereon;

(d) No representation or warranty made by Tenant in this Agreement, and no exhibit, schedule, or other writing furnished to the Landlord by Tenant or its officers or authorized representatives pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or will contain, any untrue statement. Tenant covenants that it will immediately notify the Landlord in writing in the event Tenant becomes aware that any such items become untrue or incorrect.

(e) Tenant has the requisite skill and experience to operate and market the restaurant and banquet facilities and to hire and manage the appropriate level of staff.

Section 2.03. Right to Occupy Clubhouse Premises. Tenant shall have the right to occupy the areas of the Clubhouse. In addition, the Landlord shall permit Tenant to use or occupy:

(a) parking spaces for its employees and those making deliveries or receiving merchandise in connection with the operation of the Clubhouse;

(b) other assets owned or leased by the Landlord and designed or intended to be used in connection with the operation of the Clubhouse, including but not limited to all applicable Capital Improvements, Fixtures, custom built and other equipment, counters and bars situated at the Clubhouse, all as more specifically described in Article IV hereof;

(c) storage facilities for Food/Beverage Carts. Tenant shall not enter into any agreement with a third party to use all or a part of the Clubhouse facilities outside the normal scope of the activities related to the Clubhouse without the express written consent of the Landlord.

(d) Access to the surveillance camera system for the Tenants space.

ARTICLE III

General Duties of Tenant

Section 3.01. Operation of Food and Beverage Services.

(a) Tenant has the exclusive right and obligation during the Term of this Agreement to operate the food and beverage services at the Clubhouse which shall include: (i) the purchasing, storage, preparation, and service of all food and beverages; (ii) the booking and servicing of private parties, wedding receptions, business luncheons, and banquets; (iii) the operation of the Food/Beverage Carts upon the Green Haven Golf Course in locations approved by the Landlord; (iv) the ongoing management and administrative services as are usual and customary for the efficient operation of such food and beverage services of the Clubhouse; and (v) the marketing and management of the Clubhouse.

(b) Tenant agrees to operate the Clubhouse in a manner consistent with the general operations of the Green Haven Golf Course. Tenant shall operate the kitchen, restaurants, banquet and meeting rooms, bar, and other portions of the Clubhouse in such a manner as to make the Clubhouse serviceable and attractive to patrons and the public generally. The Clubhouse may be made available by Tenant for private parties, wedding receptions, business luncheons, and banquets, consistent with the terms and conditions of this Agreement.

(c) Tenant shall at all times provide sufficient labor, supervision, supplies, and inventory and shall exercise such modern business practices as to ensure the proper and efficient operation of the Clubhouse. Tenant shall not hinder or interfere with the general operation of the Green Haven Golf Course, nor with the public's use or enjoyment thereof in the operation and conduct of its business and activities under this Agreement. Tenant and Landlord shall agree upon areas for the storage of Tenant's supplies and inventory, which areas shall not exceed in the aggregate 1000 square feet, shall be provided at no cost to Tenant and shall constitute the sole such storage space available to Tenant; provided, however, that the Landlord shall also provide indoor storage, maintenance and repair space for 2 food/beverage carts owned by the Landlord at no cost to Tenant except that Tenant shall reimburse the Landlord for any maintenance services to such food/beverage carts performed by the Landlord.

(d) Tenant shall reasonably cooperate with the Landlord in the operation of the Clubhouse during special events and tournaments taking place at the Green Haven Golf Course.

(e) Tenant and its employees shall not engage in any discriminatory practice with respect to the products, services, or privileges offered to or enjoyed by the general public which are prohibited by Chapter 363 of the Minnesota Statutes or other applicable state, Federal, or local laws regulations, or ordinances. Neither Tenant nor its employees shall publicize the items or services to be provided under this Agreement in any manner that would directly or inferentially constitute a prohibited discriminatory practice.

(f) Except as otherwise provided herein, Tenant shall, at its expense, procure and maintain all licenses and permits reasonably required for the operation of the Clubhouse in accordance with this Agreement. Upon request, the Landlord shall execute such documents and instruments and take such action as may be reasonably required to assist Tenant in obtaining such licenses and permits. In operating the Clubhouse, Tenant shall comply with all applicable federal, state, and local laws, rules, and regulations, including, without limitation, all health codes and standards imposed by the municipal health department and all rules and regulations adopted by the Landlord.

(g) Tenant shall not erect any sign for advertising or any other purpose upon the Clubhouse facility or in the vicinity thereof which is permanent in nature without obtaining the advanced written consent of the Landlord, which consent may be withheld in his/her sole discretion. Any expense for signage which is approved by the Landlord shall be paid as negotiated between the parties prior to the construction thereof. Tenant shall not change the restaurant names associated with the Clubhouse without the prior written consent of the Landlord.

(h) The Tenant shall obtain and maintain all licenses necessary to permit the sale of liquor, beer, and wine at the Clubhouse and upon the Green Haven Golf Course via the Food/Beverage Carts. The Tenant shall be responsible for the fees, costs, and expenses necessary to maintain such licenses. Tenant shall purchase and maintain such liquor liability insurance as is required herein and pursuant to Chapter 340A of the Minnesota Statutes, as amended, and such other applicable statutes, ordinances, and regulations. Tenant shall assume all liability related to the sale of intoxicating liquor and wine at the Clubhouse and via the Food/Beverage Carts and shall indemnify, defend, and hold harmless the Landlord, its councilmembers, officers, employees, agents, and assigns from any liability or claims arising therefrom to the extent such liability or claims are not covered by Tenant's insurance. Tenant shall not engage in or permit any activities at the Clubhouse which may or will jeopardize in any way the validity or cause the suspension or cancellation of the liquor licenses or permits obtained in connection with Clubhouse operations. Landlord shall assist Tenant in enforcing all Minnesota State Statute Liquor Laws with regards to customers bringing outside purchased liquor on to the golf course property.

(i) Tenant shall, at its sole cost and expense, be responsible for booking and servicing private parties, wedding receptions, business luncheons, and banquets at the Clubhouse, provided, Tenant shall cooperate with the Landlord in scheduling such events (within a sixty-day timeframe) to avoid conflicts with special events and tournaments scheduled at the Clubhouse or Green Haven Golf Course. Tenant agrees to permit the use of such banquet and meeting rooms at the Clubhouse by the Landlord to the extent such facilities are not reserved for revenue-generating private organizations, wedding receptions, private parties, etc. Any event reserved by the City shall be at no charge, except for the expense of food, beverage, cleaning and staffing costs. It is expressly understood that the Clubhouse 'bar and restaurant' operations shall not be closed for such City events and that the Clubhouse 'banquet' area can be used if not already occupied by another group.

Section 3.02. Clubhouse Employees.

(a) Tenant shall be solely responsible for the recruitment, training, employment, performance, review, and compensation of adequate personnel to meet the staffing needs for the operation of the Clubhouse.

(b) All persons employed by the Tenant shall be the sole and exclusive employees of Tenant and shall be paid by Tenant. In connection with the employment of Tenant employees during the Term, Tenant shall accept full and exclusive liability for all applicable social security, unemployment, workers' compensation, or other employment taxes or contributions of insurance, and all employee benefits, and shall comply with all federal and state laws and regulations relating to employment generally, including but not limited to wage and hour laws, social security, unemployment insurance, and workers' compensation. Certificates evidencing compliance with the foregoing shall be submitted to the Landlord as reasonably requested by the Landlord.

(c) Tenant shall be an equal opportunity employer and shall comply with all applicable provisions of federal and state law regarding equal employment opportunity.

(d) The Tenant shall take measure to ensure that all employees of the Tenant shall conduct themselves courteously in their relations with the public.

(e) All Tenant employees and all other persons necessary to the operation of the Clubhouse, including, persons engaged in delivery of supplies and merchandise to the Clubhouse, shall have free and reasonably unimpeded ingress and egress to the Clubhouse.

ARTICLE IV

**Existing Equipment and New Equipment; Capital Improvements and Fixtures;
Repair and Maintenance; Clubhouse Inventory**

Section 4.01. Existing Equipment and New Equipment.

(a) The Clubhouse Facilities include certain equipment owned by the Landlord (the "Existing Equipment"). Tenant shall maintain the Existing Equipment in good condition and working order and shall repair the Existing Equipment as it deems necessary. The Existing Equipment shall remain the property of the Landlord and shall be retained by the Landlord upon termination of this Agreement. Tenant shall provide notice to the Landlord of any Existing Equipment that is beyond repair or is otherwise no longer suitable for use. The Tenant shall be responsible for repair of any equipment up to \$400 of the initial repair expense not to exceed \$2000 of total repair expense in any calendar year, Tenant will make the Landlord aware of any expense that exceeds \$400 prior to making any repairs or incurring costs.

(b) Any replacements, substitutions, and additions to the Existing Equipment purchased by Tenant shall constitute "New Equipment" for the purposes of this Agreement. Tenant shall provide the Landlord with a list of New Equipment at the commencement of each Contract Year that reflects any New Equipment acquired during the previous Contract Year. Title

to and ownership of the New Equipment shall remain in the Tenant and, subject to Section 7.02(d) below and may be removed by Tenant upon the expiration or earlier termination of this Agreement. The removal of such equipment shall not cause damage to or materially alter the Clubhouse facilities. Any Existing Equipment removed and replaced with New Equipment shall be returned to Landlord.

Section 4.02. Capital Improvements and Fixtures.

(a) All Capital Improvements intended to be undertaken by Tenant involving the alteration, addition or modification to the Clubhouse shall be pre-approved by the Landlord and the cost thereof shall be apportioned between Tenant and the Landlord as they may agree at the time of such Landlord approval.

(b) The Landlord shall determine in its sole discretion whether the Capital Improvement(s) are necessary for the profitable and efficient operation of the Clubhouse. The Landlord shall give great weight to the expertise of Tenant in making this determination. If the Landlord determines the Capital Improvement(s) are necessary, the Landlord and the Tenant shall agree, on a case by case basis, the allocation for the cost of such improvements. Title to and ownership of all Capital Improvements shall remain in the Landlord. The Landlord shall at all times have the right to make Capital Improvements to the Clubhouse in its sole discretion, without a recommendation by Tenant, provided that any substantial Capital Improvements initiated by the Landlord and not recommended by Tenant that materially interrupts operations at the Clubhouse shall give rise to Tenant's right to terminate this Agreement upon thirty (30) days written notice to the Landlord. Material interruptions to Tenant's operations shall be decided on a case-by-case basis which may take into consideration, among other things, the time of year of the interruption, the extent of the interruption to Tenant's operations, and the estimated length of time said interruption is expected to last.

(c) Title to and ownership of all Existing Fixtures shall remain in the Landlord. The Landlord shall at all times have the right to replace, substitute, or add to the Existing Fixtures without a recommendation by Tenant, provided that any such replacement, substitution, or addition that materially interrupts operations at the Clubhouse shall give rise to Tenant's right to terminate this Agreement upon thirty (30) days written notice to the Landlord. Material interruptions to Tenant's operations shall be decided on a case-by-case basis which may take into consideration, among other things, the time of year of the interruption, the extent of the interruption to Tenant's operations, and the estimated length of time said interruption is expected to last.

(d) In connection with the installation, construction, or operation of any New Equipment, Existing Equipment, Capital Improvements, or Fixtures, Tenant shall obtain and maintain in effect all necessary or required permits, licenses and approvals and shall conform with all applicable laws, regulations and ordinances. Tenant shall not permit any mechanics liens or other encumbrances to attach to the Clubhouse property in connection with the installation, construction, or operation of New Equipment, Existing Equipment, Capital Improvements, or Fixtures.

Section 4.03. Repair and Maintenance.

(a) Tenant shall, at its own expense, maintain and inspect all New Equipment and Existing Equipment in accordance with industry standards and applicable state, federal and local laws, regulations, ordinances, and health codes.

(b) Tenant shall, at its own expense, provide for the cleaning, sanitation and general upkeep of the Restaurant and Banquet facilities. Tenant shall not cause or permit waste to occur at the Clubhouse or take any actions or permit any actions which cause any reduction in value or loss or damage to the Clubhouse.

(c) The Landlord shall, at its own expense, perform or cause to be performed all structural inspections, maintenance, and repair of the Clubhouse, including, but not limited to, the roofing system, exterior masonry, exterior paving, and the sewage, HVAC, fire suppression, and electrical systems serving the Clubhouse. The Landlord shall be responsible for such exterior and parking area maintenance as landscaping, snow removal and mowing. The Landlord shall pay for maintenance and repair of all Capital Improvements and Fixtures approved in accordance with Section 4.02. Notwithstanding the foregoing, the Landlord shall not be required to pay for such items in the event the maintenance and/or repair is necessitated by the negligent or improper operation by Tenant, its employees, agents or assigns of the Clubhouse facilities, Capital Improvements, or Fixtures, in which case the cost shall be paid by Tenant.

Section 4.04 Clubhouse Inventory. Tenant shall provide or cause to be provided, at its own expense, all supplies and inventory necessary for the operation of the Clubhouse. Tenant shall be solely responsible for such supplies and inventory and shall indemnify and hold the Landlord forever harmless for any loss or damage to the same due to fire, water, theft, vandalism, forced entry, or any other cause and the Landlord shall not be charged for such loss or damage. Tenant shall be solely responsible for all cash and merchandise losses resulting from spoilage, accident, theft, dishonesty, vandalism or any other cause and shall hold the Landlord harmless therefor.

ARTICLE V

Fees

Section 5.01. Rent.

(a) Tenant shall pay to the Landlord a Fee as follows:

Tenant shall pay a base amount as set forth below, which shall be applied to Tenant's portion of the real estate taxes and utility costs.

Year 1 - \$2,000 per month – 1st payment shall be made on or before August 1, 2018 then the first of each and every month thereafter. Year 1 shall run from March 1, 2018 through December 31, 2018.

Year 2 - \$2,000 per month (Year 2 shall run from January 1, 2019 through December 31, 2019)

Years 3-4 - \$2,500 per month (Years 3 and 4 shall run from January 1, 2020 through December 31, 2021)

Years 5-6 - \$3,000 per month (Years 5 and 6 shall run from January 1, 2022 through December 31, 2023)

Tenant shall pay an additional 3% of its gross sales per month for years 1-4, with the first of said payments being made on or before August 1, 2018 and then the first of each and every month thereafter. Tenant shall pay an additional 4% of its gross sales per month for years 5-6. Payments for Tenant's gross sales per month shall be applied to cover any unpaid real estate taxes and/or utility costs for that month. Any sums remaining after the real estate taxes and utility costs have been paid shall be retained by Landlord as and for rent.

ARTICLE VI

Insurance; Indemnification; Damage or Destruction

Section 6.01. Insurance.

(a) Tenant shall, at its cost and expense, procure and maintain, throughout the Term of this Agreement, insurance against any damage, loss, or liability arising or claimed to have arisen out of the use, occupancy, or operations of the Clubhouse as follows:

(i) Tenant shall purchase and maintain a commercial general liability insurance policy ("CGL") which includes coverage for personal injury liability, broad form property damage liability, premises/operations liability, completed operations/product liability, fire legal liability, medical expenses, and contractual liability which extends coverage to assume the responsibilities arising from this Agreement. The foregoing policy or policies shall have and keep limits of liability in an amount of at least \$5,000,000 Per Occurrence and \$5,000,000 Aggregate. This requirement may be met by procuring a basic policy plus an umbrella or excess liability policy.

(ii) Tenant shall purchase and maintain a business policy providing liability coverage, bodily injury coverage, and property damage coverage for all owned, non-owned, rented, or hired vehicles used in connection with Clubhouse operations, including the Food/Beverage Carts. The business automobile policy or policies shall have and keep limits of liability in an amount of at least \$2,000,000 Per Occurrence and \$2,000,000 Aggregate. This requirement may be met by procuring a basic policy plus and umbrella or excess liability policy.

(iii) Tenant shall purchase and provide such property insurance as is required to cover the replacement cost of all property that it owns and maintains at the Clubhouse, including Existing Equipment and New Equipment, and shall hold harmless the Landlord,

its councilmembers, officers, employees, agents, and assigns for any loss or damage to any such property.

(iv) Tenant shall purchase and maintain workers' compensation insurance in accordance with Chapter 176 of the Minnesota Statutes covering all persons employed by Tenant at or in connection with the Clubhouse. The limits of coverage for the employer's liability portion of this policy shall be at least:

\$500,000	Bodily Injury by Accident, Each Accident
\$500,000	Bodily Injury by Disease, Policy Limit
\$500,000	Bodily Injury by Disease Each Employee

The foregoing liability limits may be met by procuring a basic policy plus an umbrella or excess liability policy.

(v) Tenant shall purchase and maintain liquor liability insurance with minimum limits of liability as follows:

\$2,000,000	Bodily Injury, Each Person
\$2,000,000	Bodily Injury, Each Common Cause
\$2,000,000	Property Damage, Each Common Cause
\$2,000,000	Loss of Means of Support due to bodily injury or property damage, Each Person
\$2,000,000	Loss of Means of Support due to bodily injury or property damage, Each Common Cause
\$2,000,000	Annual Aggregate

Such liquor liability insurance policy shall provide primary coverage as to liability arising in connection with the sale and consumption of wine, liquor and other intoxicating beverages at the Clubhouse.

(b) The Tenant shall take such measures as are necessary to assure that the foregoing limits of insurance coverage are available to cover an insured occurrence or peril at the Clubhouse at all times during the Term of this Agreement. The Landlord makes no representation or warranty as to the sufficiency of the minimum insurance coverage set forth above and the Tenant shall conduct an independent examination to determine the necessary insurance coverage at the Clubhouse.

(c) The Landlord shall be named as additional insureds on all insurance policies procured by Tenant in connection with the Clubhouse, except for the workers' compensation insurance policy or policies.

(d) The Landlord may, from time to time, reasonably adjust the coverages and policies required to be furnished by Tenant hereunder, to comply with applicable laws and regulations of the State of Minnesota or in a manner consistent with the coverages and policies which are typically provided by similarly situated clubhouse facilities.

(e) The Landlord shall, at its sole cost and expense, procure and maintain, throughout the Term of this Agreement, insurance covering the full replacement value of the Clubhouse building and related real property and any Capital Improvements thereto.

(f) Both the Landlord and the Tenant agree to use their best efforts to obtain a waiver of subrogation clause in such insurance policies required under this Agreement.

Section 6.02. Indemnification.

(a) Tenant agrees that the Landlord, its councilmembers, officers, employees, agents, and assigns shall not be liable for and agrees to indemnify, defend, and hold harmless the Landlord, its councilmembers, officers, employees, agents, and assigns against any loss or damage to property or any damages, injury to or death of any person occurring at or about or resulting from the Tenant's operation of the Clubhouse, however, this release and indemnification shall not apply to an entity or person named in this paragraph if the loss, damage, injury or death was caused by the gross negligence or willful or wanton misconduct of such entity or person.

(b) Tenant shall indemnify, defend, and hold harmless the Landlord, its councilmembers, officers, employees, agents, and assigns from all loss, costs, expense, and liability which may be imposed in connection with the Tenant's operation of the Clubhouse arising out of Tenant's misrepresentation or violation of the terms of any insurance policy procured by the Tenant pursuant to Section 6.01 above.

(c) The Parties agree that the foregoing provisions of this Section 6.02 and all other indemnifications contained in this Agreement shall survive the expiration or earlier termination hereof.

Section 6.03. Damage or Destruction. If the Clubhouse or any part thereof shall be damaged by fire or other casualty or peril and if such damage or casualty renders all or a substantial portion of the Clubhouse or improvements therein untenable or renders the Clubhouse or the improvements therein, in the Landlord's opinion, unprofitable to operate, the Landlord or the Tenant shall have the right to terminate this Agreement, provided not less than sixty (60) days prior written notice of such termination is given to the other party.

ARTICLE VII

Term of Agreement; Termination; Winding-Up

Section 7.01. Term. The Term of this Agreement for year 1 shall commence on March 1, 2018 at 12:00 AM and shall expire on December 31, 2018 at 11:59 PM. The Term for years 2-6 shall commence January 1, 2019 at 12:00 AM and shall expire on December 31, 2023 at 11:59PM (the "Term"). Thereafter, Tenant shall have the option to renew for successive five (5) year terms upon the agreement of the Landlord.

Section 7.02. Termination; Winding-Up.

(a) In addition to any other provisions for termination provided herein, this Agreement may be terminated prior to the expiration of the Term as follows:

(i) Upon One Hundred Eighty (180) Days prior written notice by either of the Parties.

(ii) immediately upon voluntary or involuntary petition by or against Tenant under the federal Bankruptcy Act, as such Act may be amended from time to time, or under any similar or successor federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or any filing by Tenant of an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or any adjudication that Tenant is bankrupt, all of which shall constitute a Default under this Agreement, provided, in the event of an involuntary bankruptcy petition, the Tenant shall be allowed ninety (90) days to cause such petitions to be dismissed.

(iii) by the Landlord upon Default by Tenant in accordance with Section 8.01 hereof and by the Tenant upon a Default by the Landlord in accordance with Section 8.02 hereof, provided, such defaults are not cured within the period allocated therein.

(iv) Damage or destruction of the Clubhouse facilities pursuant to Section 6.03 of this Agreement.

(v) Upon a taking of the Clubhouse property by eminent domain proceedings pursuant to Section 9.04 of this Agreement.

(vi) By the Tenant upon receiving written notice from the Landlord that the Clubhouse will be closed for business for a period in excess of thirty (30) consecutive days or upon receiving written notice from the Landlord that the Green Haven Golf Course will be closed for business for a period in excess of thirty (30) consecutive days during the golf season established by the Landlord.

(b) Upon the expiration or earlier termination of this Agreement for any reason, the Landlord shall have full authority to re-enter and take full possession of the Clubhouse without hindrance or demand, and without the necessity of obtaining any legal process.

(c) Upon expiration or earlier termination of this Agreement for any reason, Tenant shall surrender the Clubhouse to the Landlord, along with: (i) all Fixtures or replacements thereof, which shall be in good condition except for ordinary wear and tear; and (ii) all other items owned by the Landlord pursuant to Article IV of this Agreement; and (iii) all Existing Equipment, New Equipment, and Clubhouse inventory which is purchased by the Landlord. Any New Equipment and Clubhouse Inventory which is not removed by Tenant upon surrender or vacation of the premises, and has not otherwise been purchased by the Landlord, shall be deemed to have been abandoned and title thereto shall vest in the Landlord.

(d) The indemnity provisions contained in Sections 6.02 shall survive the expiration or earlier termination of this Agreement.

ARTICLE VIII

Default by Tenant; Default by the Landlord

Section 8.01. Default by Tenant.

(a) Any failure by Tenant to operate the Clubhouse in accordance with the terms, conditions, representations, and obligations set forth in this Agreement shall constitute a "Default" by Tenant under this Agreement.

(b) In the event of any Default on behalf of Tenant under this Agreement, the Landlord shall give the Tenant written notice specifying the particulars of such Default. If Tenant fails or refuses to remedy such Default to the satisfaction of the Landlord within ten (10) days for monetary defaults and within thirty (30) days after such notice in the case of all other Defaults, the Landlord may, at its option, terminate this Agreement. If Tenant promptly commences to cure a nonmonetary Default after the Landlord's notice thereof, the time allotted to cure such Default shall be extended for as long as Tenant diligently prosecutes such cure, provided, however, that such Default is in any event cured within ninety (90) days after the Landlord's notice thereof. In addition to or in lieu of termination of the Agreement and/or damages, the Landlord may take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any installment(s) of the Rent due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant contained in this Agreement.

(c) If a Default by Tenant creates a serious threat to the public safety or the Clubhouse Facilities, the Landlord shall have the right to immediately terminate this Agreement and undertake to cure such Default. If the Landlord exercises its right to cure such Default, Tenant shall be required to reimburse the Landlord for its reasonable costs and expenses incurred in connection with such cure.

Section 8.02. Default by the Landlord.

(a) Any material breach by the Landlord of any term, condition, covenant, or representation contained in this Agreement shall constitute a Default by the Landlord, provided, the Landlord shall fail to cure such Default within thirty (30) days after receipt of written notice from Tenant of such Default. Additionally, if such Default by its nature cannot be cured within thirty (30) days, and the Landlord promptly commences to cure such Default and diligently prosecutes such cure, then said thirty (30) day period shall be extended for as long as the Landlord diligently prosecutes such cure provided, however, that such Default is in any event cured within ninety (90) days after Tenant's notice thereof. Upon Default by the Landlord and failure to cure the same, Tenant may, at its option, terminate this Agreement or take whatever action, including legal, equitable, or administrative action which may appear necessary or desirable to enforce performance or observance of any obligation, agreement, or covenant under this Agreement.

Section 8.03. General.

(a) No remedy herein conferred upon or reserved to the Tenant and Landlord is intended to be exclusive of any 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 occurring upon Default shall impair any such right or power or shall be construed to be a waiver thereof. Any such right or power may be exercised from time to time and as often as may be deemed expedient.

(b) In the event any covenant, agreement, or representation contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous, or subsequent breach hereunder.

(c) Whenever any Default occurs and the non-defaulting party shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement under this Agreement, the defaulting party agrees that it shall, within ten (10) days of written demand by the non-defaulting party, pay to the non-defaulting party reasonable attorneys' fees and expenses so incurred by the non-defaulting party.

ARTICLE IX

Additional Provisions

Section 9.01. Utilities.

(a) The Landlord shall furnish adequate electrical and gas connections to the Clubhouse to permit Tenant to operate the electrical and gas operated equipment at the Clubhouse and shall furnish adequate softened water connections for Clubhouse operation. The Landlord shall provide for garbage and recycling pick up, snow removal, phone, internet and cable tv connections to the tenant. Tenant shall pay a percentage of the building's utility costs based upon the percentage of building space used by Tenant.

Section 9.02. Binding Agreement; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of Tenant and the Landlord, their respective legal representatives, successors, and assigns. Tenant shall notify the Landlord in writing of any material changes in the management of the Clubhouse facilities.

(b) The duties and obligations of Tenant contained in this Agreement may not be delegated, assigned, or subcontracted out to another party either directly or indirectly without the written consent of the Landlord, which consent may be withheld in the Landlord's sole discretion. No such delegation or subcontract, if approved by the Landlord, shall relieve Tenant of its obligations hereunder.

Section 9.03. Notices and Communications.

(a) All notices and other communications provided for in this Agreement shall be in writing and shall be personally delivered or sent by a reputable private commercial courier service or sent by United States registered or certified mail, postage pre-paid, return receipt requested, to the Parties at the following addresses until such time as written notice of a change of address is delivered to the other party:

If to the Landlord: Green Haven Golf Course
2800 Greenhaven Road
Anoka, MN 55303
Attention: Larry Norland

If to Tenant: The Tavern at Green Haven, LLC
2800 Greenhaven Road
Anoka, MN 55303
Attn: Jason Tollette

Any such notice personally delivered or delivered by courier service shall be deemed to be given, delivered, or made upon receipt of the same by the party to whom the same is to be given, delivered, or made. Any such notice sent by certified or registered U.S. mail shall be deemed to be given, delivered, or made two (2) business days after deposit thereof in the United States mail.

(b) The representative of the Landlord and Tenant set forth in Section 9.03(a) above shall maintain open lines of communication concerning Clubhouse operations and shall mutually schedule regular meetings of officials from both parties for the purpose of coordinating the activities of the Clubhouse and the Green Haven Golf Course and to address any matters in connection therewith. Tenant shall meet with a representative of Landlord, as designated by Landlord, at least two times per year to discuss issues related to the operation of the Clubhouse.

Section 9.04. Eminent Domain. If the Clubhouse property or a substantial part thereof shall be taken or condemned by any competent governmental entity for any public or quasi-public use or purpose, then either the Landlord or Tenant shall have the right to terminate this Agreement upon, and not before, the date when the possession of the part so taken shall be required for such use or purpose, provided, not less than sixty (60) days prior written notice of such termination is provided. Tenant shall have no right to share in, or make any claim for, any such condemnation award whether for a total or partial taking.

Section 9.05. Further Actions. Tenant and the Landlord agree to execute, acknowledge, and deliver all contracts, agreements, and other documents and take all actions necessary or desirable to comply with the provisions of this Agreement and the intent hereof.

Section 9.06. Applicable Law. This Agreement is governed by and is to be interpreted pursuant to the laws of the State of Minnesota. The Landlord and Tenant each hereby consent to the personal jurisdiction of the District Court of Anoka County, Minnesota, in any action, suit, or proceeding arising under this Agreement and agree that any such action, suit, or proceeding shall

be venued in such court and agree to waive any objection based on forum non conveniens to the bringing of any action in such court.

Section 9.07. Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the Parties hereto and their respective successors and assigns, and no third parties are intended to or shall have any rights hereunder.

Section 9.08. Authority. Both Parties covenant and warrant that they have been authorized to enter this Agreement by action of their respective boards and each individual signing this Agreement on behalf of an entity hereby warrants that he or she has full Landlord to sign on behalf of such entity and bind such entity thereby.

Section 9.09. Formalities. Any change to or modification of this Agreement must be in writing signed by both Parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument. The captions for each section of this Agreement are intended for convenience only and shall not be deemed to construe or limit in any manner this Agreement. This Agreement is separate and independent of any other document, agreement, or understanding of the Parties. This Agreement constitutes the entire agreement of the Parties with respect to the matters addressed herein.

Section 9.10. Severability. If any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions or any application thereof shall not in any way be effected or impaired thereby.

Section 9.11. Nondiscrimination. Tenant, for itself and its successors and assigns, agrees that it will comply with all affirmative action and nondiscrimination requirements of applicable federal, state and local laws and regulations. Tenant shall be solely liable to any party making a discrimination claim under such laws and regulations involving Tenant's operation of the Clubhouse and agrees to indemnify and hold harmless the Landlord for any liability, damages, costs, or expenses arising solely in connection with such claims.

Section 9.12. Mediation. In the event of a dispute between the Parties with respect to the terms and conditions of this Agreement or the operation of the Clubhouse generally, the parties agree to participate in a mediation to resolve such disputes in accordance with the procedures set forth on Exhibit A attached hereto.

Section 9.13. Data Practices Act. Tenant understands and agrees that all of the data created, collected, received, stored, used, maintained, or disseminated by Tenant in performing its obligations under this Agreement is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13, as amended, and that Tenant must comply with the requirements thereof as if it were a government entity. Tenant further understands and agrees that the remedies set forth in Minn. Stat. § 13.08 apply to Tenant in connection with such requirements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on or as of the date first above written.

City of Anoka

By: 
Phil Rice, Mayor

By: 
Amy Oehlers, City Clerk

The Tavern at Green Haven, LLC

By: 
Its: Chief Manager

By: 
Its: Chief Financial Manager

ORIGINAL LEASE

Exhibit A
Dispute Resolution Procedures

(1) The Tenant or Landlord shall give written notice to the other party, describing briefly the nature of its dispute with the other party with respect to the Clubhouse Management Agreement and/or the operation of the Clubhouse generally. The date of receipt of such notice shall constitute the Submission Date.

(2) The Parties shall have ten (10) days from the Submission Date to agree upon a mutually acceptable neutral person not affiliated with either of the Parties (the "Neutral"). If no Neutral has been selected within such time, the Parties agree jointly to request the American Arbitration Association to supply within ten (10) days a list of potential Neutrals with qualifications as specified by the Parties in the joint request. Within five (5) days of receipt of the list, the Parties shall simultaneously exchange rankings, and shall select as the Neutral the individual receiving the highest combined ranking who is available to serve.

(3) In consultation with the Neutral, the Parties shall promptly designate a mutually convenient time and place for the Mediation (and unless circumstances require otherwise, such time to be not later than ten (10) days after selection of the Neutral).

(4) In the event either of the Parties has substantial need for information in the possession of the other party in order to prepare for the Mediation, the Parties shall attempt in good faith to agree on procedures for the expeditious exchange of such information, with the help of the Neutral if required.

(5) One week prior to the first scheduled session of the Mediation, each party shall deliver to the Neutral and to the other party a concise written summary of its view as to the facts in connection with the matter in dispute.

(6) In the Mediation, each party shall be represented by such persons, including counsel, as needed to respond to questions, contribute information and participate in the negotiations, the number of such additional persons to be agreed upon by the Parties in advance, with the assistance of the Neutral, if necessary (the "Participating Persons").

(7) The Parties, in consultation with the Neutral, will agree upon a format for the meetings, designed to assure that both the Neutral and Participating Persons have an opportunity to hear an oral presentation of each party's view on the matter in dispute, and that the Participating Persons attempt to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others, but with the assistance of the Neutral. To this end, the Neutral is authorized to conduct both joint meetings and separate private caucuses with the Parties. During the Mediation the Neutral will be free to divulge to either party all information learned in private caucus with either party unless specifically requested by a disclosing party to keep such information confidential as to the other party.

(8) The Neutral, not later than thirty (30) days after the first scheduled session of the Mediation, (i) shall provide his or her opinion to both Parties on the matter being mediated and the probable outcome of litigation, and (ii) shall make one or more recommendations as to the terms of a possible settlement, upon any conditions imposed by the Parties. The Neutral shall not base his or her opinions and recommendations on information requested by the Parties to be kept confidential. The opinions and recommendations of the Neutral shall not be binding on the Parties.

(9) The Parties agree to participate in the Mediation to its conclusion (as designated by the Neutral) and not to terminate negotiations concerning resolution of the matters in dispute until at least ten (10) days thereafter. Each party agrees not to commence litigation or seek other remedies prior to the conclusion of the ten (10) day post-Mediation negotiation period; provided, however, that either party may commence litigation within thirty (30) days prior to the date after which the commencement of litigation could be barred by an applicable statute of limitations or at any time in order to request an injunction to prevent irreparable harm or other equitable relief, in which event, the Parties agree (except as prohibited by court order) to nevertheless continue to participate in the Mediation to its conclusion.

(10) The fees of the Neutral shall be shared equally by the Parties. The Neutral shall be disqualified as a witness, consultant, expert or counsel for either party with respect to the matters in dispute and any related matters.

(11) The Mediation is a compromise negotiation for purposes of applicable State and Federal Rules of Evidence. The entire procedure is confidential, and no stenographic, visual or audio record shall be made. All conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the Mediation by either of the Parties, their agents, employees, representatives or other invitees and by the Neutral (who will be the Parties' joint agent for purposes of these compromise negotiations) are confidential and shall, in addition and where appropriate, be deemed to be work product and privileged. Such conduct, statements, promises, offers, views and opinions shall not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the Parties, and shall not be disclosed to anyone not an agent, employee, expert, witness, or representative of any of the Parties; provided, however, that evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the Mediation.