

Lease Agreement

THIS LEASE AGREEMENT (the “Lease”) is made and entered into on this _____ day of _____, 2025 by and between the City of Spring Lake Park, a Minnesota municipal corporation (the “City”), and True North Greens, LLC, a Minnesota limited liability company (the “Tenant”). The City and Tenant are sometimes referred to collectively herein as the “parties” or each a “party”.

WITNESSETH:

The City has purchased the building located at 8480-8492 Highway 65 NE, Spring Lake Park, Minnesota (the “Property”) as part of its long-term economic redevelopment plan. Tenant desires to lease from the City the unit addressed as 8480 Highway 65 NE, Spring Lake Park, Minnesota (the “Premises”), within that building. For a minimum of sixty (60) months the City is willing to lease the Premises to Tenant for operation of a Middle-Eastern restaurant and for no other use or purpose without prior consent of the City.

The Tenant desires to operate the restaurant within the Premises for the term of this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

1. **PREMISES.** The City hereby leases to the Tenant and the Tenant hereby takes from the City for the term and upon the conditions hereinafter provided, the Premises located at 8480 Highway 65 NE, Spring Lake Park, Minnesota and found within the building set within the Property legally described as:

Tract A of Registered Land Survey No. 37, files of the Register of Titles, County of Anoka, State of Minnesota, together with an easement and right-of-way over Tract B, for the purpose of ingress and egress only to Tract “A” of Registered Land Survey No. 37, Anoka County, Minnesota, to pass and re-pass along and over a strip of land situated in County of Anoka, State of Minnesota, described as follows:

The South 7.0 feet and the West 10 feet of Tract B of Registered Land Survey No. 37, as measured parallel with the Southwesterly and West boundary lines of Tract “B”.

Torrens Property

Certificate of Title No. 153801

2. **TERM.** This Lease shall begin on December 17, 2025 and end on December 31, 2030, unless sooner terminated as provided herein, subject to the terms and conditions set forth below:
 - a. Tenant shall have the option to extend the lease once, for an additional thirty-six (36) month term. Tenant shall give the City ninety (90) days' written notice of its intent to extend the lease upon the rental terms set forth in paragraph 3(b) herein.
3. **RENT.** During the initial twelve (12) month and fifteen (15) day term of the Lease, the Tenant agrees to pay the City, without demand, monthly rent in the amount of two thousand five hundred dollars (\$2,500.00). This Lease shall be a "triple net" lease and the rental amount is net of all expenses associated with operation of the Premises as a restaurant including, without limitation, all taxes common area maintenance costs, and insurance associated with the Premises.
 - a. The City shall not charge Rent to Tenant during the month of December 2025; not to include other obligations of Tenant contained within this Lease, which shall be pro-rated for the partial month. City shall also give Tenant four (4) months' rent free commencing January 1, 2026; not to include other obligations of Tenant contained within this Lease. The first lease payment shall be due on or before May 1, 2026.
 - b. Effective on January 1, 2027 and on each annual calendar anniversary of that date thereafter during the term of this Lease and any extensions thereto, Tenant's monthly rent shall be increased by three percent (3%) over the previous year's monthly rent. For illustration, net monthly rent shall be two thousand five hundred seventy-five dollars and no cents (\$2,575.00) from January 1, 2027 through December 31, 2027 and shall be two thousand six hundred fifty-two dollars and twenty-five cents (\$2,652.25) from January 1, 2028 through December 31, 2028.
 - c. Due Date. All monthly installments of rent shall be payable in advance on or before the first day each calendar month during the term. In the event any fractional months occur during the term, the Tenant shall pay rent on a pro rata basis calculated on the ratio of the actual number of days the Tenant is in possession to the total number days in the month in question.
 - d. Independent Covenant. Tenant's obligation to pay the rent, operating costs and other amounts due under this Lease is an independent covenant, and is and shall not be subject to any abatement, deduction, counterclaim, reduction, set-off or defense of any kind whatsoever. The covenants and obligations of the City under this Lease are dependent upon the performance by Tenant of all of its covenants and obligations hereunder.
4. **LEASEHOLD IMPROVEMENTS.** Tenant is taking the Premises and accepting the condition of the Premises "AS IS".

Tenant is responsible for any structural or other alterations, decoration, additions or improvements including: responsibility for clean-up, interior and exterior painting and refurbishing of all areas (for illustration, but not limitation, new over-head lighting, flooring,

ceiling tiles, exterior landscaping/repairs, restroom restoration, maintenance of back of house equipment, as may be required).

Tenant shall not make, and shall not commence, any improvement that has not been previously approved in writing by the City. If any improvement is made or commenced without the City's consent, and the City does not give subsequent approval thereof, the Tenant shall, upon receiving written notice from the City, restore that portion of the Premises affected by the improvement to its preexisting condition at the Tenant's expense.

5. **SECURITY DEPOSIT** Tenant shall pay one full month's gross rent as security deposit. This deposit shall be provided to the City prior to Tenant taking possession of the Premises.
6. **OPERATING COSTS, COMMON AREA CHARGES, TAXES AND UTILITIES.** Tenant shall be responsible for all costs associated with operating and maintaining the Premises, which shall include, without limitation, all charges by public or private companies for utilities such as gas, water, electricity and sewage. The City, as Landlord, shall not be required to furnish Tenant with any of the utilities or services of any kind. In the event Tenant does not pay the utility or other operation or maintenance charges when due, the City may, but shall not be obligated to, pay such charges together with any late fees, fines, penalty or interest. In the event the City exercises its option under the preceding sentence, Tenant shall reimburse the City for all such amounts paid, together with interest at the rate of eight percent (8%) per annum or the greatest rate permitted by applicable law, whichever is less, the total amount of which together with reasonable attorneys' fees shall be additional rent to be paid by Tenant to the City promptly, upon demand.

Tenant shall also be responsible for a pro rata portion of the City's cost to maintain the Property including, but not limited to utilities (gas, electric, water, sewer), routine trash removal, building maintenance, cleaning, electrical service for lighting the parking lot and common areas, cleaning, repair, and maintenance of the parking lot, sidewalks and driveways (as well as snow removal from the same), telephone, cable and internet services.

Tenant shall also be responsible to pay property taxes and insurance. The City shall pay the building/structure insurance and property taxes and these shall be reimbursed by the Tenant to the City on a monthly basis, and in addition to the rent contemplated within this Lease. In the event any fractional months occur during the term, the Tenant shall pay such taxes and insurance costs on a pro rata basis calculated on the ratio of the actual number of days the Tenant is in possession to the total number days in the month in question. In December of each year of the Lease, the City will provide Tenant notice of the amount of the monthly tax and insurance payments which shall be due in the year following. This amount is subject to adjustment via notice of the same in May of each year. Any adjusted amounts shall then take effect during June and continue to the end of that year. The initial tax payment owed by Tenant to City beginning on January 1, 2026 shall be \$429.11/month. The estimated initial insurance reimbursement owed by Tenant to City beginning on January 1, 2026 shall be \$-80.00/month.

Operating costs for which Tenant is responsible and which are determined by Tenant's pro-rata share of Property operating costs shall be determined based upon the approximate number of square feet of the Premises, which is 3,400 square feet, and the total square footage of the total rentable area of the building on the Property, which is 13,100 square feet. Any utilities or similar services which are specifically metered or tracked and attributable

exclusively to the Premises shall be paid by Tenant or reimbursed by Tenant to the City, as applicable.

7. **SIGNAGE.** Any signage, displays, or graphics of any nature whatsoever relative to the business conducted on the Premises, whether located on the Premises, in the Premises, or elsewhere, as well as all other portions of the Premises that may be observed from outside of the Premises, shall be provided at the expense of the Tenant, but shall be subject, however, to the written approval of the City, which approval shall not be unreasonably withheld. As to any signage which Tenant proposes to implement after the date of execution of this Lease, the Tenant shall submit to the City the plans, for the City's approval, for any such signage, displays, or graphics prior to their implementation. If the City's approval is obtained, the Tenant may not thereafter modify the same without again obtaining the City's approval. This provision shall specifically apply to such signage, display, or graphics placed in any window of the Premises, or elsewhere in the Premises, which may be seen from outside the Premises. All signage in place at the time this Lease is executed is specifically approved.
8. **TENANT'S ADDITIONAL WARRANTIES.** In addition to any warranties or covenants made or to be kept by the Tenant pursuant to any other provision contained elsewhere herein, the Tenant hereby agrees:
 - a. To not commit any nuisance or waste on the Premises or Property, throw foreign or hazardous substances in plumbing facilities, or waste the services, if any, furnished by the City;
 - b. To not place any items in or otherwise obstruct entries, halls, stairways, sidewalks, or other Common Areas, and not use the same for anything other than their intended purpose;
 - c. To pay when due all installments of rent, taxes, insurance, and utilities and to comply with any and all of the Tenant's other covenants and agreements contained in this Lease;
 - d. To store all trash and garbage and make the same available for regular pick-up;
 - e. To have a licensed professional clear, as needed, the sewer line on the Premises from the building to the City main to prevent the accumulation of grease in the line and to provide proof of such action to the City, upon demand;
 - f. To conduct its business at all times in good faith, and in a high grade and reputable manner.
 - g. The City and Tenant have been made aware of certain environmental conditions on the Premises and Property which require ongoing remediation. The City has made disclosure of these conditions to Tenant and has installed a vapor mitigation system on the Premises. Tenant agrees to provide the City with reasonable access to the Premises to install, test, and maintain this mitigation system. Tenant, being aware of these environmental conditions, desires to lease the Premises from the City. Further, Tenant agrees to comply with all conditions of use for the Premises as required by the Minnesota Pollution Control Agency. This shall include, without limitation, the

prohibition of use or storage on the Premises of any chlorinated solvents or chemicals containing perchloroethene (PCE) or trichloroethene (TCE).

9. **CITY'S RIGHT TO FIX OR REPAIR.** If the Tenant shall fail to keep and preserve the Premises in the state of condition required by any provision of this Lease, the City may, at its option, provide Tenant with written notice of such failure as provided herein. If the condition specified in any such notice shall continue for a period of ten (10) days after the date of notice, City may, at its option, put or cause the same to be put in the required condition and state of repair without liability to Tenant for any loss or damage that may accrue to Tenant's property or business by reason thereof. In such case, the Tenant, on demand, shall pay as additional rent, the cost thereof together with interest thereon from the date paid together with any attorneys' fees and/or costs incurred by the City in the same way and at the same rate as specified in the City's right to collect interest and attorneys' fees on City-paid utility or operation/maintenance charges, as specified in Section 6 supra.
10. **USE.** Subject to the Tenant's ability and obligation to obtain all necessary governmental approvals, permits and licenses, the Tenant may use and occupy the Premises exclusively for the use as a Middle-Eastern restaurant and make related food and beverage sales permitted by applicable state and local law. The City disclaims any warranty that the Premises are suitable for Tenant's use and Tenant acknowledges that it has had a full opportunity to make its own determination in this regard.
 - a. Compliance with Laws. The Tenant further warrants that it will not commit or permit any act to be performed, or any omission to occur on the Premises or Property that will be in violation of any present or future law, ordinance, regulation or order of any governmental unit having jurisdiction over the Premises. This section shall specifically apply to, without limitation, the conformance with all health, safety, and building codes as the same may relate to any equipment or fixtures on the Premises or to any other aspect of the operation of the Tenant's business, as well as all state and local cannabis laws and regulations.
 - b. Use Restrictions. As a condition of the grant of this Lease by the City, Tenant expressly agrees that, without the express written consent of the City, it shall not utilize the Premises for any other use than a Middle-Eastern restaurant. Without limiting the terms of the prior sentence, Tenant is expressly prohibited from operating a Mexican or Salvadorian restaurant during the term of this Lease, absent separate and express written consent for such operation from the City.

Additionally, should the Premises be joined with any portion of the neighboring property located at 8478 Hwy 65 NE (which shall require City consent), any space consolidated with the Premises must be used exclusively for the Middle-Eastern restaurant use and the site design must ensure that no areas are subject to joint use, access, or operation with the separate operation at 8478 Hwy 65 NE. For removal of doubt, Tenant's separate cannabis dispensary operation at 8478 Hwy 65 NE may not retain any mutual access points with, internal access to, or use or operational rights of, any space consolidated with the Premises. Tenant's restaurant use shall be at all times completely physically and practically separated from the dispensary use and the dispensary use shall not utilize the Premises for any purpose.

- c. Parking Lot and Sidewalk Use. In addition to the use of the Premises, Tenant shall have reasonable and non-exclusive use of the parking lot and sidewalks adjacent to

the Premises. Parking lots and sidewalks serving the building on the Property are for the use of all tenants in the building, unless otherwise provided for, in writing, by the City. The City reserves the right to use or lease to others portions of the parking lot at its discretion, provided that such usage or rental does not unreasonably interfere with the normal conduct of Tenant's business. Tenant shall not place obstructions of any kind within the parking lot, driveways, or sidewalks which will interfere with normal traffic either motorized or pedestrian. Tenant shall have non-exclusive use of the parking lots, both back and front, for parking by its employees and customers and access for its vendor vehicles, service vehicles, and for garbage and refuse container enclosures, as such may be required by the City. Such enclosures shall be located in a place or places in compliance with Spring Lake Park City Code and the directives of the City. The parking lot may not be used by Tenant for any other purpose beyond temporary storage of operational vehicles, and refuse containers and enclosures. There shall be no exclusive parking with the prior written consent of the City. The front parking lot is for client and customer parking only. Tenant and its employees shall park at the rear of the building.

11. **MAINTENANCE AND REPAIR.** The City shall maintain the foundations, exterior walls (except plate glass or other breakable materials used in structural portions which shall be the responsibility of the Tenant as to that portion of such plate glass or other structural materials that may be located within or form part of the boundary of the Premises) and roof of the Premises in good repair, ordinary wear and tear excepted, unless the need for any such repair or replacement is directly or indirectly attributable to or results from activity being conducted within the Premises, or is necessary to accommodate Tenant's operations, or becomes necessary by reason of the negligence of the Tenant, its agents, servants, employees, or anyone else for whose acts the Tenant is responsible. The costs of routine maintenance and repair of the Premises shall be paid directly by the Tenant.

- a. Tenant's Maintenance Obligations. The Tenant, at its own expense, shall maintain the Premises and the parking lot, both in front and in back of the lease space in a neat and clean condition and at all times in as good condition and repair of equal quality with the original work and condition, ordinary wear and tear excepted, and in a clean, sanitary, and safe condition in accordance with all applicable laws, ordinances, and regulations; including, without limitation, all plumbing, sewage, ventilating, and electrical systems serving the Premises, doors, windows, floors and floor coverings, interior walls and all interior painting and decorating, and all equipment, facilities, fixtures, and appurtenances. The Tenant shall permit no waste, damage, or injury to the Premises. If the Tenant refuses or neglects to commence necessary repairs within a reasonable time period (no longer than ten (10) consecutive days) after written request, or does not adequately complete such repairs within a reasonable time thereafter, the City may make the repairs without liability to the Tenant for any loss or damage that may occur to the Tenant's stock or business by reason thereof, and if the City makes such repairs, the Tenant shall pay to the City the amount so paid by the City and/or all costs and expenses incurred by the City in making the above maintenance or repair, including reasonable attorneys' fees, shall be deemed to be additional rent for the Premises and shall be due and payable by the Tenant to the City on demand.
- b. Glass Windows. The Tenant shall replace, forthwith, any cracked or broken glass with glass of the same quality, including plate glass or glass and other breakable materials used in structural portions in any interior or exterior windows and doors in

the Premises. If not covered by Tenant's insurance, the Tenant shall bear the expense of any such glass replacement directly.

12. **CITY'S RIGHT OF ACCESS.** The City, its employees, and agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting, cleaning, or repairing the Premises, or any portion thereof, or to exhibit the Premises to prospective tenants, purchasers, or others the City may deem appropriate. Specifically, the City, its employees, or agents shall also be permitted to install on or through the Premises conduits or other utility lines or services at the City may deem necessary or appropriate.
13. **ALTERATIONS.** Tenant shall not make any alterations, additions, or improvements in or to the Premises, or add, disturb, or in any way change any plumbing or wiring therein without the written consent of the City as to the character and detailed plans of the alteration, addition, or improvement to be made, the manner of doing the work, the appropriate indemnifications for the City, the persons to do the work, the providing of the costs therefore, the returning of the Premises to the condition in which they were at the commencement (if required by the City), and other requirements or assurances that may be required by the City.
14. **ASSIGNMENT OR SUBLETTING.** Tenant will not assign, transfer, mortgage or encumber this Lease or sublet or rent or permit occupancy or use of the Premises, or any part thereof by any third party; nor shall any assignment or transfer of this Lease be effectuated by operation of law or otherwise, (any of the foregoing being hereinafter referred to as an "Assignment") without in each such case obtaining the prior written consent of City, which consent shall not be unreasonably withheld. The consent by City to any Assignment shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any transferee under an Assignment constitute an acceptance of the Assignment or a waiver or release of Tenant or any transferee or any covenant or obligation contained in this Lease, nor shall any Assignment be construed to relieve Tenant from the requirement of obtaining the consent in writing of City to any further Assignment. Any Assignment shall require a corresponding personal guaranty in a form and by a person or persons acceptable to the City. In the event a sublease involves the utilization of the Premises by a sublessee in conjunction with other property to be consolidated with the Premises, the terms of all subleases related to that use must specify that termination of this Lease shall concurrently terminate the sublease of the entire consolidated leased space.
15. **FIRE OR OTHER CASUALTY.** If fire or other casualty shall render the Premises un-tenantable for a period in excess of ninety (90) days, either party shall have the right to terminate this Lease forthwith, in which case all rent owed to the City shall be calculated and paid to the City within ten (10) days of the City's request therefore and any prepayments of rent shall be credited against the rent owed to the City. If the Premises can be restored to a tenantable condition within ninety (90) days from the date of such event, then, at the City's option, by notice in writing to the Tenant, mailed within thirty (30) days after such event, this Lease shall remain in full force and effect, with the exception that the rent for the period during which the Premises were un-tenantable shall be abated pro rata.
16. **CONDEMNATION: EMINENT DOMAIN.** If the whole of the Premises shall be taken by any public authority under the power or threat of eminent domain, then the Term of this Lease shall cease as of the day possession shall be taken by such public authority, and the rent shall be paid up to that date with a proportionate refund by City of such rent as may have been paid in advance, if any. If a portion of the Premises shall be taken by any public

authority under the power or threat of eminent domain, the rent shall be abated pro rata based on the percentage of square footage taken.

17. **SURRENDER AND TREATMENT OF IMPROVEMENTS.** On the last day of the Term or on the sooner termination thereof, the Tenant shall peaceably surrender the Premises in the condition required of the Tenant and consistent with the Tenant's duty to make alterations, modifications, or repairs pursuant to this Lease. All permanent alterations, additions, improvements and fixtures, other than trade fixtures, that may be made or installed by either of the parties hereto on the Premises shall, at the time of such installation, become the property of the City and shall remain on and be surrendered with the Premises as a part thereof, without damage or injury and without compensation or credit to the Tenant unless the City, at its option, requires the removal of any such alterations, additions, improvements, or fixtures. All nonpermanent alterations, additions, improvements, and fixtures that may be made or installed by the Tenant on the Premises shall remain at all times the property of the Tenant and shall be removed by the Tenant on termination of this Lease.

- a. Designation by City. At the time the Tenant applies for the City's written consent to any alterations, additions, improvements, and fixtures, the City shall determine, in its reasonable discretion, which are to be deemed permanent and which are nonpermanent for purposes hereof, provided, however, that failure of the City to do so shall not be deemed a waiver of its right to do so at a later time, or of any of its other rights with respect thereto pursuant to statute or common law.
- b. Tenant's Failure to Surrender. If the Premises are not surrendered at the end of the Term or sooner termination thereof, the Tenant shall indemnify the City against any loss or liability from delay by the Tenant in so surrendering the Premises, including, without limitation, claims made by any succeeding Tenant founded on such delay. The Tenant shall promptly surrender all keys for the Premises to the City at the place then fixed for payment of rent and shall inform the City of combinations on any locks and safes on the Premises.
- c. Holding Over. In the event that the Tenant, with the City's express permission, remains in possession of the Premises after the expiration of its Lease without the execution of a new Lease, it shall be deemed to be occupying the Premises as a tenant from month-to-month, subject to all the conditions and provisions of this Lease, insofar as the same can be applicable to a month-to-month tenancy, except that the rent shall be double the monthly rent amount of the last month of the Lease prior to expiration.

18. **DEFAULT.** The following shall constitute an "Event of Default" under the terms of this Lease:

- a. If the Tenant shall fail to timely pay, when due, any rent or other sums due under this Lease, any such rent or other sums shall remain unpaid for ten (10) days after the same becomes due;
- b. If the Tenant shall fail to observe or perform any of the covenants, terms or conditions of this Lease;

- c. The existence of any collusion, fraud, dishonesty or bad faith by or with the acquiescence of the Tenant, which in any way relates to or affects this Lease or the Premises;
- d. If at any time any material representation, statement, report or certificate made now or hereafter by the Tenant is not true and correct, or if at any time any statement or representation made by the Tenant is not true and correct, and such representation, statement, report or certificate is not corrected within ten (10) days after written notice thereof;
- e. If all or a substantial part of the assets of the Tenant are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days;
- f. If the Tenant is enjoined, restrained or in any way prevented by court order from performing any of its obligations hereunder or conducting all or a substantial part of its business affairs; or if a proceedings seeking such relief is not dismissed within thirty (30) days of being filed or commenced;
- g. If a notice of lien, levy or assessment is filed of record with respect to all or any party of the property of the Tenant by the United States, or any other governmental authority, unless contestable and actually and diligently contested in accordance herewith;
- h. If the Tenant shall file a voluntary petition for bankruptcy or for arrangement, reorganization or other relief under any chapter of the Federal Bankruptcy Code or any similar law, state or federal, now or hereafter in effect;
- i. If the Tenant shall file an answer or other pleading or any proceeding admitting insolvency, bankruptcy, or inability to pay its debts as they mature;
- j. If, within thirty (30) days after the filing against it of any involuntary proceedings under the Federal Bankruptcy Code or similar law, state or federal, now or hereafter in effect, the Tenant shall fail to have such proceeding vacated;
- k. If the Tenant shall fail to vacate, within thirty (30) days following the entry thereof, any order appointing a receiver, trustee or liquidator for it or all or a major party of its property, either on or off the Premises;
- l. If the Tenant shall be adjudicated as bankrupt;
- m. If the Tenant shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all of the major party of its property, or the Premises;
- n. If the Tenant shall die, or shall be judicially declared to be incompetent if a natural person, or if such Tenant is a firm, partnership, company or corporation, be dissolved, terminated or merged, except as the same shall constitute an Assignment pursuant to Section 14 hereof to which the City gives consent;

- o. If the Tenant shall sell, convey, transfer or assign all or a major portion of its inventory, fixtures or other personal property, either on or off the Premises, without replacing same with comparable equivalents within thirty (30) days;
- p. If the Tenant shall sell, convey, transfer or assign any of the Tenant's rights, title, or interest in the Premises of this Lease, unless with the consent of City in accordance with Section 14 hereof;
- q. If the Tenant abandons the Premises before the end of the Term;
- r. If the Tenant shall, at any time during the Term of this Lease, fail to carry in full force and affect any of the insurance coverage required by Paragraph 23 of this Lease.
- s. If the Tenant permits, by consent or inaction, utilization of the Premises or any portion thereof, or any spaces consolidated with the Premises, for any purpose other than use as a Middle-Eastern restaurant.

19. RESERVED.

20. DEFAULT – NONPAYMENT OF RENT OR OTHER SUMS DUE. If any installment of rent or any sum due under this Lease is not paid by Tenant by the tenth day of a month: (i) a one-time late charge in the amount of one hundred dollars (\$100.00) shall become immediately due and payable as compensation to City for administrative costs; and (ii) the unpaid balance due City shall bear interest at the Interest Rate from the date such installment became due and payable to the date of payment thereof by Tenant, and such late charge(s) and interest shall constitute additional rent hereunder which shall be immediately due and payable. The "Interest Rate" as used herein means the lesser of: the maximum rate permitted by law; and eight percent (8%) per annum.

21. NO WAIVER. No payment by Tenant or receipt by City of a lesser amount than the monthly installments of rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or state on a check or letter accompanying a check for payment of rent be deemed an accord and satisfaction, nor shall acceptance of rent with knowledge of breach constitute a waiver of the breach, and City may accept such check or payment without prejudice to City's right to recover the balance of such rent, to terminate this Lease, to repossess the Premises or to pursue any other remedy provided in this Lease. No re-entry by City, and no acceptance by City of keys from Tenant shall be considered an acceptance of a surrender of the Lease.

22. REMEDIES. Upon the occurrence of any Event of Default, the City shall have any one or more of the following remedies:

- a. The City may immediately terminate this Lease by notice to Tenant. Upon such termination by the City, Tenant will at once surrender possession of the Premises to the City and remove all of Tenant's effects therefrom; and the City may forthwith re-enter the Premises and repossess itself thereof, and remove all persons and effects therefrom using such force as may be necessary without being guilty of trespass, forcible entry or detainer or other tort.

- b. Enter upon and take possession of the Premises by picking or changing the locks if necessary, and lock out, expel or remove Tenant or any other person who may be occupying the Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefore, with or without having terminated this Lease;
- c. City may enter upon the Premises by force if necessary without being liable for prosecution or any claim for damages therefore, and remedy such default for the account and at the expense of Tenant without thereby waiving such default, and Tenant further agrees that the City shall not be liable for any damages resulting to the Tenant from such action;
- d. Whether or not this Lease has been terminated, City may, but shall not be obligated to, attempt to relet the Premises for the account of Tenant in the name of City or otherwise, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and for such terms (which may include concessions or free rent) and for such uses as City, in its uncontrolled discretion, may determine, and may collect and receive the rent therefore.
- e. No termination of this Lease pursuant to Subsection (a) or repossession of the Premises pursuant to Subsection (b) shall relieve Tenant of its liabilities and obligations under this Lease, all of which shall survive any such termination or repossession. In the event of any such termination or repossession, whether or not the Premises shall have been relet, Tenant shall pay to City the rent, operating costs, and other sums and charges to be paid by Tenant up to the time of such termination or repossession, and thereafter Tenant, until the end of what would have been the Term in the absence of such termination or repossession, shall pay to City, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the rent, operating costs, and such other sums and charges which would payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds, if any, of any reletting effected pursuant to the provisions of Subsection (d) after deducting all of City's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, attorneys' fees, alteration costs, and expenses of prepare for such reletting. Tenant shall pay such current damages to City monthly on the days on which the rent would have been payable under this Lease if this Lease were still effect, and City shall be entitled to recover the same from Tenant on each such day.
- f. In the event the Tenant deserts, vacates or abandons the Premises, the City may immediately dispose of any perishable materials on site, including without limitation cannabis products, in the City's discretion, and may remove and store any personal property which remains in the Premises. In addition to the City's other rights, the City may dispose of the stored personal property if the Tenant does not claim the property within twenty-eight (28) days after the date the property is stored. The City may charge a reasonable storage fee, which fee Tenant must pay before claiming the property. The City shall deliver by certified mail to the Tenant, at the address specified for notice to the Tenant herein, a notice that the City may dispose of the property if the Tenant does not claim it within twenty-eight (28) days after the date the property is stored.

- g. The City may bring an action in a court of competent jurisdiction to collect any amounts due and owing under this Lease and/or to compel the Tenant to perform any and all of Tenant's obligations under this Lease.
- h. The City may charge all costs to cure any default or offset any loss caused by the Tenant's default to the Tenant as additional rent; and
- i. The Tenant shall pay, in addition to the rent and other sums agreed to be paid hereunder, all costs, including without limitation reasonable attorneys' fees, incurred by the City that result from enforcing the provisions of this Lease.

23. **INSURANCE.** The Tenant agrees to secure and keep in force from and after the Commencement Date of this Lease and throughout the full Term of the Lease, at the Tenant's own cost and expense, the following:

- a. "All Risk" property insurance on Tenant's improvements; such insurance shall include coverage for the full replacement value of Tenant's leasehold improvements, trade fixtures and personal property within the Premises.
- b. Commercial general liability insurance on the Premises as well as the Premises, providing coverage on an "occurrence" rather than a "claims made" basis, which policy shall include coverage for Bodily Injury, Property Damage, Personal Injury, Contractual Liability (applying to this Lease), and Independent Contractors, in current Insurance Services Office form or other form which provides coverage at least as broad. Tenant shall maintain a combined policy limit of at least two million dollars (\$2,000,000) applying to Bodily Injury, Property Damage and Personal Injury, which limit may be satisfied by Tenant's basic policy, or by the basic policy in combinations with umbrella or excess policies so long as the coverage is at least as broad as that required herein. Such liability, umbrella and/or excess policies may be subject to aggregate limits so long as the aggregate limits have not at any pertinent time been reduced to less than the policy limit stated above, and provided further that any umbrella or excess policy provides coverage from the point that such aggregate limits in the basic policy become reduced or exhausted. City shall be named as an additional insured under all such policies.
 - i. Other Requirements. All policies of insurance procured by the Tenant shall:
 - ii. Be issued by insurance companies reasonably acceptable to the City;
 - iii. Be written as primary policies; not contributing with and not in excess of coverage that the City may carry;
 - iv. All comprehensive general liability insurance procured by the Tenant under this section shall be issued for the benefit of the City, the Tenant and the owner of the Premises, as their respective interests may appear;
 - v. Contain endorsements providing as follows:
 - 1. That such insurance may not be materially changed, amended, or canceled with respect to the City except after twenty (20) days' prior written notice from the insurance company to the City, sent by registered mail;
 - 2. That the Tenant be solely responsible for the payment of all premiums under such policy and that the City shall have no obligation for the payment thereof notwithstanding that the City is or may be named as an insured.

- c. Proof of Coverage. The original policy or policies, or duly executed certificates for the same, together with reasonably satisfactory evidence of payment of the premium thereof, shall be delivered to the City within five (5) days of the date of execution of this Lease, and on renewals of such policies not less than twenty (20) days prior to the expiration of the term of any such coverage.

24. GENERAL PROVISIONS.

- a. Waiver and Release. Notwithstanding anything apparently to the contrary in this Lease, City and Tenant hereby release one another and their respective partners, officers and employees from any and all liability (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage: 1) Attributable to Tenant which is covered by property insurance in compliance with Paragraph 23; and 2) Attributable to the City which is coverable by a customary form of policy of the insurance required by Paragraph 23. These waivers shall apply even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.
- b. Indemnification of City. Tenant assumes all liability and obligation and Tenant shall indemnify and hold harmless the City from and against all liabilities, damages, claims, fines, penalties, costs and other expenses, including reasonable attorneys' fees, which may be imposed upon, incurred by, or asserted against the City by reason of any of the following: (a) any use or condition of the Premises or any part thereof; (b) any personal injury or property damage occurring on the Premises; (c) any negligence on the part of Tenant its agents, contractors, licensees, or invitees; (d) any failure to comply with any requirements of any governmental authority as to Tenant's specific use of the Premises; (e) any prosecution or defense of any suit or other proceeding in discharging the Premises or any part thereof from any liens, judgments, or encumbrances created upon or against the same or against Tenant's leasehold estate caused by Tenant; (f) any proceedings in obtaining possession or termination of this lease by forfeiture or otherwise; (g) any litigation commenced by or against Tenant to which the City is made a party without any default on the part of the City; and (h) any failure on the part of Tenant to perform or comply with any covenant or agreement required to be performed or complied with by Tenant hereunder.
- c. Mechanic's Liens. The Tenant agrees to promptly pay all sums of money in respect of labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to the Tenant in or about the Premises, and the Tenant shall not permit any mechanic's, material man's, or other lien to arise or be filed against the Premises, the Property, or the City's interest therein. The Tenant shall save, hold harmless, and defend the City from liability or other damage that the City may incur as a result of such liens in the event the same arise or are filed in contravention of the immediately preceding sentence. If any such mechanic's lien shall at any time be filed, the Tenant shall forthwith cause the same to be discharged or record by payment, bond, order of a court of competent jurisdiction or otherwise, provided the Tenant first posts a bond in favor of the City in a form and substance acceptable to the City, which shall be conditioned on the successful contest by the Tenant of any such liens. The Tenant shall have the right to contest in good faith, any and all such liens. If the Tenant shall fail to cause such lien to be discharged within thirty (30) days after being notified of the filing thereof and before judgment or sale thereunder, then, in addition to any

other right or remedy the City may, but shall not be obligated to, discharge the by paying the amount claimed to be due or by bonding or other proceeding deemed appropriate by the City, and the amount so paid by the City and/or all costs and expenses incurred by the City in procuring the discharge of such lien, including reasonable attorneys' fees, shall be deemed to be additional rent for the Premises and shall be due and payable by the Tenant to the City on demand. Nothing contained in this Lease shall be construed as a consent on the part of the City to subject the City's estate in the Premises or any portion of the Premises to any lien.

- d. Subordination of Lease to Mortgages. This Lease shall be subject to and subordinate at all times to the lien of existing mortgages and/or mortgages which may hereafter be made a lien against the Premises or the Property, with the consent of the City. No instrument or act on the part of the City shall be necessary to effectuate such subordination; provided, however, the Tenant will upon request of the City execute and deliver such further instruments subordinating this Lease to the lien of such mortgage or mortgages as may be requested by the City. Tenant hereby irrevocably appoints the City an attorney-in-fact to execute and deliver any such instruments for the Tenant. Upon foreclosure of any mortgage wherein the mortgagee succeeds to the rights of the City, Tenant shall, upon written request of said mortgagee, not withstanding any other provisions of this Lease, attorn to said mortgagee for the balance of the Lease term set forth herein and on the same terms and conditions set forth herein, provided Tenant's tenancy hereunder shall not be disturbed.
- e. Keys. Any and all keys to the Premises shall be surrendered to City on the termination of this Lease.
- f. No Partnership, Joint Venture, or Fiduciary Relationship Created. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the City and the Tenant, it being understood that the sole relationship created hereby is one of the landlord and tenant.
- g. Light and Air. This Lease does not grant any rights to light and air over any premises adjacent to the Premises or the Property.
- h. Additional Payments. All payments required of the Tenant hereunder in addition to the base rent as provided in this Lease shall constitute contractual obligations of Tenant hereunder. In the event of non-payment, upon demand, the City shall have all the rights and remedies herein provided for an event of non-payment of rent or breach of condition and covenants, and may consolidate such obligations or pursue remedies individually. In the event that Tenant fails to timely pay all rents or other charges due hereunder or is in default of any other provision of this Lease and the City places the matter in the hands of an attorney for action, Tenant agrees to pay the City's reasonable attorneys' fees and costs incurred in connection with the enforcement of this Lease, whether litigation is actually filed or not.
- i. Building Expansions. The City shall have the right to make any additions to the building on the Property, either structural or cosmetic, which in the City's discretion is deemed appropriate, including without limitation additions and subtractions to the size of the building.

- j. Cumulative Rights. No right or remedy herein conferred on or reserved to the City is intended to be exclusive of any other right or remedy provided by law, but each shall be cumulative in and in addition to every other right or remedy given herein or elsewhere, or hereafter existing at law, in equity, or by statute.
- k. Notices. All communications, demands, notices or objections permitted or required to be given or served under this Lease between the City and Tenant shall be in writing and shall be deemed to have been duly given or served if delivered in person to the other party or its duly authorized agent, or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or if delivered by Federal Express or any other nationally recognized courier company and addressed to the other party to this Lease to the address set forth below:

As to City,
The City of Spring Lake Park
Attention: Administrator
1301 81st Avenue NE
Spring Lake Park, MN 55432

As to Tenant,
Mutaz A M Amro
8478 Central Avenue Northeast
Spring Lake Park, MN 55432

Any notices or objections permitted or required to be given to Personal Guarantor shall be in writing and shall be deemed to have been duly given or served if sent to the following Designated Email address:

As to Personal Guarantor,
Designated Email: mutazamro191@gmail.com

Any notices or objections permitted or required to be given by Personal Guarantor to the City shall be in writing and delivered to the physical address listed supra or otherwise served in compliance with the same notice requirements for notices between the City and Tenant.

Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth (10th) day after giving of such notice, such newly designated address shall be such party's address for the purposes of all communications, demands, notices, or objections permitted or required to be given or served under this Lease.

- l. Successors and Assigns. This Lease shall be binding on and inure to the benefit of the parties hereto and their respective assigns, executors, heirs, personal representatives, and successors, provided, however, that nothing in this section shall be interpreted as granting the Tenant the right to assign this Lease or sublet the Premises.
- m. Amendment, Modification, or Waiver. No amendment, modification, or waiver of any condition, provision, or term of this Lease shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or its duly authorized

representative, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default shall not affect or impair any right arising from any subsequent default.

- n. Severable Provisions. Each provision, section, sentence, clause, phrase, and word of this Lease is intended to be severable. If any provision, section, sentence, clause, phrase or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Lease.
- o. Entire Agreement. This Lease contains the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter.
- p. Captions, Headings, or Titles. All captions, headings, or titles in the paragraphs or sections of this Lease are inserted for convenience of reference only and shall not constitute a part of this Lease as a limitation of the scope of the particular paragraphs or sections to which they apply.
- q. Construction, Venue. This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota. Any action to enforce the terms of this Lease shall be brought in a court of competent jurisdiction in Anoka County, Minnesota. No provision of this Lease shall be construed by any court against either party by reason of such party being deemed to have drafted or structured each provision.
- r. Time of the Essence. Time is of the essence of this Lease, and of each and every covenant, term, condition, and provision hereof.
- s. Personal Guaranty. In consideration of, and as an inducement for the granting, execution, and delivery of the Lease by the City to Tenant, the undersigned Tenant representatives (the "Guarantors") unconditionally guaranty to the City and its successors and assigns the full and prompt payment of any and all sum and charges payable by Tenant and its successors and assigns pursuant to the Lease. Guarantors further guaranty the full and timely performance of all terms and conditions of the Lease to be performed by Tenant for the entirety of the Lease term, including an extensions thereof, and hereby covenant and agree that if default shall at any time be made by Tenant in the payment of rent or other costs due under the Lease, or if Tenant shall otherwise breach the terms of the Lease, Guarantors shall pay all rent and other costs owed pursuant to the Lease to the City, its successors and assigns, and any late fees or charges as well as any costs, attorneys' fees and other damages associated with Tenant's occupancy of the Premises and/or the City's cost of enforcing the Lease and/or eviction of Tenant for breach of the Lease. The obligations of all Guarantors shall be joint and several and each undersigned Guarantor warrants that he/she is a principal of Tenant and hereby agrees and acknowledges that he/she is jointly and severally liable with Tenant and the other Guarantors of this Lease for all obligations under the Lease. This Personal Guaranty cannot be waived except explicitly, in writing, by the City. The City's remedies pursuant to this Personal Guaranty shall be cumulative and separate and the exercise of any one remedy shall in no way limit or prejudice any other remedy. Delay or failure to act shall not act as a waiver of any rights herein. This Personal Guaranty

shall survive termination or expiration of the Lease for a period of two (2) year after the effective date of such termination or expiration.

Prior to taking possession of the Premises, Tenant shall provide to the City company documentation demonstrating each Guarantor's affiliation with Tenant as well as personal addresses, contact information, and driver's license numbers with state of licensure for each Guarantor.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

CITY OF SPRING LAKE PARK

By: _____
Robert Nelson, Mayor

By: _____
Daniel Buchholtz, City Administrator,
Clerk/Treasurer

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025 by Robert Nelson and Daniel Buchholtz the Mayor and Administrator, Clerk/Treasurer of the City Spring Lake Park, a Minnesota Municipal Corporation, on behalf of said company.

Notary Public

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

TRUE NORTH GREENS, LLC, TENANT

By Tenant's Principal:

By: _____
Mutaz A M Amro

Its: _____
Title

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025 by Mutaz A M Amro the _____ of True North Greens, LLC, a Minnesota limited liability company, on behalf of said company.

Notary Public

