



AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, March 30, 2026
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
 - 4.A. Meeting Minutes 03/16/2026
5. Discussion Items
 - 5.A. Approve Lease Agreement with Copperfield Chaska, LLC at the Curling and Event Center
 - 5.B. Adopt Resolution 2026-25 Bond Sale Reimbursement
6. Other Business
7. Adjourn

**- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
MARCH 16, 2025**

1. Call to Order

The meeting was called to order by President Hubbard at 8:23 p.m.

2. Roll Call

Roll call was taken. Present: President Hubbard and Commissioners Grau, Benesh, Hatfield, and Sheveland.

Absent: None.

Also Present: Matt Podhradsky, Executive Director and Elise Durbin, Assistant Executive Director.

3. Adopt Agenda

Motion by Commissioner Sheveland, second by Commissioner Benesh to adopt the agenda as presented.

Motion carried.

4. Approve Previous Meeting Minutes

4.A. Meeting Minutes 12/15/2025

Motion by Commissioner Hatfield, second by Commissioner Grau to approve the minutes from December 15, 2025.

Motion carried.

5. Discussion Items

5.A. Settlement Agreement Related to the Chaska Building Center Site

Assistant Executive Director Durbin presented this item to the Council.

Motion by Commissioner Benesh, second by Commissioner Grau to approve the Settlement Agreement between the EDA, Lariat Companies, Old National Bank, and Old Republic National Title Insurance Company, and authorize the President to execute the agreement.

Motion carried.

6. Other Business

Executive Director Podhradsky said at the next Council meeting, he will have a better update about KFC.

7. Adjourn

Motion by Commissioner Grau, second by Commissioner Benesh to adjourn the meeting at 8:28 p.m.

Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
3/30/2026

Subject: Lease Agreement for Restaurant in Curling and Event Center

Prepared By: Matt Podhradsky, City Administrator

BACKGROUND

In 2015, the City of Chaska opened the Curling and Event Center. As part of that facility, the City went out for an RFP to attract a restaurant into the facility to help serve not only the curlers that would be utilizing the facility but also the public coming into downtown Chaska. During that process we had three proposals that we reviewed, with the final decision coming down to the Crooked Pint restaurant, which is a division of Hightop Hospitality, which owns several other restaurants including Green Mill and Copperfield, as well as multiple catering businesses and catering venues. When choosing Crooked Pint, we were choosing to work with Jeremy Brown, a franchisee of Hightop Hospitality who also owns other restaurants in other communities. The restaurant opened in December of 2015 and recently celebrated its 10-year anniversary.

Except for the period during COVID when the restaurant was closed for several consecutive months, the restaurant at this site has seen success as has been evidenced by the rent we generate off the facility on an annual basis. As we reviewed in our Work Session, the restaurant has leased the space in our building based on a percentage of sales. Specifically, they have leased the space based on 7.5% of the net sales in the restaurant, which have ranged between just under \$3 million per year to over \$4 million per year. In addition, they have been responsible for paying an additional 2.8% of net sales each year to cover the cost of utilities, garbage, cleaning and other common area costs. This has translated to between \$300,000-\$400,000 per year in rent. When we first started the process of developing an RFP for this site back in 2015, the brokers we were working with said that we could feel a restaurant was successful here if it had between \$1.5-\$2 million in annual sales. Given what they have generated, we feel that the restaurant has exceeded expectations, although there are still improvements we would like to see made to help make the experience better for both our restaurant customers and especially our curlers.

Current Lease Renewal

As part of the original lease with Crooked Pint, the lease was structured as a 10-year initial lease, with two 5-year options. As we are nearing the end of our initial 10-year period at the end of April (it got extended for a few months because of the COVID

closure), Crooked Pint did put us on notice that they were intending on renewing their lease for another 5 years. However, in the process of doing that, they approached the City and asked if we would be interested in exploring a new concept through Hightop Hospitality. Specifically, they indicated that they had a newer concept called Copperfield where they had a restaurant in Mendota Heights for the past 5 years, and one they were building in Rosemount that was set to open this spring. While there are some similarities between Crooked Pint and Copperfield in that they do have a large beer selection, along with a wide variety of handheld items and appetizers, what distinguishes Copperfield from Crooked Pint is that they also offer a full breakfast menu and bakery 7-days per week, specialty coffee drinks, a quick serve bakery and coffee counter, as well as a wider selection of full entrees for dinner compared to the Crooked Pint. The inside of the space is also set up less as a pub with a darker color scheme but is a space that has much lighter décor and a brighter feel to bring more sunlight into the space. In addition, Copper Field will be taking advantage of the patio area much more than Crooked Pint, having more furniture with umbrellas to shield from the sun as well as a small stage along the west wall to provide space for smaller performances on the patio.

As part of the process of exploring this option, we did have both Staff from the Curling and Event Center, as well as curlers from different leagues we invited to be a part of taking a tour of the facility in Mendota Heights. This was a good opportunity for us to see the food quality, the variety of food options that they had, how the space functioned, whether we felt it would be a good fit for curlers and the public and what things we think would have to be looked at differently in our space.

Following that, we were able to meet with the owner of Hightop Hospitality, Paul Dzubnar, who would be the one that would directly own this restaurant if we were to convert into a Copperfield. This means that it would no longer be a franchise but would be part of the corporate structure, giving it access to all the benefits of the corporate structure such as access to all marketing and promotions, as well as all caterers. Through those discussions we were able to talk about the things that we felt would be important to accomplish to not only appeal to the public, but also the curlers who are there on a weekly basis.

One of the biggest changes that we talked about, which we think would have a very positive impact on our Curling community, is the addition of permanent stadium seating designated for Curlers and Curling spectators along the glass inside the restaurant, so as not to take tables away from the restaurant when watching curling matches. This has been something that we have not been able to adequately address in the past, with it making it more difficult for us to attract major USCA Events and even things like Junior Bonspeils where parents will often want to come to watch their child. We have also not had the space to have Curling teams be able to gather after a game a socialize while watching other teams play. We really think that this will help create space designed for the curlers that is attached to the restaurant but not part of their dining space. As a part of the design process, Copperfield did agree they could give up that

space to allow this seating to occur, which we view is a major benefit to our Curling Club.

The other item that we talked about is in the Banquet Hall. As you are aware now, we currently have Crooked Pint set up as the Preferred food provider for the venue, with them paying 12% of their revenues from an event to the City for rent. People can bring in other vendors, but the percentage goes up to 17% primarily because it is significantly more work to manage caterers that we only see from time to time than those that we see on a regular basis. Crooked Pint had two menu options to choose from, which did sometimes have people utilizing other places to place food orders. However, what we typically saw was one of three things happening. We either saw them using Crooked Pint, we saw them use a restaurant serving a specific type of ethnic food because very few were able to make it, or we saw people have places such as HyVee catering things like sports banquets purely because of price point. We did not see a lot of other restaurants in the community catering in this space.

As Hightop Hospitality comes in, they have asked to be the exclusive caterers for the Event Center. When we only had Crooked Pint, we felt that we did not have the ability to have them be the exclusive caterers for events because they only had two options, and they did not meet all food needs and price points. We saw this especially with ethnic food options. With Hightop Hospitality Group, the advantage we would have with having them be exclusive is that our customers would have the option of 5 different menus with 5 very different food options and 5 very different price points. They still would not be able to serve many of the ethnic food options. However, an advantage that they do have is that they have relationships with many restaurants around the Twin Cities. They would work to provide multiple "vetted" options for many different ethnic food varieties, providing both quality food, but also a variety of price points and the qualifications to serve in a banquet setting. They have also committed that while they would manage each of these outside food vendors (really taking our Staff out of that function, which is not our specialty) they would not mark up the food beyond what the restaurant is charging to them. And for those who feel that the choices that are presented for Ethnic Food options are not satisfactory to them, Hightop would allow them to identify and bring in another food vendor, assuming that Hightop could vet the restaurant to make sure that they meet all food safety and handling criteria to provide a safe event. There would be an administrative fee for going through this vetting process, but it would provide additional options for people while still making sure we have vendors providing service within the Banquet Facility that are qualified to do so.

Finally, another area that we tend to get use of in our Banquet Facility is for High School Sports banquets. These events typically are very cost conscious, and often choose food based on this. Hightop is very accustomed to High School Sports banquets and has food options that have worked in other markets throughout the Twin Cities.

Lease Terms and Condition

While Crooked Pint is affiliated with Hightop Hospitality, they are a franchise of their organization. Because of that, and the fact that Hightop Hospitality would like to have a lease directly with the Chaska EDA, we would need to go through the process of cancelling our lease with Crooked Pint and entering a new Lease with Hightop Hospitality. From a timing standpoint, the lease with Crooked Pint would not end until such time that all improvements have been made in the restaurant and Copperfield is ready to open. The reason for this is that we have several events happening over the next two months during this remodel that have already been booked in the Event Center and in the Curling Center where food needs to be provided. Crooked Pint still must be able to provide this food until Copperfield is ready. So, one lease will end as the other starts.

When the lease with Copperfield starts, the following would be the recommended terms and conditions of the lease:

- The term of the lease will be for 10 years, starting on the date that the restaurant opens for business. Lessee shall have the right to two 5-year option renewals
- Use of the premise must be for a full-service restaurant, bar and catering business, and must operate under the trade name "Copperfield" unless consent to change is given from the Lessor
- Base Rent shall be based on the Net Sales within a given calendar year and paid to the Lessor on a monthly basis. The rent shall be calculated based on the following:
 - 7% of Net Sales between \$0 and \$4 million
 - 5% of Net Sales between \$4,000,001-\$4.5 million
 - 4% of Net Sales between \$4,500,001-\$5 million
 - 3.5% of Net Sales between \$5,000,001-\$5.5 million
 - 2.5% of Net Sales between \$5,500,001-\$6 million
 - 1% of Net Sales greater than \$6,000,001
- If there is a Casualty Loss on the property, Lessor shall get \$5,000 per month
- Rent delinquencies bear an interest rate of 4% over the Prime Rate
- Lessor is responsible for the cost and upkeep of the improvements for the "Curling Seating" located along the glass

- Lessee and Lessor will split the cost of the improvements to the rest of the facility 50/50
- All improvements need to be completed on or before June 15, 2026, and it is expected that the City's cost between the Curling Seating and our share of the improvement will be between \$700,000-\$800,000
- The Chaska EDA will keep a security interest in all improvements in the building as well as all furniture and fixtures in the building, meaning that if they were to close, we would be able to keep all things in place to attract another restaurant
- Signage: Each party is responsible for the cost and maintenance of their own signage on both sides of the building- the same as we did before
- Lessee is responsible for paying Lessor 2.8% of the Net Sales on a monthly basis for Utilities and other Charges, not to exceed \$112,000 in any given year (this is the same as we currently have)
- Minimum levels of insurance are identified in the agreement for the Lessee to maintain
- Owner needs to obtain liquor license by June 1, 2026
- Minimum hours of operation will be from 7:30 am -11 pm (they have indicated they will likely be open later on weekends, and may open earlier for breakfast depending on demand)
- Lessor will oversee managing the banquet facility and booking it, and we will retain 100% of the booking fees
- Lessee will have the exclusive right to serve food in the Banquet Facility, with the rental amount being equal to 12% of the gross amount of such food sales
- Lessee will have the exclusive right to serve all alcohol in the Event Center, with the rental amount being equal to 15% of the gross amount of all sales
- Ethnic Food Options: Lessee shall be responsible for providing a variety of vetted Ethnic Food Restaurant Options for patrons to choose from that focus on food quality, price and authenticity and ability to safely serve in a banquet setting. The Lessee will charge the Patron what is charged to them for this food, with no upcharge as a pass through. A Patron not being satisfied with the options will be able to suggest a specific restaurant not on the list to utilize in the banquet facility for an ethnic food option. However, there will be an administrative fee to cover the cost of vetting the provider to make sure that they are equipped to safely and effectively serve food at the venue.
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Summary

Staff does feel that the move to Copperfield as the new restaurant in this facility and as the food vendor in our Banquet facility will be a positive both for the patrons of our restaurant and for the curlers in our facility. Specifically, we feel that it is going to bring the following benefits to the facility:

- Copperfield will provide an exciting 10-year “refresh” of the restaurant to go with the new carpeting throughout the facility and new Event Center Furniture
- The ownership and management of the Copperfield will provide a better customer experience and stronger collaboration with City staff as they will be more present than past ownership
- Offering breakfast will provide an additional segment of revenue that we haven’t had in the past. A new breakfast restaurant will be great both for the community and curling events
- The restaurant renovations are keeping the curlers in mind. It will still feel like a sports bar while also having a designated area along the glass for curlers to hang out and watch curling without necessarily ordering food and drink
- The exclusive catering arrangement for the Event Center will streamline the administrative processes, providing a variety of menu options and still allow for outside ethnic caterers when needed
- There will be a lot of positives that will provide a great experience for customers and curlers, increase revenues, and create a strong sense of pride for the community

If Council is to approve this lease tonight, the plan would be for the Crooked Pint to close at 3 pm on April 5th (Easter). On April 6th, demolition and remodel work will begin to meet the aggressive schedule. We still have the detailed drawings and estimates that we need to insert into the final lease document to finalize this, so Staff would recommend that you approve the lease contingent upon final plans and estimates for improvements being consistent with initial estimates, and to authorize the Executive Director to execute the lease when it is in its final form.

EDA ACTION REQUESTED

Motion to approve Lease Agreement with Copperfield Chaska, LLC for use of the restaurant and banquet facility in the Curling and Event Center, and to Authorize the Executive Director to execute the final draft of the lease with all attachments complete.

LEASE

Lease Agreement (“Lease”) entered into this ___ day of _____, 2026, between Chaska Economic Development Authority, a Minnesota economic development authority, as Lessor, and Copperfield Chaska, LLC, a Minnesota limited liability company, as Lessee.

WITNESSETH:

Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the premises located at the Chaska Curling Center, with a street address of 3210 Chaska Boulevard, in the City of Chaska, in Carver County, Minnesota, as depicted on **Exhibit A** attached hereto (the “Premises”). Lessee, for itself and for Lessee’s customers, vendors, guests and invitees, shall have the non-exclusive use of the walkways, restrooms and other common elements in the building and on the real property where the Chaska Curling Center is situated (the “Property”) of which the Premises are a part, depicted on **Exhibit B**.

1. Term. The original term of this Lease will commence on the date Lessee opens the restaurant to the public (the “Lease Commencement Date”), and will end on the last day one hundred twenty (120) months after the Lease Commencement Date (the “Lease Term”).

2. Addendum. Prior to Lessee occupying the Premises, the parties shall execute an addendum to the Lease which: (i) contains the first and last day of the Lease Term and (ii) includes updated Exhibits E and F.

3. Use. Lessee will use the Premises solely to operate a full service restaurant, bar and catering business, and activities incidental thereto. The restaurant and bar shall be open to the public. Lessee must operate the Premises solely under its trade name “Copperfield” and may not change the trade name without Lessor’s written consent, which shall not be unreasonably withheld.

4. Base Rent.

A. Base Rent Rates. Beginning on the Lease Commencement Date through December 31, 2026, and between January 1st and December 31st for each year thereafter during the Lease Term, Lessee agrees to pay, without offset or deduction, base rent as follows (“Base Rent”):

i. Seven percent (7.0%) of Net Sales (defined and as calculated below) Lessee generates at the Premises between \$0.00 and \$4,000,000;

ii. Five percent (5.0%) of Net Sales Lessee generates at the Premises between \$4,000,001 and \$4,500,000;

iii. Four percent (4.0%) of Net Sales Lessee generates at the Premises between \$4,500,001 and \$5,000,000;

iv. Three and one-half percent (3.5%) of Net Sales Lessee generates at the Premises between \$5,000,001 and \$5,500,000;

v. Two and one-half percent (2.5%) of Net Sales Lessee generates at the Premises between \$5,500,001 and \$6,000,000; and

vi. One percent (1.0%) of Net Sales Lessee generates at the Premises greater than \$6,000,001.

B. Net Sales. The term “Net Sales” as used herein shall mean the total sales of food, beverage, merchandise or services made by Lessee, whether at wholesale or retail, cash or credit: (a) delivered to and/or produced on the Premises, (b) delivered to and/or produced on the Premises and delivered to a location other than the Premises but excluding sales or deliveries to the Banquet Facility (as hereinafter defined) (collectively the “Gross Receipts”). In calculating the Gross Receipts, the following shall be excluded from Net Sales and deducted from Gross Receipts:

i. Any and all taxes levied upon, assessed against or measured by the receipt or purchase of food, beverage, merchandise or services by the Lessee and any and all sales tax and other taxes levied upon, assessed against, based upon or measured by: (a) the Lessee’s Gross Receipts, or any part thereof, or (b) the sale or sales price of any food, beverage, merchandise and services, or either, and which shall be payable by Lessee, whether or not collected by Lessee from its customers as reimbursement or as an agent of the taxing authority and whether or not the same shall be commonly known as a sales tax, use tax, retailer’s occupational tax, gross receipt tax or excise tax; provided, however, said tax which is to be excluded from Net Sales shall not include any income tax, franchise tax or other tax not levied upon or computed upon Net Sales or Gross Receipts, or any portion thereof; provided, further, said taxes to be excluded from Net Sales shall be excludable regardless of whether imposed under any existing or future orders, regulations, laws, statutes or ordinances (“Excludable Taxes”), and

ii. Any sales of food, beverage and services delivered to or produced for the Banquet Facility (as hereinafter defined) pursuant to Section 39 herein, and

iii. The sale of any proprietary gift cards or gift certificates, provided however, that the redemption of any gift cards, gift certificates or other gifts or pre-paid cards, instruments or documents for food, beverage or merchandise at the Premises shall be included in Net Sales, and

iv. The mere exchange or transfer of food, beverage, merchandise or services between the stores that are subsidiary or affiliated companies of Lessee, where such exchanges or transfers are made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale made at, in, from or upon the Premises for the purpose of depriving Lessor of the benefit of a sale, and

v. Any cash or credit refund made upon any sale where the food, beverage, merchandise or service is sold, or some part thereof, is thereafter returned by the purchaser to, and accepted by, Lessee, and

vi. Sales of fixtures with the prior written consent of Lessor, "bad" checks or uncollected credit accounts, fees paid to credit card companies, gratuity paid to Lessee or Lessee's employees or agents.

C. Base Rent Payment.

i. Base Rent will be paid monthly by the seventh day of each month following the month end; for example, Base Rent for the month of November is payable by December 7th.

ii. Within thirty (30) days after the end of each calendar quarter (March 31 end of first calendar quarter, June 30 end of second calendar quarter, September 30 end of third calendar quarter and December 31 end of fourth calendar quarter) Base Rent for the preceding calendar quarter shall be reconciled against actual Net Sales for the preceding calendar quarter and by such thirtieth day Lessee must deliver to Lessor a financial report, in form and content reasonably acceptable to Lessor, and the Lessee's Minnesota sales tax returns for such preceding calendar quarter. If the reports and sales tax returns provided by Lessee to Lessor indicate that Lessee is entitled to a refund of Base Rent for the preceding calendar quarter, Lessor shall have thirty (30) days to review the information and reports provided by Lessee and assuming Lessor has no objection, a refund of Base Rent shall be issued by the seventh day of the second month following the end of the calendar quarter for the difference between Base Rent actually paid by the Lessee for the preceding calendar quarter and Base Rent as reconciled against actual Net Sales for the preceding calendar quarter. If the financial reports and Lessee's Minnesota sales tax returns provided by Lessee to Lessor indicate that Lessee owes additional Base Rent for the preceding calendar quarter Lessee shall pay such additional Base Rent to the Lessor by the seventh day of the second month following the end of the calendar quarter for the difference between the Base Rent actually paid by Lessee for the preceding calendar quarter and Base Rent as reconciled against actual Net Sales for the calendar quarter.

D. Objection Audit Rights. Within thirty (30) days of receipt of the financial statement and Minnesota Sales Tax Returns as set forth in Section 4B, if Lessor disputes the amount of Base Rent due and owing, an independent certified public accountant designated by Lessor may, upon at least ten (10) business days, prior written notice to Lessee, and at reasonable times, inspect Lessee's records at Lessee's offices. Upon completion of the audit, copies shall be provided to Lessee. After receiving the results of the reconciliation and adjustment audit conducted as provided herein, Lessee may dispute the results within ten (10) business days by providing written notice to Lessor of Lessee's dispute. If Lessee fails to dispute the reconciliation and adjustment as provided within ten (10) business days, the results are deemed accurate and Lessee waives the right to dispute the results. If the Lessor's audit, adjustment and reconciliation reveals a discrepancy of

more than seven percent (7%) in the amount of Base Rent due and owing for the applicable preceding calendar quarter, Lessee shall reimburse Lessor for the costs of the audit and reconciliation; otherwise, Lessor shall bear the costs of the audit and reconciliation. If the parties cannot agree on the results of the audit and reconciliation, the matter shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator shall be final. Each party shall pay its own expenses and attorney's fees in the arbitration provided, however, that if the Lessor recovers any additional disputed Base Rent in the arbitration proceeding, the Lessee shall pay the cost of the audit and adjustment including the costs of the individuals conducting the audit to appear and testify in the arbitration proceeding.

E. Base Rent/Casualty Loss. During any period in which any casualty, loss, damage or disruption of the Premises or the Property disrupts or impacts Lessee's: (i) business operations at or arising from the Premises or the Property or (ii) use of the Premises or the Property (collectively "Casualty Loss"), Lessee shall pay to Lessor the greater of Base Rent on a monthly basis or rental payments of \$5,000.00 per month ("Casualty Rent") calculated on a pro-rated basis, from the date of the Casualty Loss to the completion of the mitigation of the Casualty Loss. If the Premises are not tenable due to a structural defect arising out of the construction of the Premises, such structural defect does not constitute a Casualty Loss. If the Casualty Loss requires repairs needing a building permit, the termination of the Casualty Loss shall be the later of: (i) Lessee reopening for business at the Premises or (ii) the issuance of a certificate of occupancy for the Premises by the building authority following the Casualty Loss.

5. Security Deposit. (Intentionally Deleted).

6. Rent Delinquencies. If any payment (including Base Rent, utility charges as provided in Section 19 or additional charges as may be due under this Lease) is not received within five (5) business days from the date when due, such delinquent amount shall bear interest at an annualized rate equal to 4% over the Prime Rate established by US Bank from time to time, from the due date until paid.

7. Improvements by Lessor. On or before June 15, 2026, or as soon thereafter as Lessor may complete the same with reasonable diligence, Lessor, at Lessor's sole cost, shall update the seating area in the Premises that overlooks the curling facility as depicted in the plans being prepared by Shea, Inc., which will be attached hereto as **Exhibit C**, and replacement of the dish washer and ice maker in the Banquet Facility. Lessor shall be responsible for maintaining the viewing area and the seating in a first class manner. Lessor shall retain all benefits of any tax increment financing of the improvements to be made by Lessor. Lessor has the right to make modifications to the Property in its sole discretion provided Lessor maintains reasonable access for patrons of the Premises.

8. Improvements, Alterations and Additions by Lessee. Lessee shall be responsible for furniture and furnishings of the restaurant to be operated from the Premises consistent with the Copperfield – Eagan, Minnesota and as set forth in the plans being prepared by Shea, Inc., which will be attached hereto as **Exhibit D** ("Lessee's Improvements"). Lessor shall provide Lessee with one-half of the cost incurred in connection with the Lessee's Improvements ("Lessee Improvement

Reimbursement”). The Lessee Improvement Reimbursement shall be paid by Lessor to Lessee within ten (10) days after Lessee submits invoices and evidence of payment for Lessee’s Improvements, which may include soft costs (i.e. design).

After completion of the Lessee’s Improvements, Lessee at its own expense may, in any twelve month period, make alterations, additions or improvements within the Premises which do not cost more than \$50,000 and do not affect the structural portions of the building, without obtaining Lessor’s prior consent, provided Lessee gives Lessor written notice ten (10) days prior to commencement of any work or delivery of any materials. Lessee shall not make or allow to be made any other alterations, additions or improvements to or of the Premises without the written consent of Lessor, which will not be unreasonably withheld.

Upon the expiration or sooner termination of the original or any renewal term, and if no amounts are due and owing from Lessee to Lessor, Lessee may remove all equipment, appliances, trade fixtures, and moveable furniture installed by Lessee, and shall do so if requested by Lessor. All plumbing fixtures, electrical wiring and fixtures, floor and wall coverings, trim, and permanent fixtures installed by Lessee shall remain on the Premises and become the property of Lessor.

9. Ownership of Improvements. Lessor shall retain full ownership, free and clear of any lien, encumbrance or claim in favor of Lessee or any creditor of Lessee of the furniture, fixtures, equipment and personal property described on **Exhibit E**, which will be attached hereto in an Addendum in the manner described in paragraph 2. Lessee shall retain full ownership, free and clear of any lien, encumbrance or claim in favor of Lessor or any creditor of Lessor of the furniture, fixtures, equipment and personal property described on **Exhibit F**, which will be attached hereto in an Addendum in the manner described in paragraph 2, save and except that all such personal property described on **Exhibit F** is subject to a security interest in the Collateral (defined in Section 11) in favor of Lessor as more fully set forth in Section 11 herein.

10. Early Termination. This Lease may be subject to an early termination only if Lessor and Lessee agree that the level of profitability necessary to sustain the Lessee’s operations of the Premises is not sustainable. Lessee shall provide to Lessor such financial information as Lessor reasonably requires to determine the profitability of Lessee’s operations of the Premises; and if Lessor determines that Lessee’s operations are not profitable, Lessor and Lessee shall investigate options to reduce Lessee’s expenses in its operation of the Premises. Nothing herein commits Lessor or Lessee to any action. If Lessor and Lessee agree in a separate written document, executed by both parties, that Lessee’s operations of the Premises cannot be made profitable and in such agreement Lessor grants a right to terminate this Lease, Lessee may terminate this Lease by: (i) providing a non-refundable Security Deposit of \$28,125.00 to Lessor and (ii) providing Lessor a six month (180 day) notice that Lessee intends to vacate and cease operations (the “Special Notice Period”). During the Special Notice Period, the Lessee must continue to operate the Premises consistent with prior operations and the terms of the Lease.

11. Security Interest. As additional security for any and all of its obligations under the terms of the Lease, Lessee grants to Lessor a security interest in all furniture, equipment, kitchen equipment, bar equipment, inventory, televisions, sound systems, beer delivery and tap equipment, wine refrigerators and wine delivery system, linens, serving pieces, flatware, plates, dishes and glassware used in Lessee’s operation of the Premises (the “Collateral”). Lessee shall not remove

any of the Collateral from the Premises or the Property, except as may be done in the ordinary course of business after: (i) first obtaining Lessor's prior written consent and (ii) immediately replacing the Collateral with new replacement Collateral of at least comparable utility to the items removed. Lessor may file financing statements in such offices and locations as Lessor deems appropriate to perfect its security interest. The security interest granted herein shall be a first lien on all of the Collateral described herein and Lessee shall keep all such Collateral free from any other liens and encumbrances, including purchase money security interests and leases.

12. Go Dark. If Lessee, for any reason other than a Casualty Loss or Lease termination as permitted at the end of the Special Notice Period or the normal expiration of the Lease Term or any Renewal Term under this Lease, allows the Premises to go dark by ceasing operations, the Lessor may (i) exercise its remedies under Section 44 or (ii) terminate the Lease and retain the Security Deposit (if given), and retain Collateral and operate the restaurant in the Premises.

13. Repairs. Upon completion of the initial improvements, Lessee will, at Lessee's sole cost and expense, keep the Premises and every part thereof in good condition and repair (except as otherwise provided with respect to Lessor's obligations and except to the extent such maintenance or repairs are necessary due to the fault or neglect of Lessor's staff or agents), including, without limitation, the maintenance, replacement and repair of any doors, glass, window casements, heating and air-conditioning system, plumbing, pipes, and electrical wiring within or dedicated to the Premises. Upon the expiration or sooner termination of this Lease, Lessee will surrender the Premises to the Lessor in good condition, broom clean, ordinary wear and tear excepted. Lessee will keep in place maintenance contracts, in form and substance acceptable to the Lessor, with entities not affiliated with Lessee, to maintain the heating and air conditioning system and all ovens, fryers, salamanders, refrigerators, freezers and kitchen fire protection systems.

Lessor shall maintain and repair the furniture, fixtures, equipment and personal property serving the Banquet Facility, the structural portions of the seating as depicted on **Exhibit C**, the curling facility, the building, including the exterior walls and roof, at Lessor's own expense, except to the extent such maintenance or repairs are necessary due to the fault or neglect of Lessee, its agents, employees, or invitees, or Lessee's use of the Premises, or any damage caused by breaking and entering, in which case Lessee shall be responsible for such maintenance and repairs. Lessor shall not be liable for any failure to make repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Lessor by Lessee.

14. Common Restrooms. Lessee, and Lessee's customers, shall have the non-exclusive use of the two restrooms adjacent to the Premises (the "Common Restrooms"). Lessor shall be responsible, at its sole expense, for cleaning and maintenance of the Common Restrooms at all times when the adjacent curling facility is open in a clean and neat manner and at all other times Lessee shall be responsible for cleaning and maintenance of the Common Restrooms.

15. Liens. Lessee will keep the Premises, and the Property upon which the Premises are situated (including all improvements by Lessee which are to become and remain the property of Lessor upon expiration or termination of the original and any renewal term), free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of

Lessee. Lessee will indemnify and hold Lessor harmless from any lien claims arising from work performed or materials furnished at Lessee's request.

16. Unlawful Use. Lessee will not use the Premises or conduct its operations in violation of any statute, regulation or ordinance of any governmental body.

17. Assignment and Subletting. Lessee may not assign this Lease or sublet any portion of the Premises without Lessor's prior written consent.

18. Signage. Lessee may place and maintain signage on the Premises provided Lessee obtains all necessary approvals from local government authorities, and subject to reasonable limitations determined by Lessor. If Lessee places any signage or banners in violation of this Section 18, Lessor may fine Lessee \$50.00 per occurrence and per day until the violating signage or banner is removed. Lessee may place a lighted sign with Lessee's name on an interior wall near the entrance to the Premises not to exceed fifteen (15) square feet in a location approved by Lessor. Lessor will erect two exterior lit monument signs, one adjacent to Highway 41 and one adjacent to County State-Aid Highway 61. Lessee will be allowed signage and will contribute to the cost of such signage as follows:

A. Highway 41 Monument Sign. Lessee may use seventy-five percent (75%) of each side of the useable signage area. Lessee shall pay one hundred percent (100%) of Lessee's actual sign to be placed on the monument sign. The cost of maintaining the sign, once erected, shall be Lessor's. Any revisions to Lessee's signage are subject to Lessor's approval and are at Lessee's sole expense.

B. County State-Aid Highway 61 Monument Sign. Lessee may use twenty-five percent (25%) of each side of the useable signage area. Lessee shall pay one hundred percent (100%) of Lessee's actual sign to be placed on the monument sign. The cost of maintaining the sign, once erected, shall be Lessor's. Any revisions to Lessee's signage are subject to Lessor's approval and are at Lessee's sole expense.

19. Utilities and other charges. Lessee will pay to Lessor 2.8% of Net Sales, on a monthly basis, in the same manner as payment of Base Rent, but in no event shall Lessee pay more than One Hundred Twelve Thousand and no/100 Dollars (\$112,000.00) in any rolling twelve month period, and Lessor will furnish, at no additional cost to Lessee, dumpster service for trash and rubbish removal, electricity, natural gas, water and sewer to the Premises. Lessee shall at its own expense provide any other utilities, including, but not limited to, telephone, internet, and cable or other television signal services. Lessee will be solely responsible for costs of removing any and all trash and other rubbish from the Premises to the dumpster area provided by Lessor. Lessee must keep its trash, refuse and waste within the dumpster area in a neat and orderly manner and Lessor may impose a \$50.00 per day penalty for each day Lessee fails to do so. Lessee shall be solely responsible for arranging and paying for the disposal of any grease, oil or hazardous substances generated by Lessee.

20. Insurance.

A. Liability Insurance. Lessee shall keep in force, at its own expense, during the term of this Lease a policy of comprehensive public liability insurance insuring both

Lessee and Lessor against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than \$1,500,000.00 for injury or death of one person in any one accident or occurrence, and in the amount of not less than \$1,500,000.00 for injury or death of more than one person in any one accident or occurrence, or such higher amounts as may be required by state or local government authorities. Such insurance shall further insure Lessor and Lessee against liability for property damage of at least \$100,000.00, or such higher amount as may be required by state or local government authorities. Lessee shall also maintain liquor liability or "dram shop" insurance with limits of at least \$1,500,000.00, or such higher amount as may be required by state and local government authorities, for the Premises and all areas appurtenant thereto, including the Banquet Facility. If Lessee fails to maintain such insurance policies, Lessor may procure and maintain the same at the expense of Lessee. Lessee shall deliver copies of such policies or certificates of insurance, with loss payable clauses naming Lessor as an additional insured. No policy shall be cancelable or subject to reduction of coverage as to Lessor without ten (10) days prior written notice and opportunity to cure to Lessor. All such policies shall be written as primary policies not contributing with and not in excess of coverage which Lessor may carry.

B. Business Interruption Insurance. Lessee shall keep in force, at its own expense, during the term of this Lease a policy of business interruption insurance in an amount sufficient to allow Lessee to meet Lessee's obligations under this Lease, and to meet its obligations to other creditors in the ordinary course during any period during which Lessee's business is interrupted. The business interruption insurance shall include adequate coverage to pay Casualty Rent during any period of Casualty Loss. Lessor will be named as a loss payee in such policy which shall not be cancelable or subject to reduction of coverage as to Lessor without prior written notice and opportunity to cure to Lessor.

C. Lessor's Insurance. Lessor shall carry and keep in force, at its own expense, insurance against such perils and in such amounts as Lessor may from time to time determine consistent with coverage which is now, or may in the future be, considered prudent for similar income producing properties situated in the Minneapolis/St. Paul metropolitan area or which any mortgagee requires Lessor to carry. The names insured on all policies of insurance maintained by Lessor shall be the Lessor and, if required, any mortgagee.

D. Worker's Compensation. Lessee shall keep in force, at its own expense, worker's compensation insurance for all of Lessee's employees working on the Premises or the Banquet Facility in an amount sufficient to comply with applicable laws and regulations.

E. Fire Insurance. Lessee shall keep in force, at its own expense, fire insurance, excluding extended coverage, vandalism and malicious mischief and demolition and debris removal, insurance for an amount not less than the current replacement cost of all of Lessee's leasehold improvements, trade fixtures, merchandise and all personal

property from time to time in or upon the Premises. Such policy proceeds shall be used, to the extent necessary, to repair or replace the property damaged or destroyed.

F. Waiver of Claims and Subrogation. Notwithstanding any provision in this Lease to the contrary, Lessor and Lessee hereby release one another from any and all liability or responsibility (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage covered by property insurance or coverable by a customary policy of the other insurance required by Sections 20.A., 20.B., 20.C., 20.D. or 20.E. above (as applicable), even if such loss or damage is caused by the fault or negligence of the other party or anyone for whom such party may be responsible.

21. Inspection and Entry. Lessor may, upon reasonable prior notice, enter the Premises to inspect the same and make repairs required or permitted to be made by Lessor, and to show the Premises to prospective Lessees during the six (6) months prior to the end of the Lease Term. Lessor may enter the Premises at any time in the event of an emergency.

22. Surrender. Lessee will surrender the Premises to Lessor upon termination of the Lease, whether by lapse of time or otherwise, broom clean, and in good order, condition and repair, except for ordinary wear and tear. Any holding over by Lessee following the end of the term will be construed to be only a tenancy from month-to-month for which Lessee shall be required to pay rent at the same rate in effect at the end of the term.

23. Eminent Domain. Lessor and Lessee shall each have the right to cancel and terminate the Lease as of the date that Lessor surrenders possession of the Premises to any condemning authority, in the event of condemnation of the Premises, or condemnation of any substantial part thereof which renders Lessee's use of the Premises economically impracticable or impossible, or in the event of a sale thereof in lieu of such taking. Lessor shall be entitled to retain the amount awarded as damages for such taking, including any amount awarded for the value of the unexpired term of this Lease, provided, however, that Lessor shall not be entitled to receive any amount awarded to Lessee for loss of business, increased operating costs or costs of relocation.

24. Reconstruction. If the building containing the Premises is damaged by fire or other casualty covered by insurance, Lessor agrees to forthwith repair the same, but not at a cost in excess of the insurance proceeds available, and this Lease shall remain in full force and effect, except the Lessee may be entitled to a proportionate reduction of the Base Rent and additional charges only to the extent not covered by the customary form of business interruption insurance required to be maintained by Lessee, from the date of damage and while such repairs are being made, such proportionate reduction, if any, to be based upon the extent to which the damage and making of such repairs actually interferes with the business carried on by Lessee in the Premises. If the damage is due to the fault or neglect of the Lessee or its employees or agents, there shall be no abatement of rent. If the Premises are not substantially repaired within one hundred eighty (180) days following any such damage, Lessee shall have the option to terminate this Lease, provided the damage is not due to the fault or neglect of Lessee or Lessee's employees or agents.

In the event the building is damaged as a result of any cause not covered by insurance or the cost of repair exceeds the insurance coverage, then Lessor shall forthwith repair the same, provided the extent of the destruction is less than 10% of the then full replacement cost of the

building. In the event the cost of repairing the damage to the building is 10% or more of the full replacement cost, then Lessor shall have the option to: (i) repair or restore such damage, this Lease continuing in full force and effect, but the minimum rent and additional charges will be proportionately reduced as provided in the first paragraph of this Section 24, to the extent they would not normally be covered by the customary form of business interruption insurance required to be maintained by Lessee; or, (ii) give notice to Lessee that Lessee may elect to either proceed with the repairs at Lessee's own cost, or terminate this Lease, such election to be made in writing sent to Lessor within ten (10) days after receipt of Lessor's notice.

Lessor shall not have any obligation to repair, reconstruct or restore the Premises, when the damage resulting from any casualty covered under this article occurs during the last eighteen (18) months of the term of this Lease, but in the event of Lessor's refusal to repair or reconstruct or restore the Premises, Lessee may terminate this Lease without further obligation to Lessor. If Lessee has any remaining option to renew this Lease at the time the building is damaged, Lessee may notify Lessor of Lessee's intention to renew the Lease, within thirty (30) days following the date on which the damage occurred, in which case the remaining term of the Lease shall, for purposes of this paragraph, and specifically for determining Lessor's obligation to repair the Premises, be deemed to include such renewal term.

Lessor shall not be required to repair any injury or damage by fire and other cause, or to make any repairs or replacement of any leasehold improvements, fixtures, or other personal property of Lessee, unless resulting from the negligence of Lessor, its agents, servants or employees, or from the breach of Lessor's obligations hereunder.

25. Proration of Rent and Expenses. Base Rent, utilities and other similar items shall be prorated as necessary to adjust for partial months at the commencement or termination of this Lease, if applicable.

26. Quiet Enjoyment. Lessor warrants to Lessee peaceful and quiet enjoyment of the Premises, according to the terms of this Lease, and represents that it is lawfully seized of the Premises.

27. Governing Law. The laws of the State of Minnesota shall govern the construction, validity, performance and enforcement of this Lease.

28. Memorandum Lease. Simultaneously with or subsequent to the execution hereof, the parties hereto shall, at the request of either party, execute a memorandum of lease, for recording purposes, setting forth the term of this Lease, and referencing Lessee's option to renew, option to purchase, and right of first refusal.

29. Single Purpose Entity. The sole business of the Lessee shall be the operation of its bar and restaurant at the Premises, serving food and beverages at the Banquet Facility and catering food prepared at the Premises to offsite locations.

30. Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties

hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

31. Sale of Premises by Lessor. In the event of any sale of the Premises by Lessor, Lessor shall be and is hereby entirely freed from and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale of the Premises, shall be deemed, without any further agreement between the parties or their successors in interest or between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations of the Lessor under this Lease.

32. Subordination; Lessee's Statement. Lessee agrees to subordinate Lessee's interest under this Lease to any mortgage upon the Property of which the Premises are a part, provided such mortgagee agrees that Lessee may continue to occupy the Premises pursuant to the provisions of this Lease for the remaining term and any extensions or renewals thereof, for so long as Lessee attorns to such mortgagee, notwithstanding any foreclosure of such mortgage; provided further, that such mortgagee shall not have any personal liability to Lessee for breach of any of the provisions of this Lease. Lessee shall at any time and from time to time, upon not less than ten (10) days prior written notice from Lessor, execute, acknowledge and deliver to Lessor a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect), and the date to which the rental and other charges are paid in advance, if any; and (b) acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or specifying such defaults if any are claimed; and (c) setting forth the date of commencement of rents and expiration of the term hereof. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the Property of which the Premises are a part.

33. Authority of Lessee. If Lessee is a corporation, Lessee represents and warrants that each individual executing this Lease on behalf of Lessee is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with the Articles and By-laws of said corporation, and that this Lease is binding upon said corporation.

34. Option to Renew. Lessee shall have the option to renew this Lease for up to two additional periods of five years each, provided Lessee gives Lessor written notice of such intention to renew at least six (6) months prior to expiration of the then current term. The annual Base Rent for each five year renewal period shall be as provided in Section 4.

35. Contingencies. This Lease is contingent on Lessee obtaining a liquor license and all other permits and licenses necessary for the operation of Lessee's business. If such contingencies have not been satisfied by June 1, 2026 then this Lease may be canceled by either party.

36. Restrictive Covenant. Lessee agrees that so long as this Lease is in effect (including any extensions or renewals), Lessee will not operate another bar and/or restaurant business within three miles of the Chaska city limits. In the event of any violation of this restrictive covenant

Lessor may apply to any court of competent jurisdiction for injunctive relief, and Lessee agrees to waive the defense that Lessor has an adequate remedy at law.

37. Waiver. No Waiver by either party of a breach of any agreement contained in this Lease shall operate as a waiver of such agreement itself or any subsequent breach thereof. No payment by Lessee or receipt by Lessor of a lesser amount than the monthly installments of Base Rent, including additional charges, shall be deemed to be other than on account of the earliest stipulated rent, nor shall any statement or endorsement on any check or letter accompanying any check operate as an accord and satisfaction or waiver of any breach, and Lessor may accept the same without prejudice to Lessor's right to collect any additional amounts owing or exercise any other right or remedy provided in this Lease. Lessor's reentry or acceptance of keys from Lessee shall not be deemed an acceptance of a surrender of the Lease. Lessee waives all claims against Lessor and the City of Chaska for consequential, special or punitive damages allegedly suffered by Lessee, including but not limited to lost profits and business interruptions.

38. Hours of Operation. Lessee shall conduct its business, at the Premises, at a minimum from 7:30 a.m. to 11:00 p.m., seven days a week, excluding legal holidays and Christmas Eve.

39. Banquet Facility. Adjacent to the Premises in a location identified on **Exhibit B** attached hereto is a multiuse space designed for meetings, parties, receptions, reunions, private parties and other such uses (the "Banquet Facility"). The Banquet Facility shall be subject to the following operational issues and restrictions:

A. Management. Lessor will manage the Banquet Facility.

B. Food Service. Lessee shall have the exclusive right to serve food in the Banquet Facility. Lessee shall pay to Lessor 12% of the gross amount of such food sales less Excludable Taxes. Lessor shall retain 100% of the room rental fee.

C. Beer, Wine and Liquor Sales. So long as Lessee maintains appropriate licensure, Lessee shall have the exclusive right and obligation to sell beer, wine and liquor in the Banquet Facility and must provide adequate staff to conduct such sales for all events within the Banquet Facility. Lessee shall pay to Lessor 15% of the gross beer, wine, and liquor sales (including soft drinks, juices, etc.) less Excludable Taxes to Lessor.

D. Banquet Space Management. Lessor shall be responsible for managing the banquet space including booking of events, event set-up, linens, etc., and clean-up of the Banquet Facility after an event. Lessor may require in its agreement for use of the Banquet Facility that the user, including Lessee, shall provide linens, serving utensils, chafing dishes, flatware, plates, bowls, cups and such other items as Lessor may require for the event. Lessor shall give Lessee reasonable notice of all scheduled events and shall provide to the individual or entity booking the event information about Lessee including the requirement that Lessee provide food service, beer, wine and liquor. Any contract Lessor enters into with a user of the Banquet Facility shall include the requirement that such user separately contract with Lessee for catering, beer, wine and liquor (or such lesser service as the user of the Banquet Facility may require).

E. Lessee's Bar Charges. In the course of providing beer, wine and liquor in the Banquet Facility, Lessee may not charge amounts on a per serving basis which are in excess of the amounts charged to public customers of the Premises.

F. Ethnic Food Options. Notwithstanding anything herein to the contrary, upon request of users of the Banquet Facility, Lessee will provide a variety of options to meet the needs of ethnic food options not provided by the Lessee. The ethnic food options will be vetted by Lessee for quality, price, service, and proper food service qualifications. Lessee shall not charge users of the Banquet Facility choosing any of the ethnic food options more for the food than what the ethnic food provider is charging. If the user is not reasonably satisfied with the ethnic food options provided, Lessee shall allow the user to choose their own ethnic food provider and Lessee shall be entitled to charge an administrative fee. Such ethnic food provider must meet minimum standards for food quality and safety reasonably set by Lessee and must be in compliance with all laws and regulations for food service.

40. Exterior Maintenance. Lessee shall keep the Premises neat, free and clean of garbage and debris. Lessee shall place all trash and garbage inside sealed plastic bags before depositing the same in the common trash dumpsters provided, except for broken down cardboard boxes. Lessor reserves the right to fine Lessee \$50.00 for each violation (to the extent Lessor has not levied a fine under Section 19 for the same violation) of the aforementioned requirement. In the event Lessor provides a trash compactor for Lessee's use, Lessee shall indemnify and hold harmless Lessor and its employees and agents from and against all liabilities, claims, damages or causes of action for damages brought on account of: (i) injuries to any person or persons or property; (ii) loss of life; or (iii) violation of OSHA or other local or state laws, ordinances or regulations; arising out of the use, operation or maintenance by Lessee or Lessee's employees and contractors of the trash compactor.

41. Hazardous Materials. Neither Lessee, nor any of Lessee's agents, contractors, employees, licensees or invitees shall at any time handle, use, manufacture, store or dispose of in or about the Premises or the Property any flammables, explosives, radioactive materials, hazardous waste or minerals, toxic waste or materials, or other similar substances, petroleum products or derivatives or any substance (collectively "Hazardous Materials") subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally Hazardous Materials, substances, or waste, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any such laws or ordinances (collectively "Environmental Laws"). Lessee shall protect, defend, indemnify and hold Lessor harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of actual or asserted failure of Lessee to fully comply with all applicable Environmental Laws or the presence, handling, use or disposition in or from the Premises or Property of any Hazardous Materials, or by reason of any actual or asserted failure of Lessee to keep, observe or perform any provisions of this section. Notwithstanding the foregoing, Lessee may handle, store, use or dispose of products containing small quantities of Hazardous Materials to the extent customary and necessary for the use of the Premises for bar and restaurant purposes; provided that Lessee shall always handle, store, use and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, or the Property.

42. Indemnification. Lessor shall not be liable and Lessee waives all claims against Lessor for any damage to any property or any injury to any person in or about the Premises or the Property by or from any cause whatsoever, except to the extent caused by or arising from the gross negligence or willful misconduct of Lessor. Except as provided herein, Lessee shall protect, indemnify and hold the Lessor harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of: (i) any damage to any property or any injury to any person occurring in, on or about the Premises or the Property to the extent that such injury or damage is caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Lessee, its agents, servants, employees, invitees, or visitors to meet any standards imposed by any duty with respect to the injury or damage; (ii) the conduct or management of any work or thing whatsoever done by Lessee in or about the Premises or from transactions of the Lessee concerning the Premises; (iii) Lessee's failure to comply with any and all governmental laws, ordinances, and regulations applicable to the condition or use of the Premises, the Property or its occupancy; or (iv) any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed pursuant to this Lease. The provisions of this section shall survive the termination of this Lease with respect to any claim or liability accruing prior to such termination.

43. Default. If Lessee fails to keep or perform any of its covenants and agreements contained in this Lease, or if Lessee vacates the Premises during the term of this Lease, then, ten (10) days after mailing of written notice from Lessor, in case of non-payment of any rent that is due and not in dispute under Section 4(C) (including Base Rent and any additional charges) or any other default which may be cured by the payment of money, and forty-five (45) days after receipt of such notice by Lessee in case of other neglect or failure (provided, however, that Lessee shall not have paid the rent or other sum within the ten (10) days, or have cured or commenced to cure any other neglect or failure, so far as could reasonably be accomplished within the forty-five (45) days), then Lessor may, at its sole election and discretion, enter the Premises and take possession of the same, without forfeiture of the rents accrued and to be paid by the Lessee, and terminate this Lease free from any right or claim of Lessee.

44. Termination for Insolvency, Bankruptcy or other Legal Action. Lessor may, in Lessor's sole discretion, immediately terminate this Lease upon the occurrence of any of the following events: if Lessee or any guarantor of this Lease makes an assignment for the benefit of creditors, files a petition for reorganization or liquidation under Title 11 of the United States Code, or is involuntarily adjudicated a debtor under said Title 11; if a receiver of Lessee's or any guarantor's business or assets is appointed by a Court of competent jurisdiction; or, if execution is levied against Lessee's property, or a suit to foreclose any lien or mortgage against the inventory or equipment located in the Premises is instituted against Lessee and not dismissed within thirty (30) days.

45. Attorney's Fees. In addition to all other remedies, the prevailing party for any breach under this Lease (except for an arbitration for reconciliation of Base Rent as provided in Section 4(C)) shall be entitled to an award of that portion of the prevailing party's attorney's fees, calculated on usual and customary hourly rates in the twin cities area, which exceed \$50,000.00.

IN WITNESS WHEREOF, the Lessor and Lessee have caused this instrument to be executed in duplicate on the day and year first above written.

LESSOR:

CHASKA ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Its _____

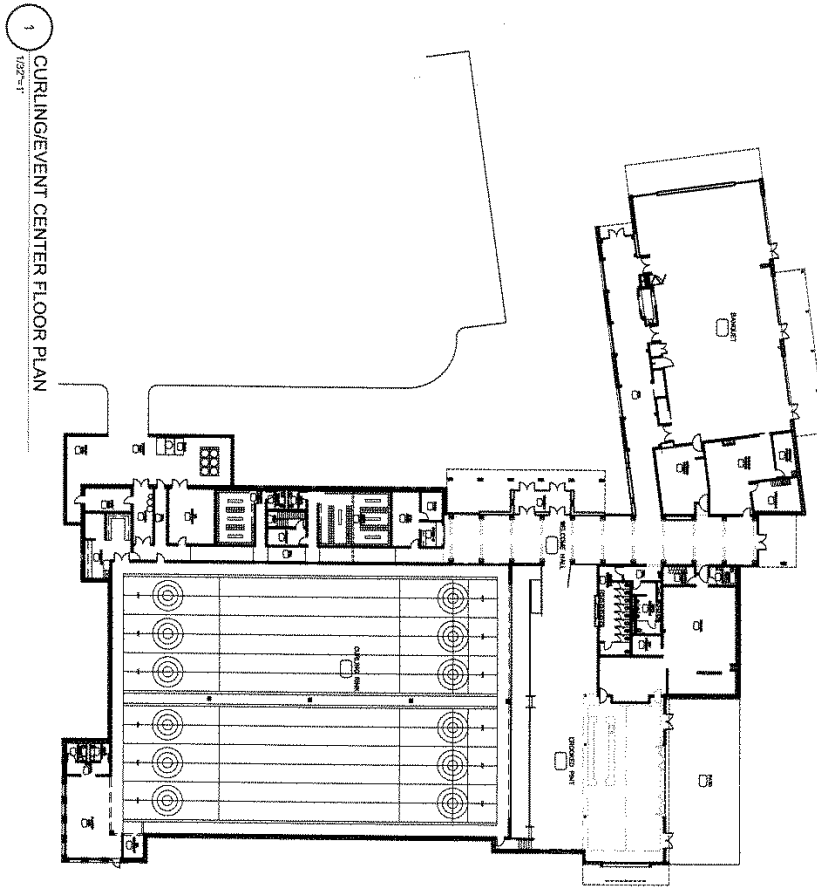
STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2026, by _____, the _____ of Chaska Economic Development Authority, a Minnesota economic development authority, on behalf of the economic development authority.

Notary Public

EXHIBIT A
PREMISES

EXHIBIT B PROPERTY



CHASKA FIREMEN'S PARK
CURLING/EVENT CENTER
CHASKA, MN

ORIG. ISSUE DATE: 10.03.0004
REVISIONS: 02.03.0304

292Desic

292 DESIGN SOLUTIONS
13321 MAYNARD RD. SUITE 100, WILSON, MN 55394

EXHIBIT C
LESSOR BUILDOUT

EXHIBIT D
LESSEE'S IMPROVEMENTS

EXHIBIT E
LESSOR FURNITURE, FIXTURES AND EQUIPMENT

EXHIBIT F
LESSEE FURNITURE, FIXTURES AND EQUIPMENT

**REQUEST FOR ACTION
EDA OF THE CITY OF CHASKA
3/30/2026**

Subject: Adopt Resolution 2026-25 Bond Sale Reimbursement

Reviewed by: Noel Graczyk, Administrative Services Director

Prepared by: Erica Mattice, Finance Division Director

The Economic Development Authority of the City of Chaska (EDA) anticipates the possible issuance of bonds in either 2026 or 2027 to finance building improvement at the Chaska Curling and Event Center. Prior to issuance of any such bonded debt the EDA must first comply with IRS regulations regarding reimbursement requirements.

In accordance with IRS regulations, the EDA must declare its intent to reimburse itself prior to payment of any project expenditures. Projects as listed in the proposed reimbursement resolution will incur costs that may be reimbursed from future bond sales and thus must be declared by the EDA for possible future reimbursement.

The enclosed proposed resolution establishes compliance with IRS reimbursement regulations for the projects listed in the resolution.

Staff recommends adoption of the resolution.

EDA OF THE CITY CHASKA, ACTION REQUESTED

Motion to adopt Resolution No 2026-25 establishing compliance with reimbursement bond regulations under the Internal Revenue Code of 1986.

CERTIFICATION OF MINUTES RELATING TO REIMBURSEMENT

Economic Development Authority of the City of Chaska, Minnesota

City Council

A regular meeting held Monday, March 30, 2026, at 7:00 p.m., at Chaska City Hall in the Council Chambers located at One City Hall Plaza, Minnesota, or by electronic means, as authorized by law.

Members present:

Members absent:

Documents attached: Excerpt of minutes of the above-described meeting relating to the resolution described below.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA

RESOLUTION NO. 2026-25

RESOLUTION ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE OF 1986

I, the undersigned, being the duly qualified and acting recording officer of the Issuer certify that the documents attached hereto, as described above, have been carefully compared with the original records of the Issuer in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of the Issuer, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body of the Issuer at said meeting, so far as they relate to the resolution described above; and that said meeting was duly held by the governing body of the Issuer at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on Monday, March 30, 2026.

Denise Beebe, Deputy Clerk

Taylor Hubbard, President

EXCERPT OF MINUTES

Council member [] introduced the following resolution and moved its adoption, which motion was seconded by Council member []:

ECONOMIC DEVELOPEMTN AUTHORITY OF THE CITY OF CHASKA

RESOLUTION NO. 2026-25

RESOLUTION ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE OF 1986

WHEREAS, Economic Development Authority of the City of Chaska, Minnesota (the “Issuer”), proposes to enter into or issue one or more tax-exempt obligations (whether one or more, the “Financing”), for the purpose of funding building improvements to the Chaska Curling and Event Center (the “Projects”).

WHEREAS, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Reimbursement Regulations”) dealing with the issuance of tax-exempt obligations all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance of such tax-exempt obligations.

WHEREAS, the Reimbursement Regulations generally require that the Issuer make a declaration of its official intent to reimburse itself for such original expenditures out of the proceeds of a tax-exempt obligation no later than 60 days after payment of the expenditures to be reimbursed, that the tax-exempt obligation be entered into and the reimbursement allocation be made from the proceeds of such tax-exempt obligation within the reimbursement period (as defined in the Reimbursement Regulations) and that the expenditures reimbursed be capital expenditures or costs of issuance of the tax-exempt obligation.

WHEREAS, the Issuer desires to comply with requirements of the Reimbursement Regulations with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED that the Issuer proposes to undertake the Project and to make original expenditures with respect to the Project prior to the issuance of the Financing.

RESOLVED FURTHER that the Issuer reasonably expects to enter into the Financing to Finance such projects in the maximum principal amount of \$960,000 for building improvements related to the Chaska Curling and Event Center. And to reimburse the Issuer for such original expenditures from the proceeds of the Financing as permitted by law.

RESOLVED FURTHER that other than (i) de minimis amounts permitted to be reimbursed pursuant to Section 1.150-2(f)(1) of the Reimbursement Regulations or (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Reimbursement Regulations, the Issuer will not seek reimbursement for any original expenditures with respect to the Project paid more than 60 days prior to the date of adoption of this resolution.

RESOLVED FURTHER that all original expenditures for which reimbursement is sought will be capital expenditures, costs of issuance of the Financing issued to finance the Project or extraordinary working capital expenditures under Section 1.148-6(d)(3)(ii)(B) of the Income Tax Regulations.

RESOLVED FURTHER, that no reimbursement allocation contemplated hereby shall be used to avoid the restrictions under Section 142 through 147 of the Internal Revenue Code of 1986 (the “Code”) or employ an abusive arbitrage device to avoid the arbitrage restrictions of Section 148 of the Code.

RESOLVED FURTHER that as of the date hereof, there are no Issuer funds reserved, pledged, allocated on a long term basis or otherwise set aside (or reasonably expected to be reserved, pledged, allocated on a long term basis or otherwise set aside) to provide permanent financing for the original expenditures to be financed by the Financing; consequently, it is not expected that the issuance of the Financing will result in the creation of any replacement proceeds.

RESOLVED FURTHER that for a period of one year following any allocation of Financing proceeds to reimburse an expenditure, the Issuer will not use funds corresponding to the Financing proceeds for which a reimbursement allocation was made in a manner that results in the creation of replacement proceeds of the Financing or another issue of tax-exempt obligations (other than amounts deposited into a bona fide debt service fund).

RESOLVED FURTHER that the Administrative Services Director / Treasurer of the Issuer (the “Authorized Officer”) or his or her designee shall be responsible for making the “reimbursement allocations” described in the Reimbursement Regulations, being generally the transfer of the appropriate amount of proceeds of the Financing to reimburse the source of temporary financing used by the Issuer to make payment of the original expenditures relating to the Project; each reimbursement allocation will be made not later than 18 months after the later of (i) the date of the original expenditure or (ii) the date the Project is placed in service or abandoned (but in no event later than three years after the original expenditure is paid), will be evidenced by an entry on the official books and records of the Issuer maintained for the Financing issued to finance the Project, and will specifically identify the original expenditures being reimbursed.

BE IT FINALLY RESOLVED that this resolution shall be in full force and effect from and after its passage.

Adopted: Monday, March 30, 2026

Upon vote being taken thereon, the following voted in favor thereof:

[insert names]

and the following voted against the same:

[insert names]

whereupon the resolution was declared duly passed and adopted.