

**AGENDA
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 21, 2016 – 5:00 PM**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”

APPROVAL OF MINUTES:

1. Consider approving the minutes and summary of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of June 6, 2016.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of June 14, 2016.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS: NONE

CONSENT AGENDA:

Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

3. Consider approving the Change Order No. 1 request for the 2014 City Project No. 3 Lift Station No. 5 Replacement for the amount of \$55,036.
4. Consider approving the Change Order No. 6 request for the 2012 City Project No. 6 Pool Renovation for the amount of \$1,252.
5. Consider adopting Resolution No. 16-06-57 formally accepting the grant from the Department of Natural Resources and authorize staff to submit documentation to collect the funds.
6. Consider authorizing the Fire Department to hire Paid on Call Firefighters as needed to maintain but not to exceed 25 Paid on Call members.

7. Consider approving the request to purchase a Cougar Smart Flow sprayer from Clarke for the amount of \$9,358.09 and five GPS Units for the amount of \$3,576.25.
8. Consider approving the request to rehabilitate the aggregate portion of River Road for the amount of \$8,000 which is the City's portion of the project.
9. Consider approving a Temporary Liquor License Application for the East Grand Forks Association of Fire Fighters for an event taking place from July 29-31, 2016 with contracted liquor license services being provided by the VFW Post 3817.
10. Consider approving the Special Event Application for the Bikes and Bites Event for July 21, 2016.
11. Consider approving a Temporary Liquor License Application for the VFW Post 3817 for the Bikes and Bites Event on July 21, 2016.
12. Consider adopting Resolution No. 16-06-58 appointing election judges and designating polling locations.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:

13. Regular meeting minutes of the Water, Light, Power, and Building Commission for June 2, 2016.
14. Regular meeting minutes and closed meeting summary of the Economic Development Board for May 3, 2016.

COMMUNICATIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

15. Consideration of the liquor license applications for the premise location at 415 2nd St NW Suite 2, East Grand Forks, MN 56721.
16. Consider adopting the Short Term Sheltering Plan to establish a safe place for residents to evacuate their residence to a place of refuge during a storm or other emergencies where evacuation is called for.

CLAIMS:

17. Consider adopting Resolution No. 16-06-60 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 24345 for a total of \$1,944.40 whereas Council Member Buckalew is personally interested financially in the contract.
18. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

COUNCIL/STAFF REPORTS:

ADJOURN:

Upcoming Meetings

Work Session – Tuesday, June 28, 2016 – Training Room

Regular Council Meeting – Tuesday, July 5, 2016 – Council Chambers

Work Session – Tuesday, July 12, 2016 – Training Room

Regular Council Meeting – Tuesday, July 19, 2016 – Council Chambers

**UNAPPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 7, 2016 – 5:00 PM**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for June 7, 2016 was called to order by Council President Mark Olstad at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Mark Dragich, Interim Parks & Recreation Director; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; Jason Stordahl, Public Works Director; and Corey Thompson, IT Manager.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”

APPROVAL OF MINUTES:

1. Consider approving the minutes and summary of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of May 17, 2016.
2. Consider approving the minutes of the “Special Session” for the East Grand Forks, Minnesota City Council of May 24, 2016.
3. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of May 24, 2016.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE ITEMS ONE (1) THROUGH THREE (3).

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

SCHEDULED PUBLIC HEARINGS:

4. Administrative Hearing regarding the three day liquor license suspension for the VFW Post 3817.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER GRASSEL, TO OPEN THE ADMINISTRATIVE HEARING.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

Mr. Murphy stated there were representatives from the VFW to speak on the issue. Mr. Frank Ringstad came forward, stated he was the Chairman for the East Grand Forks VFW and that he lives at 1004 11th Ave SE. He explained that they were not in compliance since a bartender had served a minor, that they were not disputing that it happened, and that he would like to bring the Council up-to-date on what actions they have taken since then. He stated that a police officer came in and had an alcohol training session with all of the employees and that they wished they had done that after the first offense. He said they have never gotten to this point before and were concerned about upcoming events such as weddings which they do not want the suspension to interfere with. He asked if they were able to have input on when they would have to closed down. He added how they have already paid the \$500 fine and that he would leave it there for any questions the Council may have.

Mayor Stauss commented how the VFW has been in operation for over 70 years; that there have been very few violations and that he thinks these checks are like entrapment when bringing in someone underage. He said he would like to help the VFW, how most people plan a year in advance for a wedding reception, and how important the business is for the VFW. Council member Pokrzywinski asked if the ordinance addressed when the suspension is imposed. Mr. Galstad said the Council has the discretion on when the suspension would take place. He added the Council could work with them on a time frame as well as what days the suspension would be enforced. Council member Pokrzywinski asked if the three days had to be served consecutively. Mr. Galstad said he didn't believe the days would have to be served consecutively. Council member Pokrzywinski said he didn't want to be overly punitive and he objects to the term on entrapment. He added how this is enforcement of a very important issue.

Mr. Murphy said the ordinance just said three days and did not specify that they had to be consecutive days so the City could work with the VFW on when the suspension would take place. Mr. Ringstad commented how they also have the restaurant and gaming areas and asked if the suspension was only on the bar or on the entire business. Mr. Galstad stated the suspension would only be on alcohol and the other two areas could remain open during the suspension days.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO CLOSE THE ADMINISTRATIVE HEARING.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

Mr. Ringstad apologized to the Council because they had to take time for this and that they will do everything on their end to make sure this doesn't happen again.

CONSENT AGENDA:

Items under the "Consent Agenda" will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

- 5. Consider approving the Fireworks/Pyrotechnic Special Effects Permit for the Grand Forks Sertoma Club on July 4, 2016 beginning at approximately 10:30pm until 10:50pm.
- 6. Consider approving the Special Event Application for Sacred Heart for a 5K Color Run event for August 13, 2016 contingent upon approval from the MNDOT.
- 7. Consider approving the Temporary Liquor License Application for the Eagles Club 350 for an event at Hugo's #5 on June 16, 2016.
- 8. Consider approving the expenditures for broadcast equipment and authorize the broadcasting of public meetings.
- 9. Consider adopting Resolution No. 16-06-51 approving the update of the CAT Title VI & LEP Plan which is subject to FTA review and approval.
- 10. Consider approving the purchase of five Dell Latitude 14 Rugged computers for the Police Department squad cars for the amount of \$9,210.45.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE ITEMS FIVE (5) THROUGH TEN (10).

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:

- 11. Regular meeting minutes of the Water, Light, Power, and Building Commission for May 5, 2016 and May 19, 2016.

COMMUNICATIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

- 12. Consider taking action in regards to the three day suspension of the VFW liquor license.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER DEMERS, TO ENFORCE A THREE DAY SUSPENSION ON THE VFW LIQUOR LICENSE.

Chief Hedlund said regarding the potential suspensions for both the VFW and Northdale Oil or Tesoro he would like Council to consider the RCA that he had submitted. He explained that both he and the Administration Office had been reworking the matrix regarding the alcohol compliance failures. He said it softens the punitiveness of the initial violations but also spreads out the time frame for when failures occur. He explained how no suspension jumping up to a three day suspension was overly punitive in his opinion and that a one day suspension was more appropriate. He stated that the Council had previously dismissed a three day suspension altogether. He added he was recommending a one day suspension for both businesses, that this would follow what was going to be recommended in the updated ordinance, and how the recommendation for updating the ordinance will be coming forward soon. He stated that he would also be working with them on when the suspension would be taking place and asked for questions.

Council member Vetter said he was willing to look at the ordinance and make changes to it. He asked Chief Hedlund if undercover officers are ever posted to try and catch those underage for drinking or trying to buy and prosecuting them. Chief Hedlund said they hadn't in recent years because it was usually done with grant funding only. He added he would be open to doing that, how he had been a part of that process when he was an officer in Grand Forks, that hopefully the businesses would be open to working with the police department, and at this time he is unaware of any grants available for this. He stated if Council approves the overtime they could do something like this.

Council Pokrzywinski asked if there were any arrests when the police worked undercover in establishments in Grand Forks. Chief Hedlund said it was rare for them not to make an arrest. Council Vice-President Grassel asked if the Council had the power to rescind the motion to a one day suspension. Mr. Galstad stated the Council could modify the motion and gave options for the Council to consider. Council member DeMers stated he concurs with the idea to work on the ordinance but didn't believe the Council should make a decision based on what the future ordinance may be. He added how the Council should be consistent and follow the ordinance which calls for a minimum of a three day suspension. Council President Olstad asked if there was any more discussion on the motion. Mr. Galstad said the Council could take it under advisement and then come back with a recommendation. He added that the Council could enforce a one day served suspension with two days suspended pending on compliance in a 12 month period which still follows the ordinance with a three day suspension.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER BUCKALEW, TO AMEND THE MOTION TO A THREE DAY SUSPENSION ON THE VFW LIQUOR LICENSE WITH ONE DAY SERVED AND TWO DAYS SUSPENDED CONTINGENT UPON NO OTHER OFFENSES FOR A PERIOD OF 12 MONTHS.

Voting Aye: Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: DeMers, Vetter, and Pokrzywinski.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER DEMERS, TO ENFORCE A THREE DAY SUSPENSION ON THE VFW LIQUOR LICENSE WITH ONE DAY SERVED AND TWO DAYS SUSPENDED CONTINGENT UPON NO OTHER OFFENSES FOR A PERIOD OF 12 MONTHS.

Voting Aye: DeMers, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: Vetter.

Mayor Stauss asked what the offenders who enter the establishments get charged. Mr. Galstad stated that in this case there isn't an offender since they are following the State statutes however a lot of times the establishments have called in a minor or confiscated the id used by a minor who can be picked up and prosecuted.

13. Consider taking action in regards to the three day suspension of the Northdale Oil liquor license.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ENFORCE A THREE DAY SUSPENSION ON THE NORTHDAL OIL LIQUOR LICENSE WITH ONE DAY SERVED AND TWO DAYS SUSPENDED CONTINGENT UPON NO OTHER OFFENSES FOR A PERIOD OF 12 MONTHS.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

14. Consider approving the application for On-sale Weekday and Sunday Intoxicating Liquor License for JDM, LLC doing business as The Boardwalk to be located at 415 2nd St NW Suite 2 East Grand Forks, MN 56721.

Council President Olstad stated that the City Attorney requested having this item tabled due to not having ample time to provide the Council with a report of findings. He stated item 14 was to consider approving the application for On-sale Weekday and Sunday Intoxicating Liquor License for JDM, LLC doing business as The Boardwalk to be located at 415 2nd St NW Suite 2 East Grand Forks, MN 56721.

15. Consider adopting Resolution No. 16-06-56 authorizing the Police Department to enter into a grant agreement with the Minnesota Department of Public Safety for traffic safety projects.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ADOPT RESOLUTION NO. 16-06-56 AUTHORIZING THE POLICE DEPARTMENT TO ENTER INTO A GRANT AGREEMENT WITH THE MINNESOTA DEPARTMENT OF PUBLIC SAFETY FOR TRAFFIC SAFETY PROJECTS.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

16. Consider approving the contract between the City of East Grand Forks and Coca Cola for the next 10 years which includes a total contract payment of \$50,000.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO APPROVE THE CONTRACT BETWEEN THE CITY OF EAST GRAND FORKS AND COCA COLA FOR THE NEXT 10 YEARS WHICH INCLUDES A TOTAL CONTRACT PAYMENT OF \$50,000.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

Mr. Gerard Neil asked to address the Council. Council President Olstad stated that the Chair did not recognize Mr. Neil.

17. Consider approving the lease agreement between the City of East Grand Forks and Verizon Wireless for the rental of city property.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER DEMERS, TO APPROVE THE LEASE AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND VERIZON WIRELESS FOR THE RENTAL OF CITY PROPERTY.

Mr. Galstad informed the Council that he had presented a draft of the agreement to Mr. Buell. He said there was discussion on the amount that was to be charged. Council President Olstad asked if the Council should even be taking action on this item. Mr. Galstad stated that if the agreement is in a form that the Council would like they could take action otherwise he suggested sending this back to a work session to discuss terms because the only objection they had was on the monthly amount. Council member DeMers said it was his opinion that if they aren't willing to move up the spot should be split for a second user. He added that there needs to be a utility easement included in this area for the storm sewer. Mr. Galstad stated he was referring to the terms of the lease agreement and he will ask for clarification on the map and survey to make sure they are accurate and in compliance with the requirements from the Army Corps of Engineers.

Council President Olstad stated that this item will be tabled until a further date.

18. Consider approving the Special Use Permit for Verizon Wireless subject to the conditions listed in the city code and those listed on the RCA.

Council President Olstad asked if this item also needed to be tabled. Ms. Ellis stated she would prefer for the Council to act on this item if they are still interested in having the tower placed in this area under the condition that the lease is signed by both parties. She added this was getting close to the 60 day time frame and if it goes over it would automatically be approved without the condition.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE THE SPECIAL USE PERMIT FOR VERIZON WIRELESS SUBJECT TO THE CONDITIONS LISTED IN THE CITY CODE AND THOSE LISTED ON THE RCA INCLUDING THE LEASE AGREEMENT BEING SIGNED BY BOTH PARTIES.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

19. Consider adopting Resolution No. 16-06-52 accepting and awarding the 2016 Assessment Job No. 1 – Street & Bikepath Improvements to _____ for the amount of _____.

Mr. Emery informed the Council that bids had been opened and that they had received three bids which were made up of five proposals which the Council had the ability to award any combination of the five proposals. He reviewed what each proposal was, the engineer's estimate, and what the lowest bid was

for each proposal. He said the total engineer’s estimate was 1.2 million dollars Strata overall had the lowest bid at \$1,042,000. He stated the information on the RCA explained what portions of the project would be assessed and what projects would be funded by the City, storm water, greenway, or State Aid funds. He also informed the Council that the prices per foot dropped for both the seal coat and mill and overlay portions of the project. He told the Council it was up to them on what to award and that they are recommending awarding all five proposals to Strata Corporation in the amount of \$1,042,350.75.

Council member DeMers asked if they were able to award proposals to different contractors. Mr. Emery said no and that the Council could award any proposals to the same contractor. Council member Vetter asked how long the driveway to the lift station was going to be. Mr. Emery stated it was about 200 feet long. Council member Buckalew asked if the seal coat will be the same product the City had received the year before. Mr. Emery said it would be and the same subcontractor that will be applying the seal coat so it would be.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 16-06-52 ACCEPTING AND AWARDING ALL FIVE PROPOSALS FOR THE 2016 ASSESSMENT JOB NO. 1 – STREET & BIKEPATH IMPROVEMENTS TO STRATA FOR THE AMOUNT OF \$1,042,350.75.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.
Voting Nay: None.

20. Consider adopting Resolution No. 16-06-53 approving the issuance of solid waste disposal revenue bonds.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER VETTER, TO ADOPT RESOLUTION NO. 16-06-53 APPROVING THE ISSUANCE OF SOLID WASTE DISPOSAL REVENUE BONDS.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.
Voting Nay: None.

21. Consider adopting Resolution No. 16-06-54 authorizing the transfers for budgeted year 2015.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 16-06-54 AUTHORIZING THE TRANSFERS FOR BUDGETED YEAR 2015.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.
Voting Nay: None.

CLAIMS:

22. Consider adopting Resolution No. 16-06-55 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 24223 for a total of \$1,653.11 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER DEMERS, TO ADOPT RESOLUTION NO. 16-06-55 AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 24223 FOR A TOTAL OF \$1,653.11 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

Voting Aye: DeMers, Vetter, Pokrzywinski, Tweten, Olstad, and Grassel.

Voting Nay: None.

Abstain: Buckalew.

23. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER BUCKALEW, TO AUTHORIZE THE CITY ADMINISTRATOR/CLERK-TREASURER TO ISSUE PAYMENT OF RECOMMENDED BILLS AND PAYROLL.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

COUNCIL/STAFF REPORTS:

Mayor Stauss commented that he was bewildered to how quickly an item was tabled and added that if someone is there to address the Council they should be heard.

Council Member DeMers asked to have better screens and mice in Council Chambers.

Mr. Murphy stated he was glad to be back after a week of vacation.

Mr. Dragich told the Council the pool was filled with water, they were hoping to be open on Friday, and that a grand re-opening was being planned in about a week or so once everything was up and operating smoothly.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE JUNE 7, 2016 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:43 P.M.

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer

**UNAPPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 14, 2016 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for June 14, 2016 was called to order by Council President Mark Olstad at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Mark Olstad, Council Members Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Karla Anderson, Finance Director; Mark Dragich, Interim Parks & Recreation Director; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

Mr. Kip Fontaine introduced himself to the Council and informed them that he had received endorsements from Leroy Stumpf and the DFL Party to run for the open seat in the senate. He informed the Council about his family, job his experiences, and ties to Northwest Minnesota. He thanked the Council for their time.

1. Future MNDOT Amendments to Transportation Plan – Earl Haugen

Mr. Haugen informed the Council he was at the meeting with MNDOT to discuss the process of adding an amendment to the MPO and East Grand Forks transportation plans for some MNDOT projects. He explained that an amendment takes a minimum of three months and it involves public engagement at meetings and open houses. He stated that the transportation plan is a fiscally constrained document that was adopted in 2013 and the projects that are going to be discussed were not identified at that time. He added how the MPO and MNDOT are focusing on preservation and these projects are identified as such. He said they were here to determine how the MPO, East Grand Forks, and MNDOT would like these projects to appear in the transportation plan. He added that once that was determined it would then go into project development to define what the actual project will be. He stated that MNDOT was present to go over the base projects as well as addressing other issues. Mr. Haugen stated they were not asking for action but just starting the process and turned it over to MNDOT.

Mr. Darren Laesch introduced himself as the planner in the district office in Bemidji. Mr. Luke Johanneck introduced himself as the assistant traffic engineer. Mr. Laesch explained how MNDOT makes plans for projects four years out, how they are developing a 10 year capital plan, and that these projects had not been identified. He added they are working on getting a better scope of the projects and gathering input. Mr. Laesch commented how there is paving that needs to be addressed which is driving this project and that they would like to hear about the issues with the corridor and how they will also be doing some culvert work as well as addressing safety issues.

Mr. Johanneck stated that a safety plan has been identified for the intersection of Business Highway 2 and Highway 2, how this issue was known about before, and that it has a higher than normal crash rate. He explained how they were looking at closing the median at the intersection of Highway 2 and Business Highway 2 to try and prevent accidents. He reviewed information about previous crashes, issues with having an intersection on a curve, and commented on other intersections in the district that have similar issues. Mr. Todd Gregoire asked why nothing has been done until now to make this intersection safer. Discussion followed about how the issue isn't so much of people not coming to a stop but of gap selection when trying to enter Highway 2. Mr. Ryan Gregoire commented how it is 50 miles per hour in this section and it may help to decrease the speed limit. Mr. Johanneck stated they could look into options such as rumble strips and added how the issue has more to do with the characteristics of the intersection. Discussion followed about looking at lowering the speed limit, the possibility of putting up sensors informing drivers that traffic is coming if there isn't too much traffic, and turning this street into a dead end would be detrimental to the businesses located along Business Highway 2. Council President Olstad commented how the closing of the intersection is a big concern, safety is also a concern, and how a lot of the traffic is truck traffic.

Mr. Todd Gregoire stated he was confused because if this intersection was such a safety concern why nothing had been done before. He commented how the grass needs to be mowed in the ditches to allow for better visibility and how there is close to 20,000 cars going through this intersection everyday with most being in a hurry and how some issues are because of human error. Mr. Laesch stated he would check with the maintenance crew to see when they would be able to address the ditches. Council member DeMers asked if MNDOT was going to propose the same thing for other intersections like this like at Highway 2 and Highway 75 in Crookston. Mr. Johanneck said it was something they would be looking into. Discussion followed on how this would cause problems for the businesses on Business Highway 2, if MNDOT could look into flattening out the curves, and even if traffic was encouraged to use 17 they would continue to use this access if it was left open.

Mr. Trent Peabody stated that these businesses on Business Highway 2 are retail businesses and the closure of the intersection would be the death to these businesses. He commented how the speed limits could be dropped, changing the route to County 17 would not be any safer, and how a vast majority of traffic comes from the east heading west on this road. He added how the businesses were told that they were get streetscapes but that didn't happen, and that the potato warehouses have been changed into other businesses. He said the proposal was foolish in his opinion and asked MNDOT to look at everything again.

Council member Vetter stated that the fix at intersection Highways 89 and 2 was overkill but that would be something that could work for this intersection. Mr. Johanneck commented how that intersection was one of the worst in the State. Mr. Laesch said that project wasn't their first choice but what they had to

move forward with. He said he understands what is being said, that these comments will be taken back and they will look into other options. Mayor Stauss stated this was about safety and business, both were important, and that MNDOT should consider what is the best fix and not necessarily what is the cheapest fix.

Discussion followed about a possible new truck route going on 11th Ave NE for the trucks going into and out of the beet factory. Mr. Laesch commented how that currently was to be a future site of a signal but since crashes increase with the installation of a new signal if the City would consider other options and eliminate the need for a signal. Council member DeMers asked if it was safer to make a U turn than drive across. Mr. Johanneck explained that J turns are safer and how they are able to make adjustments to allow for heavy commercial vehicles to fit. Mr. Peabody commented how the J turns were just scrapped in North Dakota. Mr. Johanneck commented that they have been found to be very effective. Discussion followed about how J turns have reduced crashes, how people may avoid using the J turns, and how MNDOT could consider reducing the speed limit on this section of Highway 2. Mr. Laesch asked the Council to keep these things in mind when it comes to future development because they are trying to prevent issues like the issues they are dealing with at Business Highway 2.

Mr. Laesch continued commented on the 4th Street bridge project. He said this wasn't scheduled until 2025 and that Mr. Paul Konickson was the bridge engineer who could inform the group on what was going on. Mr. Konickson reviewed the current condition of the bridge and what some of the possible repair options are. He stated that at this time it hasn't been determined what needs to be replaced. Council President Olstad said how there are have been previous discussions on the on-ramp when heading west because of the lack of a merge lane and the concerns about safety. He asked if any of the issues that had previously been discussed will be considered and addressed. Mr. Laesch stated these issues can be looked into. Discussion followed about how putting a stop sign here instead of merging more than likely would not solve the issue, how the options will depend on what project they move forward with, and how there may be more issues the removal of the median from the bridge.

Council member DeMers asked if there was the possibility for bridge removal and move forward with an at grade crossing. Mr. Laesch commented how there are already safety issues at the intersection of Highways 2 and 220 and this could just add to that problem. Discussion followed about how the MNDOT would not pick up the costs to raise River Road, how there would be challenges to work in the flood plain, they would not recommend it at this time, and that once the median is taken out on bridge there will be more crashes. More discussion followed about the placement of the pedestrian walk way being on the north side of the bridge and how cost estimates will needed for these possible projects.

2. Change Order for Lift Station #5 Replacement – Steve Emery

Mr. Emery informed the Council that a change order has been requested for the lift station replacement project. He explained that they had to change the concrete from 3000 psi to 4000 psi which cost \$6,932.85, that there was duplication of a disconnection switch which was a credit of \$4,189.50, and that the third item was for additional bracing and supports that were needed. He explained they ran into stiff soils which required further excavation and bracing which cost \$52,292.00. He stated that the two items and the one credit totaled \$55,036 which would be paid for by the contingency funds. He added there was still \$58,000 available in the contingency after this change order was paid for. Council member Tweten asked if there were sufficient contingency funds to complete the project. Mr. Emery stated there

were.

This item will be referred to a City Council Meeting for action.

3. Change Order for the Pool Project – David Murphy

Mr. Murphy informed the Council the base for the handicap ramp was not adequate and had to be redone. He explained it was only \$1,292 that the project had been completed, but the Council should go through the process of getting the Council's consent. Council member DeMers asked what the costs looked like with this now included. Mr. Murphy said even with this additional cost the pool should still come under budget. Discussion followed about how good the pool has turned out and that there have been terrific crowds at the pool.

This item will be referred to a City Council Meeting for action.

4. Discussion on Lease Agreement with Verizon – Ron Galstad

Mr. Galstad stated the agreement had been revisited. He reviewed how the tower can allow up to three providers, how originally the agreement stated the rent would total \$12,000 per year but the Council had requested \$24,000. He added that Mr. Buell was at the meeting to answer any questions. Mr. Buell informed the Council that the original offer of \$1,000 per month with a 10% escalator was not a low offer. He explained this is what the City of Grand Forks had agreed to after a study was done and that this amount is higher than what they usually pay per month for renting space. Council member DeMers stated he would be okay with the \$1,000 per month and inflator as long as the property is parceled out. Mr. Buell said he understood and that could be done. Mayor Stauss asked how many people this would serve. Mr. Buell explained that it would be hard to quantify how many people are served by the towers and added how usage has continued to increase which is creating the need to increasing the capacity. Discussion followed about how the Council would agree to the terms with a smaller foot print. Mr. Galstad asked if the exhibits needed to be updated. Mr. Buell stated he would review the exhibits and shrink the foot print.

This item will be referred to a City Council Meeting for action.

5. Request to Formally Accept DNR Grant – Mark Dragich

Mr. Dragich stated the City had applied for a \$50,000 grant from the DNR for the pool project. He stated the City had been awarded the grant and asked the Council to formally accept the grant and authorize staff to submit the information to collect the funds. Council member DeMers asked where the grant came from. Mr. Dragich said it was from the land and conservation fund.

This item will be referred to a City Council Meeting for action.

6. Request Regarding Short Term Storm Shelters – Gary Larson

Chief Larson informed the Council that he had been reviewing the storm shelter plan. He stated that currently the Civic Center and VFW Arenas are opened and people are allowed in without supervision.

He said he would like to include Park and Rec employees in this process and start having designated areas along with a sign in sheet for those that come to take shelter. He added that he had spoken with the Grand Forks Emergency Manager and asked to have a 2 sided shelter page that had the information for the shelters in both Grand Forks and East Grand Forks so the public is aware they can seek shelter in both cities.

Council member DeMers asked if that was something that could be handed out to the campers when they check in. Chief Larson stated that currently the campers have gone to the Fire Station and how they are looking for funding to build a shelter for the campground. Discussion followed about possible alternatives for the campers to seek shelter than at the fire station. Council member Tweten commented how an interpretive center could be built and serve a dual purpose and that legacy funds could be used for this project. Mayor Stauss commented that the Commissioner of the DNR seemed very receptive to that plan and to bring it back to his attention. Chief Larson said they would continue to work on a plan for the campers.

This item will be referred to a City Council Meeting for action.

7. Request Regarding Paid On Call Staff – Gary Larson

Chief Larson told the Council that a few of the paid on call members had retired and there could be a couple more getting ready to retire. He asked to hire more paid on call members so they are back up to 25 on call members again and if they go below that number that he is able to start the hiring process and inform the Council when they have started another process. Council President Olstad asked if the minimum was 35. Chief Larson said there wasn't a minimum but the maximum was 35. He added those hired will have to complete 120 hours of training.

This will be referred to a City Council Meeting for action.

8. River Road Rehabilitation – Jason Stordahl

Mr. Stordahl informed the Council that he had been approached by both Polk County and Zavorals about the possibility to rehab the 940 feet of gravel on River Road the City is responsible for maintaining. He stated there is lots of truck traffic that is on this road and it is in tough shape. He explained lime would be hauled in to help firm up the road and the cost of the project would be approximately \$8000. Council member Buckalew asked what the time frame would be for this project. Mr. Stordahl stated that this project could be done fairly quickly and not interfere with any other projects.

This item will be referred to a City Council Meeting for action.

9. Mosquito Control Equipment – Jason Stordahl

Mr. Stordahl asked the Council to purchase additional mosquito spraying equipment. He explained how long it takes for the Public Works employees to spray East Grand Forks, how an additional unit will help complete the task more quickly, that the spray is most affective when it is sprayed during peak times when mosquitoes are out, and that he was also requested the GPS units for each sprayer. He stated that

the GPS units tracks speed and adjusts the spray according which will help save on chemical.

This item will be referred to a City Council Meeting for action.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE JUNE 14, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:37 P.M.

David Murphy, City Administrator/Clerk-Treasurer

Request for Council Action

Date: June 9, 2016

To: East Grand Forks City Council, Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Henry Tweten, Marc Demers, Craig Buckalew and Mike Pokrzywinski.

Cc: File

From: Steve Emery & Brad Bail

RE: 2014 City Project No. 3 – Lift Station No. 5 - Replacement
East Grand Forks, MN

Background:

Attached please find a request for approval of Change Order No. 1. An explanation of the Change Order items is below:

Item No. 1:

All concrete was changed from a 3000 PSI to 4000 PSI Compressive Design strength.

Item No. 2:

The disconnect switch for the electric duct heater was duplicated on the electrical and mechanical drawings thus received a credit for deleting one of the duct heater switches and appurtences.

Item No. 3: (Brad Bail)

The design for the construction of the lift station was based on a "self digging" structure. The base of the walls included a cutting shoe which allows the structure to sink into the ground when material on the inside are removed. During the sinking process the contractor encountered soils which made the sinking more difficult, as the soil appeared to be stiffer than what the soils report had indicated. To get the structure to continue to sink, the contractor was forced to dig below the digging shoe. In the design of this type of structure it is assumed that the digging shoe will always be encased in earth on both sides, which provides lateral support for the wall while construction is taking place. With this in mind, we decided that additional temporary bracing / supports be used to prevent any chance of failure of the concrete walls. The depth of the liftstation is 31 feet below the ground surface. At that depth, the force on the wall would be equivalent to approximately 14,000 psf. To complete the work, the contractor had

to have employees at the bottom of the liftstation. Therefore, for safety precautions as well as the costs to repair or reconstruct a concrete wall if substantial deflection did occur we opted to put the temporary bracing /supports in place. Therefore, the contractor needed to provide materials and additional labor to install the bracing and supports as well as labor and materials to remove the temporary bracing and supports once the lift station sinking operation was completed and the bottom floor section was poured. Due to the bracing the contractor further incurred additional manhours having to work around the bracing while removing soil materials from inside the structure as well as additional time while forming and pouring the concrete floor.

<u>Proposed Budget:</u>	<u>2014 CP No. 3</u>
Construction	\$2,272,827.00
Contingencies (5%)	\$ 113,641.35
Total Change Order No. 1	\$55,036.00
Contingency Balance	\$58,605.35

<u>Proposed Funding:</u>	<u>2014 CP No. 3</u>
City	\$55,036.00

Recommendation:
Approve Change Order request No. 1

Enclosures:
Change Order No. 1

Date of Issuance: May 9, 2016
 Owner: City of East Grand Forks
 Contractor: ICS, Inc.
 Engineer: Widseth Smith Nolting
 Project: 2014 City Project No. 3

Effective Date: May 9, 2016
 Owner's Contract No.:
 Contractor's Project No.:
 Engineer's Project No.: 0706G0021
 Contract Name: Lift Station No. 5
 Replacement

The Contract is modified as follows upon execution of this Change Order:

- Description: 1. Change Concrete from 3000 PSI to 4000 PSI
 2. Delete disconnect switch for duct heater
 3. Temporary shoring and bracing

Attachments: [List documents supporting change] – See Attached Document

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES [note changes in Milestones if applicable]
Original Contract Price: \$ 2,272,827.00	Original Contract Times: Substantial Completion: <u>October 31, 2016</u> Ready for Final Payment: _____ days or dates
[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: \$ 0.00	[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: Substantial Completion: <u>0</u> Ready for Final Payment: _____ days
Contract Price prior to this Change Order: \$ 2,272,827.00	Contract Times prior to this Change Order: Substantial Completion: <u>October 31, 2016</u> Ready for Final Payment: _____ days or dates
[Increase] of this Change Order: \$ 55,036.00	[Increase] [Decrease] of this Change Order: Substantial Completion: <u>0</u> Ready for Final Payment: _____ days or dates
Contract Price incorporating this Change Order: \$ 2,327,863.00	Contract Times with all approved Change Orders: Substantial Completion: <u>October 31, 2016</u> Ready for Final Payment: _____ days or dates

RECOMMENDED:
 By: [Signature]
 Title: Project Engineer
 Date: 5/20/16

ACCEPTED:
 By: _____
 Title: _____
 Date: _____

ACCEPTED:
 By: [Signature]
 Title: V.P.
 Date: 5/24/16

Approved by Funding Agency (if applicable)

By: _____ Date: _____
 Title: _____

Change Order No. 1



2014 City Project No. 3 Lift Station No. 5 Replacement East Grand Forks, Mn

5/9/2016

DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
Modify Concrete from 3000 PSI to 4000 PSI	LS	1	\$ 6,932.85	\$6,932.85
Delete Disconnect Switch	LS	1	\$ (4,189.50)	-\$4,189.50
Temporary Shoring & Bracing	LS	1	\$ 52,292.65	\$52,292.65
Total Change Order No. 1				\$55,036.00
Contingency (5%)				\$113,641.35
Contingency Balance				\$58,605.35

ICS

GENERAL CONTRACTOR

P.O. Box 13158 • Grand Forks, ND 58208-3158
(P) 701.775.8480 (F) 701.775.8479
www.icsgf.com

October 6, 2015

Widseth Smith Nolting
1600 Central Ave NE
East Grand Forks, MN 56721

Attn: Mr. Steve Emery

RE: 2014 City Project No. 3
Lift Station No. 5 Replacement
East Grand Forks, MN
Concrete Mix Design Changes

Dear Mr. Emery:

Specification section 03 3000, paragraph 2.09 specifies a minimum compressive strength of 3,000 psi with a maximum water-cementitious materials ratio of 0.55 for footings and foundation walls. The additional cost to change to a 4,000 psi, 0.43 W/C ratio is \$13.77 per CY including tax and ICS overhead, profit, bond & insurance (15% Total). The total estimated quantity of structural concrete effected by this change is 505 CY including loss through pumping and testing. The total amount to change the mix design would be \$6,953.85.

I have attached the proposed mix designs for your review.

Sincerely,



Kip Langei
Vice President of Operations



PROPOSAL REQUEST – E1

Date	March 14, 2016
Project #	2015121
Project Name	EGF Lift Station #5
Project Location	East Grand Forks, MN
Description	Electric Duct Heater Disconnect Switch

Please submit an itemized quotation for the change(s) described below to the proposed modifications to the Contract Documents. Cost proposal to include a detailed itemized breakdown indicating the specific amounts, lengths, quantities, types, sizes, etc. of material including labor, O&P, taxes, and other incidental charges to be used. Proposal shall also indicate credits, deducts, and/or offsets for material and labor originally included in contract. THIS IS NOT A CHANGE ORDER OR DIRECTION TO PROCEED WITH WORK STATED HEREIN.

Delete the disconnect switch for the duct heater from the electrical contractor and install the disconnect switch provided by the mechanical contractor.

Respectfully,
Obermiller Nelson Engineering, Inc.

W. Brian Poykko

Document19

BUILDING SYSTEMS CONSULTANTS

FARGO
2201 12th St N Suite E
701.280.0500

GRAND FORKS
311 4th St, S Suite 203
701.775.2594

BISMARCK
233 West Rosser Ave
701.222.0520

ALEXANDRIA
503 Hawthorne St Suite 141
320.846.0300

MINNEAPOLIS
1400 Van Buren St NE Suite 130
877.380.0501

**Rieger, Borgen, Benson
Electric, Inc.**

RBB Electric, Inc.
PO Box 13635
1123 North 51st Street
Grand Forks, ND 58208
Phone (701)775-7404
Fax (701)775-7417

Change Proposal

Proposal Submitted to:
Obermiller Nelson Engineering

Date:
3/17/2016

Phone:
Fax:

Job Name: EGF Lift Station #5

We are pleased to submit our proposal for furnishing and installing as follows:

RBB Electric will provide parts and labor for the work as described in PRE1.

For the deduct of _____ (\$ 3,990.00)

Ics (MARKUP) - 5%

(\$ 199.50)

(\$ 4189.50)

Payment to be made as follows:

Billings sent on the 25th of the month with payment due by the following 10th. Finance charges apply at 1.5% on the balances over 30 days. Payments received by credit card will be assessed a 4% credit card fee.

Authorized Signature _____ Tim Borgen _____

Proposal may be withdrawn if not accepted within 30 days.

Signature _____

Signature _____

Service * Residential * Commercial * Industrial

Locally Owned and Operated

Request for Council Action

Date: June 14, 2016

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: City Administrator David Murphy

RE: Pool Change Order No. 7.

Background

The base for the handicap access ramp and sidewalk are inadequate and need to be created new. The enclosed change order is from MNKOTA Concrete and will address the handicap accessibility needs for the pool. The cost of the change order is \$1,252.

Budget Impact

The 1,252 cost is within the contingency amount.

Action Required

Authorize City Administrator to execute the Change Order Document.



AIA[®] Document G701[™] – 2001

Change Order

PROJECT (Name and address):	CHANGE ORDER NUMBER: 007	OWNER: <input type="checkbox"/>
East Grand Forks Pool Renovation 919 - 5th Ave. NW East Grand Forks, Minnesota	DATE: May 10, 2016	ARCHITECT: <input type="checkbox"/>
EAPC Project 20151250		CONTRACTOR: <input type="checkbox"/>
TO CONTRACTOR (Name and address):	ARCHITECT'S PROJECT NUMBER: 20151250	FIELD: <input type="checkbox"/>
T. F. Powers Construction Co. 910 Sixth Avenue North P.O. Box 2088 Fargo, ND 58107	CONTRACT DATE: June 03, 2015 CONTRACT FOR: General Construction	OTHER: <input type="checkbox"/>

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

\$1,252.00 PR G27 - Provide new concrete handicap ramp and sidewalk at the southeast corner of the bath house.

The original Contract Sum was	\$ 1,626,000.00
The net change by previously authorized Change Orders	\$ 359,686.00
The Contract Sum prior to this Change Order was	\$ 1,985,686.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 1,252.00
The new Contract Sum including this Change Order will be	\$ 1,986,938.00

The Contract Time will be unchanged by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is November 29, 2015 and final completion of June 29, 2016.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Engineers-Architects, P.C. (herein known as EAPC Architects Engineers)	T. F. Powers Construction Co.	City of East Grand Forks
ARCHITECT (Firm name)	CONTRACTOR (Firm name)	OWNER (Firm name)
3100 DeMers Avenue Grand Forks, ND 58201	910 Sixth Avenue North P.O. Box 2088, Fargo, ND 58107	600 DeMers Avenue East Grand Forks, MN 56721
ADDRESS	ADDRESS	ADDRESS
<i>Wayne G. Dietrich</i>	<i>[Signature]</i>	
BY (Signature)	BY (Signature)	BY (Signature)
Wayne G. Dietrich	Justin Aross <i>Jeremy Hoesel</i>	David Murphy
(Typed name)	(Typed name)	(Typed name)
<i>6/16/16</i>	<i>5-31-16</i>	
DATE	DATE	DATE

Request for Council Action

Date: 6/9/16

To: East Grand Forks City Council Mayor Lynn Stauss, Council President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: Mark Dragich – Park & Rec Dept

RE: Dept of Natural Resources (DNR) Grant Agreement

The Park & Recreation Department had applied for a \$50,000 grant to help pay for the pool project. At this time the City has been awarded the grant which the Council needs to formally accept. The City has until 2017 to collect the grant funds.

At this time Staff has started putting together the information that will need to be submitted to the DNR to collect the funds once the grant agreement has been accepted.

Recommendation:

Formally accept the grant and authorize staff to submit the documentation to collect the funds from the DNR.

RESOLUTION NO. 16 – 06 - 57

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City of East Grand Forks applied for a grant to help pay for the pool project;

WHEREAS, the City of East Grand Forks has been awarded a \$50,000 grant to help pay for the pool project; and

WHEREAS, staff will need to submit information to the Department of Natural Resources before the grant funds can be collected; and

NOW, THEREFORE, BE IT RESOLVED By the City Council of East Grand Forks, Minnesota formally accepts the grant from the Department of Natural Resources and authorizes staff to submit the documentation to collect the funds.

Voting Aye:

Voting Nay:

Absent:

The President declared the resolution passed.

Passed: June 21, 2016

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 21st day of June, 2016.

Mayor

Request for Council Action

Date:

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: Fire Chief Gary Larson

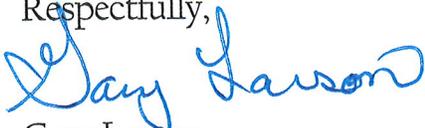
RE: Paid On Call Staff

On July 11, 2012 the Fire Department asked to add Paid On Call Firefighter up to 25 members, which put the department staff at 35. Since that time we have had retirements and have had to let some personnel go do to poor attendance. We are down 5 personnel now and have some retirements coming up.

We are looking at about 120 hours of training to get a firefighter trained in fire suppression and medical response.

Recommendation: 1. To approve the hiring of more Paid On Call Firefighters. 2. To allow the Fire Dept. to replace Paid On Call Firefighters as they retire or as needed not to exceed the 25 Paid On Call members.

Respectfully,



Gary Larson

Fire Chief East Grand Forks

Request for Council Action

Date: 6-9-2016

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: Jason Stordahl-Public Works Director

RE: Mosquito Control Equipment

Public Works would like to add another mosquito sprayer to our fleet. We currently run 4 sprayers on a typical evening spray, which takes approximately 4 to 5 hours. Adding another sprayer would not save us much on OT costs, but would shorten the time we are out on the streets, which would give us a more effect spray, help with operator fatigue, and allow us to reach some areas that currently are unreachable.

We would also like to purchase 5 GPS units. The units would work with our Smart Flow Controls to monitor speed and regulate the amount of chemical that is applied accordingly. The benefit of this system is in chemical savings.

The following are the quotations from Clark:

Cougar Smart Flow (mosquito sprayer)	\$9,358.09
GPS (5 units)	\$3,576.25

Recommendation: Authorize staff to purchase about mentioned Mosquito Sprayer Unit & 5 GPS units.



675 Sidwell Ct
 St Charles, IL 60174
 U.S.A.
 www.clarke.com
 TOLL-FREE: 800-323-5727

PH: 630-894-2000
 FAX: 630-443-3070
 EMAIL: customer@clarke.com

QUOTATION

B City of East Grand Forks (E00075)
I Jeremy
L 1001 2nd Street NE
L Public Works
 East Grand Forks, MN 56721-3101
T 218-773-1313
O 218-773-5615

S City of East Grand Forks
H Jeremy
I 1001 2nd Street NE
P Public Works
 East Grand Forks, MN 56721-3101
T 218-773-1313
O 218-773-5615

Quotation #	Quote Date	Salesperson	Written by	Valid to
0002015125	06/05/16	Rob Olson	Laura Phillips - Cust Care Manager	09/30/16

Delivery Method	Terms
Best Way	Net 30 Days

Item #	Item Description	Qty Ordered	Unit Price	Extended Price
12871SMART	COUGAR SMART FLOW	1 ea	9,289.29/ea	9,289.29

Freight Charge	68.80
Order total	9,358.09
Total	9,358.09

* For your convenience we also accept Visa and MasterCard

Clarke will charge applicable sales taxes unless a valid exemption certificate is Emailed to: accountsreceivable@clarke.com or faxed to: 630-672-7439

Helping make communities around the world more livable, safe and comfortable.



675 Sidwell Ct
 St Charles, IL 60174
 U.S.A.
 www.clarke.com
 TOLL-FREE: 800-323-5727

PH: 630-894-2000
 FAX: 630-443-3070
 EMAIL: customer@clarke.com

QUOTATION

B City of East Grand Forks (E00075)
I Jeremy
L 1001 2nd Street NE
L Public Works
 East Grand Forks, MN 56721-3101
T 218-773-1313
O 218-773-5615

S City of East Grand Forks
H Jeremy
I 1001 2nd Street NE
P Public Works
 East Grand Forks, MN 56721-3101
T 218-773-1313
O 218-773-5615

Quotation #	Quote Date	Salesperson	Written by	Valid to
0002015127	06/05/16	Rob Olson	Laura Phillips - Cust Care Manager	09/30/16

Delivery Method	Terms
Best Way	Net 30 Days

Item #	Item Description	Qty Ordered	Unit Price	Extended Price
13589	GPS for SMARTFLOW ASSY	5 ea	713.55/ ea	3,567.75

Freight Charge	8.50
Order total	3,576.25
Total	3,576.25

* For your convenience we also accept Visa and MasterCard

Clarke will charge applicable sales taxes unless a valid exemption certificate is Emailed to: accountsreceivable@clarke.com or faxed to: 630-672-7439

Helping make communities around the world more livable, safe and comfortable.

Request for Council Action

Date: 6-9-2016

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: Jason Stordahl-Public Works Director

RE: River Road Rehabilitation

In 2007 it became the City's responsibility to maintain River Rd. NW from 23rd St. NW to ½ mile north (north boundary of the Golf Course). A portion of that section of roadway is gravel. Traveling north of the Golf Course the roadway (Polk County 64) is owned and maintained by Polk County.

The Polk County Highway Department would like to rehab their roadway (Polk County 64) from 140th Street SW, south to the City Limits (N. boundary of Golf Course). The Highway Department is inquiring whether or not the City would be interested in improving their portion of the roadway as well.

The road improvement will consist of removing the existing aggregate, adding limestone to the base of the road, and then redistributing the salvaged aggregate on top the limestone. The goal of the project is to firm up the base of the road, which will stabilize the road surface and save the County and City money in maintenance costs.

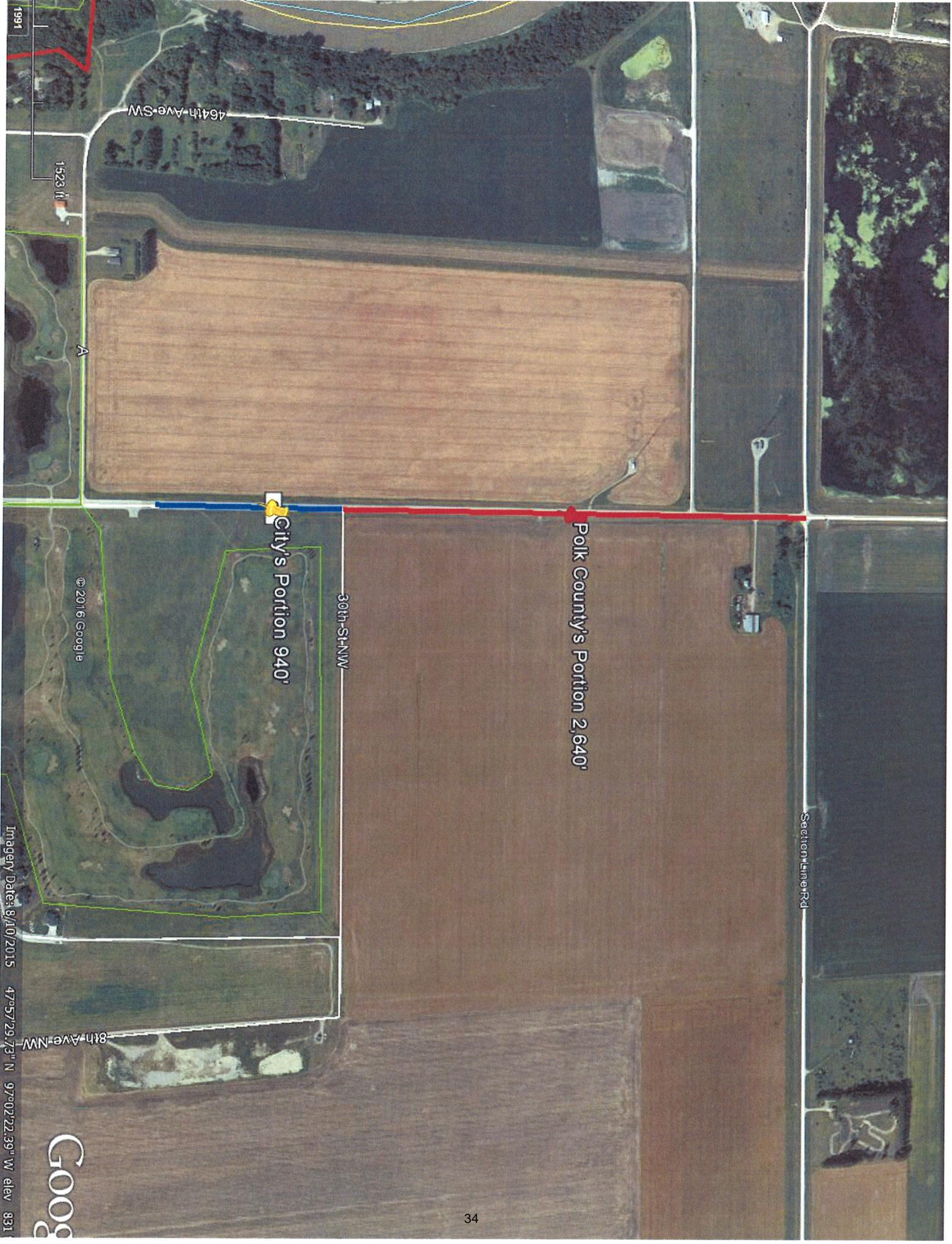
RJ Zavoral and Sons utilize County 64 to haul material to and from their property, which is located just west off of County 64. The improvement project would benefit their company greatly, and they are willing to contribute to the project. If the City Council and Polk County Commission approve the project it would be a collaborative project between the City, County, and RJ Zavoral & Sons. The City and County would haul the limestone, and RJ Zavoral & Sons would place the material. The City and County would split the cost of the material as follows:

Polk County Highway	\$ 22,600
City of East Grand Forks	\$ 8,000

If Council approves of the project we would use funds from our street reconstruction budget, and we have sufficient funds.

Recommendation: Approve staff to move forward with the River Road/County 64 road rehabilitation project.

C:\Users\mnelson\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\KQ64YLFA\River Rd Improvement.doc



Polk County's Portion 2,640'

City's Portion 940'

30th-SH-NW

464th Ave-SW

1523th

A

Section Line Rd

8th Ave-NW

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Imagery Date: 8/10/2015

47°57'29.73" N 97°02'22.39" W elev 831

Google



9

Minnesota Department of Public Safety
 Alcohol and Gambling Enforcement Division
 445 Minnesota Street, Suite 222, St. Paul, MN 55101
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555

**APPLICATION AND PERMIT FOR A 1 DAY
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization Date organized Tax exempt number
 East Grand Forks Association of Fire Fighters 1991 41-1712177

Address City State Zip Code
 415 4th ST NW East Grand Forks MN 56721

Name of person making application Business phone Home phone
 RYAN SWANG 701-740-3020 701-740-3020

Date(s) of event Type of organization
 July 29, 30, 31 2016 Club Charitable Religious Other non-profit

Organization officer's name City State Zip Code
 Jeff Anderson East Grand Forks MN 56721

Organization officer's name City State Zip Code
 Paul Hansen East Grand Forks MN 56721

Organization officer's name City State Zip Code
 RYAN SWANG East Grand Forks MN 56721

Organization officer's name City State Zip Code

Location where permit will be used. If an outdoor area, describe.
 LaFave Park Boat Landing Area in East Grand Forks MN

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
 VFW Post 3817 - 312 Demes Ave, East Grand Forks MN 56721

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

East Grand Forks
 City or County approving the license
 \$300
 Fee Amount
 6/6/16
 Date Fee Paid

 Date Approved

 Permit Date

 City or County E-mail Address

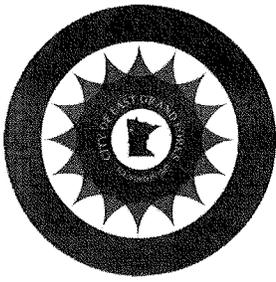
 City or County Phone Number

 Signature City Clerk or County Official

 Approved Director Alcohol and Gambling Enforcement

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event.

**ONE SUBMISSION PER EMAIL, APPLICATION ONLY.
 PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT
 BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US**



City of East Grand Forks

600 DeMers Ave · P.O. Box 373 · East Grand Forks, MN 56721
218-773-2483 · 218-773-9728 fax · www.eastgrandforks.net

APPLICATION FOR SPECIAL EVENT

License Fee: _____

Organization Information		
<u>iHeart Media</u>	<u>746-1417 or 741-0824</u>	
<i>Organization Name</i>	<i>Organization Phone Number</i>	
<u>505 University Ave</u>	<u>Grand Forks</u>	<u>ND 58201</u>
<i>Organization Address</i>	<i>City</i>	<i>State</i> <i>Zip</i>

Applicant Information		
<u>Jennifer Stocker</u>	<u>701-741-0824 cell</u>	
<i>Applicant Name</i>	<i>Applicant Phone Number</i>	
<u>Same as above</u>	<u>''</u>	<u>''</u>
<i>Applicant Address</i>	<i>City</i>	<i>State</i> <i>Zip</i>

Special Event Information		
<u>Thurs. 7/21/16</u>	<u>5pm</u>	<u>8pm</u>
<i>Date of Event</i>	<i>Start Time</i>	<i>End Time</i>
<u>Annual Bikes + Bites Ride In Bike Show</u>		
<i>Explanation of Event</i>		
<u>Boardwalk parking lot</u>		
<i>Route/Area of Event (include map)</i>		
<u>No parking cones / picnic tables</u>		
<i>Special Requests (Staff, Road Closures, Etc)</i>		

I hereby certify that I have completely filled out the entire above application, together and that the application is true, correct, and accurate.

Signature of Applicant

Jennifer Stocker
Print Name

5/31/16
Date

MP
Title



Minnesota Department of Public Safety
 Alcohol and Gambling Enforcement Division
 445 Minnesota Street, Suite 222, St. Paul, MN 55101
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555

**APPLICATION AND PERMIT FOR A 1 DAY
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization	Date organized	Tax exempt number
VFW Post 3817	1942	

Address	City	State	Zip Code
312 Demers Ave NW	East Grand Forks	Minnesota	56721

Name of person making application	Business phone	Home phone
Patricia Sauskojus	218-773-2481	218-791-0180

Date(s) of event	Type of organization
July 21, 2016	<input type="checkbox"/> Club <input type="checkbox"/> Charitable <input type="checkbox"/> Religious <input checked="" type="checkbox"/> Other non-profit

Organization officer's name	City	State	Zip Code
Wendell Sorlien	Grand Forks	North Dakota	58201

Organization officer's name	City	State	Zip Code
Gary Dudgeon	East Grand Forks	Minnesota	56721

Organization officer's name	City	State	Zip Code
William Bridges	East Grand Forks	Minnesota	56721

Organization officer's name	City	State	Zip Code

Location where permit will be used. If an outdoor area, describe.
 Riverwalk boardwalk parking lot area.

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
 Secura Insurance Co. - Aggregate Coverage \$2,000,000 & Each Common \$1,000,000

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City of East Grand Forks
City or County approving the license
\$100.00
Fee Amount
6/16/16
Date Fee Paid

Date Approved
Permit Date
City or County E-mail Address
City or County Phone Number

Signature City Clerk or County Official
 CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event.

Approved Director Alcohol and Gambling Enforcement

**ONE SUBMISSION PER EMAIL, APPLICATION ONLY.
 PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY PERMIT APPROVALS WILL BE SENT
 BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US**

RESOLUTION NO. 16 – 06 – 58

RESOLUTION APPOINTING JUDGES AND DESIGNATING POLLING PLACES

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

BE IT RESOLVED, By the City Council of the City of East Grand Forks that the following polling places are designated and election judges are appointed in each respective ward for the August 9, 2016 Primary Election and November 8, 2016 General Election.

1st Ward: Ellis Larson, Chair; Cindy Weber, Carol Bushy, Katie Boespflug
Polling Place: Senior Center; 538 Rhinehart Drive SE

2nd Ward: Marilyn Egeland, Chair; Mike Butler, Jan Boe
Polling Place: City Hall, 600 DeMers Avenue NW

3rd Ward: Gail Schrage, Chair; Emily Rapacz, Sharon Bramer, Laurie Holtman, Jeff Bakke
Polling Place: Our Savior's Lutheran Church, 1515-5th Avenue NW

4th Ward: Sue Bakke, Chair; Michelle Quirk, Mike Pokrzywinski
Polling Place: Our Savior's Lutheran Church, 1515-5th Avenue NW

5th Ward: Mike Flermoen Chair; Debbie Piche, Sharon Budge, Michelle Ostgard
Polling Place: Good Samaritan Heritage Grove, 2122 River Rd NW

BE IT FURTHER RESOLVED, the administrator/clerk-treasurer is authorized to re-balance judges to different wards as needed in order to comply with state election laws; and

BE IT FURTHER RESOLVED, the judge’s hourly compensation is fixed at the following: chair judge at \$13.00 per hour, and regular judge at \$12.00 per hour.

Voting Aye:
Voting Nay:
Absent:

The President declared the resolution passed.

Passed: June 21, 2016

Attest:

City Administrator/Clerk-Treasurer

President of the Council

I hereby approve the foregoing resolution this 21st day of June, 2016.

Mayor

Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held June 2, 2016 at 5:00 P.M.

Present: Quirk, Grinde, Tweten

Absent: Loven

It was moved by Commissioner Tweten seconded by Commissioner Grinde that the minutes of the previous meeting of May 19, 2016 be approved as read.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Tweten to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of \$362,415.59.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Grinde to approve purchase from KLM Engineering in the amount of \$9,570 for the installation of an active mixer in the North Water Tower.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Grinde to approve the quote from CL Linfoot for repairs to the DSC air handling unit in the amount of \$6,114.78 for work already in process.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Grinde to provide water at no charge to fill the pool (288,000 gallons) prior to their grand opening in June.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Grinde to adjourn to the next regular meeting on June 16, 2016 at 5:00 P.M.

Voting Aye: Quirk, Grinde, Tweten

Voting Nay: None

Lori Maloney
Secretary

**APPROVED MINUTES OF THE REGULAR MEETING OF THE BOARD MEMBERS OF THE
EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA)**

A regular meeting of the Board Members of the East Grand Forks Economic Development Authority was held at 3:30 pm on May 3, 2016, in the East Grand Forks City Hall Training Room, on the first floor in the South Wing, East Grand Forks, MN.

1. Roll Call:

Meeting was called to order by President Hecht at 3:32 pm.

EDA Board present at roll, President Hecht, Board Members Mike Pokrzywinski, George Wogaman, Chad Grassel, Ralph Messelt, Daniel Black and Josh Grinde.

Absent:

Staff present: Paul Gorte, Economic Development Director; Brenda Ault, Executive Assistant; Ron Galstad, City Attorney; Nancy Ellis, City Planner

Also Present: Sherry Aarnes, Mike's Pizza; Dean & Tina Greuel, Stennes Granite; Kyle & Ashley McMahon, Virginia Stauss and Kathi Schaff, Director Grow Minnesota, Wendy Waller

Roll Call: President Hecht determined a quorum was present.

2. Approval of minutes of the April 5, 2016 Regular Meeting:

A Motion was made by Board Member Wogaman, seconded by Board Member Grinde, to approve the minutes from the April 5, 2016 Regular Meeting. M/S/P- Wogaman, Grinde; 7-0, mc.

Approval of minutes of the April 5, 2016 Closed Meeting:

A Motion was made by Board Member Wogaman, seconded by Board Member Grinde, to approve the minutes from the April 5, 2016 Closed Meeting. M/S/P- Wogaman, Grinde; 7-0, mc.

3. Bills and Communications:

- a. Review of Accounts Payable for April 19, 2016:
- b. Approval of the Accounts Payable for May 3, 2016:

A Motion was made by Board Member Pokrzywinski, seconded by Board Member Grassel, to approve the Accounts Payable for May 3, 2016. M/S/P- Pokrzywinski, Grassel; 7-0, mc.

4. Reports:

- a. Delinquencies Update:
ED Gorte reported that there are no delinquencies.

5. New Business:

- a. Mike's Pizza Lease:
ED Gorte explained that per the terms of the lease with Mike's Pizza, it can be re-opened at any time. He stated that Ms. Aarnes was present to discuss her lease and invited her to speak to the Board. Sherry Aarnes introduced herself and stated that she has been the owner for the last 12 years, and in the past she feels that she has paid more than what

May 3, 2016

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

was fair for the rent of the space. Currently she is having a hard time staying competitive with the pizza places in Grand Forks because of the increase in minimum wages, as well as other expenses. Currently, she pays \$3200 in rent; she does clean the building, so she deducts that from her rent before paying \$2811.50. Her water bill is usually quite high and she has had problems with other people using the spigots on her building.

ED Gorte stated that she currently pays \$8.75 per square foot and Ms. Aarnes would like to lock that price in for 3 years. He also stated that when the lease is rewritten, since Ms. Aarnes is no longer interested in purchasing the building, the "right of first refusal" will be removed from the lease.

The Board instructed CP Ellis to install a lock on the outside spigot, so that other people could not use her water without permission.

Motion was made by Board member Grinde, seconded by Board member Wogaman, to adjust the lease as requested, M/S/P- Grinde, Wogaman; 7-0, mc.

b. Stennes Granite Rate Reduction:

ED Gorte stated that he and Chamber Director Wilfahrt had visited with the Greuel's regarding their business and determined that they are eligible for the 1% industrial interest rate. He also stated that the Loan Committee had met and approved the request.

Motion was made by Board member Grassel, seconded by Board member Grinde, to adjust the interest rate to 1% as recommended,. M/S/P- Grassel, Grinde; 7-0, mc.

c. Coulee View Lot Split Request: Amundson/Stauss:

Kyle and Ashley McMahan, who have purchased Lot 5 and Virginia Stauss, who has purchased Lot 7, were present to request that Lot 6, in the Coulee View Addition, be split equally into two lots, so they could each purchase one of those lots. CA Galstad informed the Board that since it is city land, the final approval for the replat would have to be approved by the City Council. Board Member Pokrzywinski asked CP Ellis if she had any concerns about this request, Ellis stated she did not, but that notices would have to go out to the neighbors before the Council could approve the request and she instructed the McMahan's and Ms. Stauss to get the plat done ASAP so that it could go to the May 17th Council Meeting.

Motion was made by Board member Grassel, seconded by Board member Grinde, to approve the replat request and to refer the matter to the City Council,. M/S/P- Grassel, Grinde; 7-0, mc.

d. Downpayment Assistance Program Request:

ED Gorte stated that Troy Tretter and Kacie Waller had submitted an application for Downpayment assistance; they are requesting \$7500 to pay the down payment costs of \$10,417. He also stated that the Loan Committee had met and approved the request.

May 3, 2016

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

Motion was made by Board member Grinde, seconded by Board member Black, to approve the Downpayment assistance request. M/S/P- Grinde, Black; 7-0, mc.

6. Unfinished Business:

a. Sunshine Terrace update:

Maintenance Strategy

CP Ellis informed the Board that the Maintenance Position had been offered and he can start tomorrow.

Smoke Alarm replacement program

They have all been installed, paid for, and are up and running. They will need a couple of adjustments to meet code.

b. Infill Building Elevator Update:

CP Ellis informed the Board that the elevator had been repaired and is running well. Next year, she would like to install new flooring in the elevator and stairway.

CP Ellis left the meeting at 3:59 pm.

Reports:

b. Minnesota Chamber of Commerce:

Kathi Schaff, Director of Grow Minnesota was present to tell the Board about the program. They handle the business retention, expansion and assistance program of the Minnesota Chamber of Commerce. The program is entering its 13th year and operates in partnership with over 75 local and regional chambers of commerce and their private sector economic development organizations. The primary focus is to retain Minnesota businesses and encourage them to expand here.

Unfinished Business:

c. EGF Residential Development Waters Edge Incentive Program Update:

ED Gorte stated that two holes have been dug and another one will be in early June.

d. Marketing Program Update:

MLS Listing: ED Gorte state that it was not well received by the City Council. He suggested that if they come into the agreement to purchase a lot with a realtor, the customer will have a cost increase of \$3000 to handle that expense.

e. Valley Golf

ED Gorte stated that he and CA Galstad had discussed the fact that Valley Golf would be receiving funds and almost paying back the same amount in loan payments. He inquired whether it would be better to have them start paying back the loan in May of 2017. After discussion,

May 3, 2016

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

Motion was made by Board member Pokrzywinski, seconded by Board member Wogaman, to approve the new date, of May 2017, to start paying back the loan. M/S/P- Pokrzywinski, Wogaman; 7-0, mc.

New Business:

e. Forx Business After Hours: May 23 at Valley Golf:

ED Gorte informed the Board that the EDA is hosting an after hours event, along with Light & Water, on May 23, at 5:00 pm, at the Valley Golf Course. The EDA, Light & Water and the Golf Course are splitting the cost of the event, the EDA cost will be between \$300-\$400.

f. Loan Committee Report:

Northland Custom Woodworking:

ED Gorte explained that they are eligible for the industrial loan rate of 1%, the Loan Committee has approved the request and he needs a motion to go approve the new interest rate.

Motion was made by Board member Pokrzywinski, seconded by Board member Grinde, to approve moving them to the industrial loan rate of 1%. M/S/P- Pokrzywinski, Grinde; 7-0, mc.

Brew Loan:

ED Gorte explained that Alex Belquist and Britt Nelson, have submitted an application for a \$150,000 MIF loan, for a new business they are starting. They will be operating Up North Pizza Pub and all the paperwork has been submitted, the Loan Committee has approved a 4% MIF Loan request.

A Motion was made by Board Member Wogaman, seconded by Board Member Black, to approve the 4%, \$150,000 loan. M/S/P- Wogaman, Black; 7-0, mc.

Bydal:

ED Gorte stated that he had received an email from Mr. Bydal, stating that he had a doctor's appointment on May 28th, and he will let us know after the appointment, when he will be able to return to work.

g. Signs at Coulee View and Waters Edge:

Deferred to June meeting.

h. Educators in Industry Request:

ED Gorte stated he had received an email from Tiffanie Gelinske, regarding the program and teacher we are being asked to support. His name is Jared Sanger and he is a 7-12 grade teacher of Design Engineering. He teaches at Senior High School and he will be doing his internship at Sanford Clinic in East Grand Forks. They are requesting sponsorship, to help pay half of the stipend payment, so our portion would be \$1000.

May 3, 2016

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA) (continued)

The Board agreed this would be a good project and they would like Mr. Sanger to give a presentation of his experience, when his internship is complete.

A Motion was made by Board Member Grinde, seconded by Board Member Black, to approve the \$1000 stipend. M/S/P- Grinde, Black; 7-0, mc.

i. Billboard Advertising with Water & Light:

ED Gorte informed the Board that he was planning on putting an advertisement on the billboard, promoting East Grand Forks, along with Water & Light, who will be advertising their rebate program, at the cost of \$200/month.

j. Midco Advertising:

Deferred to June Meeting.

k. Buxton Services:

ED Gorte has been in contact with this company, they do retail research, offer retail recruitment and retention, through research of your community, as well as define and evaluate the trade area. They request a 3-year term, at a cost of \$50,000 annually. He was just providing this as information, he has declined the offer.

l. Summer Meeting Time:

ED Gorte inquired if the Board would like to move the meetings to Noon, for the months of June, July and August.

Motion was made by Board member Pokrzywinski, seconded by Board member Black, to change the meeting time to Noon, for the summer months.. M/S/P- Pokrzywinski, Black; 7-0, mc.

Closed Session:

CA Galstad stated that the Meeting was closed per Minnesota Statue 13D.05 Sub. 3 (a) it is the statutory exception to the open meeting law. Concerning parcel number 83.03241.00, owners of the property are Ray and Margaret Redmer Family Trust.

Motion made to move into a closed session at 4:49 pm by Board member Grassel, seconded by Board member Black. M/S/P- Grassel, Black; 7-0, mc.

Motion made to close the session at 4:54 by Board member Grassel, seconded by Board member Pokrzywinski. M/S/P- Grassel, Pokrzywinski; 7-0, mc.

7. **Adjournment**

A motion was made by Board member Pokrzywinski, seconded by Board member Grassel, to adjourn the meeting at 4:55 pm. M/S/P- Pokrzywinski, Grassel; 7-0, mc.

May 3, 2016

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT
AUTHORITY (EDA) (continued)

The next regular meeting is **June 7, 2016 at Noon**, in the **East Grand Forks Training Room, First Floor in the South Wing, East Grand Forks City Hall**, East Grand Forks, MN.

Respectfully Submitted,
Brenda Ault
Executive Assistant

APPROVED MINUTES OF THE CLOSED MEETING OF THE BOARD MEMBERS OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AUTHORITY (EDA)

A closed meeting of the Board Members of the East Grand Forks Economic Development Authority was held at 4:49 pm on May 3, 2016, in the East Grand Forks City Hall Training Room, on the first floor in the South Wing, East Grand Forks, MN.

1. Roll Call:

Meeting was called to order by President Hecht at 4:49 pm.

EDA Board present at roll, President Hecht, Board Members Mike Pokrzywinski, George Wogaman, Chad Grassel, Ralph Messelt, Daniel Black and Josh Grinde.

Absent:

Staff present: Paul Gorte, Economic Development Director; Brenda Ault, Executive Assistant; Ron Galstad, City Attorney

Also Present:

Roll Call: President Hecht determined a quorum was present.

Closed Session:

CA Galstad stated that the Meeting was closed per Minnesota Statue 13D.05 Sub. 3 (a) it is the statutory exception to the open meeting law. Concerning parcel number 83.03241.00, owners of the property are Ray and Margaret Redmer Family Trust.

Motion made to move into a closed session at 4:49 pm by Board member Grassel, seconded by Board member Black. M/S/P- Grassel, Black; 7-0, mc.

Motion made to close the session at 4:54 by Board member Grassel, seconded by Board member Pokrzywinski. M/S/P- Grassel, Pokrzywinski; 7-0, mc.

Respectfully Submitted,
Brenda Ault
Executive Assistant

Request for Council Action

Date: June 21, 2016

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: City Administrator David Murphy

RE: Consideration of application for the liquor license for 415 Second St. N.W. East Grand Forks.

Background

Conditions for renewal and attempts to settle.

On June 2, 2015 the City Council conditionally renewed Boardwalk Bar & Grill LLC Liquor License with the following conditions:

That the city renews the liquor license conditioned upon resolution within one (1) year by Boardwalk Enterprises, LLP with the city by either:

1. Commencement of a legal proceeding by Boardwalk Enterprises, Inc.;
2. The Parties agreement to mutual mediation and resolution of the dispute.
3. Arbitration of the issue; or
4. The parties negotiating a settlement of the amount of indebtedness all prior to the renewal date.

If the obligation is not resolved within one (1) year, renewal of the license can be denied if the obligation is still outstanding.

Boardwalk Bar & Grill, LLC appealed the conditional renewal to the Minnesota Court of Appeals. On April 11, 2016 the Minnesota Court of Appeals **Affirmed** the Conditions placed by the City.

Mediation.

Representatives from Boardwalk met with City representatives and an appointed mediator on February 12, 2016 to mediate the dispute. The mediation was unsuccessful.

Legal Proceedings.

The City of East Grand Forks was served on **May 31, 2016** with a SUMMONS that Boardwalk Enterprises, LLP and Boardwalk Bar & Grill, LLC were suing the City.

License Applications received.

On May 11, 2016 the City of East Grand Forks received an application for a new liquor license for the site currently occupied by Boardwalk Bar & Grill. The application is from JDM LLC doing business as "The Boardwalk". The application lists Jane Moss as the sole owner of the business.

On June 9th the City of East Grand Forks subsequently received an application from Boardwalk Bar & Grill LLC to renew the current liquor license from Ms. Jane Moss.

The current license issued to Boardwalk Bar & Grill LLC expires on June 30th, 2016.

Legal Analysis Summary

The Minnesota Supreme Court has concluded there is no right to a liquor license and that city councils have discretion when it comes to issuing licenses. No license may be issued, transferred or renewed if the results of the investigation show that the issuance, transfer or renewal would not be in the public interest. In addition, only one liquor license can be issued for the same licensed premises. As such, the filing of the application for the renewal of a liquor license essentially supplants the application for a new liquor license by JDM, LLC rendering it a nullity. The City of East Grand Forks, in its discretion may deny the new application as the subsequent renewal application by Boardwalk Bar & Grill LLC supplants the new application of JDM LLC.

Adequate consideration must be given for the transfer of the significant assets of Boardwalk Bar & Grill, LLC. However, as it presently stands, the sale documents require an incredibly small down payment (.018% of the purchase price). The remaining payments come from net quarterly income, if any which appears to reflect a continued partnership arrangement. Dan and Scott Stauss continue to hold a secured shared interest in all of the assets. Arguably, the reason for the transfer of ownership is to escape the responsibility to satisfy the Financial Obligation that was imputed upon Boardwalk Bar & Grill LLC, as a condition of the renewal of the 2015 liquor license. The City of East Grand Forks may deny renewal of the Boardwalk Bar & Grill, LLC liquor license application because the Financial Obligation of Boardwalk Enterprises, LLP was not resolved within one (1) year. The transfer is ultimately nothing more than a way to attempt to avoid the conditions that were placed upon the renewal of the liquor license.

Staff Recommendation

Staff recommends **DENIAL** of **BOTH** liquor license applications. The resolution provided denies both applications for the reasons explained in the Legal Analysis Summary and Staff Report.

RESOLUTION NO. 16 – 06 – 59

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

WHEREAS, the City of East Grand Forks, (hereinafter “The City”) has a 2016 renewal application for a liquor license for the Boardwalk Bar and Grill, LLC for the premises at 415 2nd St NW Suite 2, East Grand Forks, MN 56721 (hereinafter the “Premises”);

WHEREAS, the Premises is owned by Boardwalk Enterprises, LLP;

WHEREAS, The Boardwalk Enterprises, LLP has a delinquent financial claim with the City in the amount of \$510,000;

WHEREAS, based upon City Code 117.03 the City of East Grand Forks determined that the 2015 application for renewal of the liquor license of Boardwalk Bar & Grill, LLC could be denied, based upon the financial delinquency;

WHEREAS, rather than deny the application on June 2, 2015 the City placed conditions on the application that the financial obligation must be resolved within one year or any future renewal could be denied if the obligation remained outstanding;

WHEREAS, the Boardwalk Bar & Grill, LLC unsuccessfully appealed the conditional permit to the Minnesota Court of Appeals and the City’s condition on renewal of the license were affirmed;

WHEREAS, the financial obligation remains unresolved and unpaid;

WHEREAS, the owners of the Boardwalk Bar & Grill, LLC have entered into a conditional sales agreement (hereinafter the “Sale”) to sell the assets of the Boardwalk Bar & Grill, LLC to JDM, LLC solely owned by Jane Moss a minority owner and manager of the Boardwalk Bar & Grill, LLC;

WHEREAS, Jane Moss was a part of the ownership group that appealed to the Minnesota Court of Appeals;

WHEREAS, the Sale is contingent upon the new entity, JDM, LLC obtaining all permits and licenses to operate the bar and restaurant;

WHEREAS, the current owners Dan Stauss and Scott Stauss as a part of the Sale have retained a priority collateral position of the assets and upon default the collateral (assets) would be returned to Dan and Scott Stauss;

WHEREAS, the sales price is \$275,000.00 and calls for a down payment of \$5,000.00 with the remaining balance to be paid only from a percentage of net profits quarterly for a term of not more than ten years;

WHEREAS, asserting an interest in the Premises based upon the Sales agreement JDM, LLC applied for a new liquor license at the Premises on April 28, 2016;

WHEREAS, there are two applications which have been filed for the same Premises, under different corporate names, but both have signed by the same individual, Jane Moss;

WHEREAS, the Boardwalk Enterprises, LLP obligation remains outstanding as of June 21, 2016;

WHEREAS, Boardwalk Bar & Grill, LLC has a loan obligation to the East Grand Forks Economic Development Authority with a current amount of approximately \$68,000 (hereinafter "Loan Obligation");

WHEREAS, the EDA loan has the assets which are part of the Sale to JDM, LLC as collateral for the Loan Obligation;

WHEREAS, the Boardwalk Bar & Grill, LLC has not asked the EDA for authority to transfer the collateral to JDM, LLC;

WHEREAS, the sale of the assets will result in a default of the loan;

WHEREAS, staff has filed a staff report and a recommendation to deny the renewal application for Boardwalk Enterprises, LLP dated June 8, 2016, with attachments hereto and made a part of this Resolution as Exhibit 1;

WHEREAS, Exhibit 1 also contains staff recommendation of denial for the new liquor license application for JDM, LLC.

NOW, THEREFORE, BASED UPON THE STAFF REPORT, STAFF RECOMMENDATIONS, ALL FILES AND RECORDS, PAST PROCEEDINGS AND THE APPLICANT AND PUBLIC INPUT BE IT HEREBY RESOLVED:

1. That the City adopts the facts, law and argument, and conclusions referenced in the attached Staff Report dated June 16, 2016 attached as Exhibit 1 as it relates to the renewal application for Boardwalk Enterprises, LLP;
2. That the City determines that financial delinquencies remain and under the City Code and prior resolution of the City no license may issue be issued and it is not in the public's best interest to issue a liquor license and as such DENIES the renewal liquor license application for Boardwalk Enterprises, LLP;
3. That the City adopts the facts, law and argument, and conclusions referenced in the Staff Report dated June 16, 2016 attached as Exhibit 1 as it relates to the new liquor license application for JDM, LLC;
4. That the City determines that financial delinquencies which may be attributed to JDM, LLC remain, issuance of a license will result in further delinquency and it is not in the public's best interest to issue a liquor license and as such DENIES the new liquor license application for JDM, LLC.

Voting Aye:
Voting Nay:
Absent:

The President declared the resolution passed.

Passed: June 21, 2016

Attest:

City Administrator/Clerk-Treasurer

President of the Council

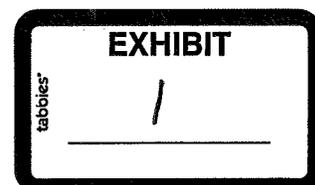
STAFF REPORT

TO: City Council
FROM: City Administration
RE: JDM, LLC Liquor License Application
DATE: June 16, 2016

FACTS

The City of East Grand Forks determined that the 2015 application for renewal of the liquor license of Boardwalk Bar & Grill, LLC could be denied. The City based its decision on the City ordinance because the Boardwalk Enterprises, LLP owned the premises where Boardwalk Bar & Grill, LLC operated and the Boardwalk Enterprises, LLP owed a delinquent financial obligation to the City of East Grand Forks. Boardwalk Enterprises, LLP met the definition of “Applicant” as it related to the liquor license as it was a “related person” by ordinance. Rather than deny the renewal, the City of East Grand Forks conditionally approved the liquor license for one year. The Boardwalk Bar & Grill, LLC unsuccessfully appealed the conditional permit to the Minnesota Court of Appeals (see attached opinion Exhibit “A”) and simultaneously the Boardwalk Enterprises, LLP unsuccessfully attempted to mediate a resolution to the financial dispute.

Currently, the owners of Boardwalk Bar & Grill, LLC have entered into a conditional sales agreement to sell the assets of the Boardwalk Bar & Grill, LLC to Jane Moss a minority owner and manager of the Boardwalk Bar & Grill, LLC. The sale is contingent upon the new entity JDM, LLC obtaining all permits and licenses to operate the bar and restaurant. The current owners Dan Stauss and Scott Stauss have retained a priority collateral position of the assets and upon default the collateral (assets) would be returned to Dan and Scott Stauss. (See documentation provided by JDM, LLC Exhibit “B”). The sales price is \$275,000.00 and calls for a down payment of \$5,000.00 with the remaining balance to be paid as a percentage of net profits quarterly for a term of not more than ten years. Based upon the sales agreement JDM, LLC has applied for a new liquor license. (See attached Exhibit “C”) JDM, LLC has applied for



a new liquor license to be issued to operate a bar and restaurant at the same location of the current licensed premise that Boardwalk Bar & Grill, LLC operates under a liquor license. JDM, LLC will be leasing the space from the same landlord, the Boardwalk Enterprises, LLP and the only substantial change from 2015 is that Dan and Scott Stauss are conditionally transferring the assets in the operation.

In addition, on June 9, 2016 the Boardwalk Bar and Grill, LLC subsequently applied for a renewal of the liquor license for the same location stating it is conditional on whether or not the City of East Grand Forks issues a license for JDM, LLC.(See attached Exhibit “D”)

LEGAL ANALYSIS

Cities generally have broad discretion when it comes to making licensing decisions. The Minnesota Supreme Court and the attorney general have said that whether a liquor license should be issued or renewed rests in sound discretion of the council. *Country Liquors, Inc. v. City Council of City of Minneapolis*, 264 N.W.2d 821(1978). A.G. Ops. 218g-6 (Oct. 6, 1944).

The Minnesota Supreme Court has concluded there is no right to a liquor license and that city councils have discretion when it comes to issuing licenses. In one case, the court held that a liquor license “is not a property right, but is in the nature of a privilege, and, as such, subject to reasonable regulation.” The Minnesota Supreme Court has also stated, “no citizen has an inherent or vested right to sell intoxicating liquors, and municipal authorities have broad discretion within their geographical jurisdiction to determine the manner in which liquor licenses shall be issued, regulated, and revoked.” *Country Liquors, Inc. v. City Council of City of Minneapolis*, 264 N.W.2d 821(1978). *Sabes v. City of Minneapolis*, 265 Minn. 166, 120 N.W.2d 871 (1963). *Cleveland v. Rice County*, 238 Minn. 180, 56 N.W.2d 641 (1952).

In another decision, the Minnesota Supreme Court found that the granting of a license rests in the sound discretion of the council, but such discretion cannot be exercised arbitrarily. This means cities should have valid reasons to justify their denial of a license. *Wajda v. City of Minneapolis*, 310 Minn. 339, 246 N.W.2d 455 (1976). *Paron v. City of Shakopee*, 226 Minn. 222, 32 N.W.2d 603 (1948).

There is generally no right to renewal of a license. The Minnesota Supreme Court has held that once licensed, one cannot acquire a vested right to continue. *George Benz Sons, Inc. v. Ericson*, 227 Minn. 1. 34 N.W.2d 725 (1948).

Likewise, in an unpublished decision, the court found there is no property interest in a license. *Lyon County JVB Enterprises, Inc. v. City of Marshall*, C7-90-806.

No license may be issued, transferred or renewed if the results of the investigation show that the issuance, transfer or renewal would not be in the public interest. Minn. Stat. § 340A.412, subd. 2(b).

Additionally, in an unpublished decision, the court distinguished its decision in *Wajda* and found that there was no abuse of discretion when the council denied the transfer of a liquor license because it did not base its decision solely on the prior bad acts of the previous liquor license holder.

Z Investment Group, Inc. v. City of Chaska, C8-93-800.

I. Boardwalk Enterprises, LLP

The Boardwalk Enterprises, LLP applied for a renewal liquor license on June 9, 2016. The East Grand Forks Code of Ordinances Section 117.03 License Restrictions subd. (A) Renewal of Licenses also provides that “Applications for renewal of all licenses under this chapter shall be made at least 45 days prior to the date of expiration of the license and shall contain such information as is requires by the city. This time requirement may be waived by the Council for good and sufficient cause. Based upon the untimely filing of the license application the City Code allows the City of East Grand Forks to deny the application unless the time requirement is waived due to good and sufficient cause which is at the discretion of the City Council.

Additionally, the conditions that were place on the 2015 liquor license required that “if the obligation is not resolved within one year the renewal of the license can be denied if the obligation still remains outstanding”. (See attached Exhibit “E”) The financial obligation has not been resolved and as such the council may in its discretion deny the renewal application.

II. JDM, LLC

The present liquor license application by JDM, LLC the business assets are being transferred to the new entity from the Boardwalk Bar & Grill, LLC. The practical application of the transfer will remove the similarity of ownership between the Boardwalk Enterprises, LLP and the Boardwalk Bar & Grill, LLC. This transfer arguably is to escape the responsibility to satisfy the financial obligation that was imputed upon Boardwalk Bar & Grill, LLC as a condition of the renewal of the 2015 liquor license.

The Court in J.F. Anderson Lumber Co. Myers established four (4) exceptions following the sale or transfer by a corporation all of its assets to a second corporation that will result in a transferee having liability for the debts or liabilities of the transferor:

1. *Where the purchaser expressly or impliedly agrees to assume such debts;*
2. *Where the transaction amounts to consolidation or merger of the corporation;*
3. *Where the purchasing corporation is merely a continuation of the selling corporation;*
and
4. *Where the transaction is entered into fraudulently to escape liability for such debts.*

J.F. Anderson Lumber Co. Myers, 206 N.W.2d 368-369 (Minn. 1973).

Pursuant to the fourth exception, the transferee can be held liable for the debts or liabilities of the judgment debts if the debtors' assets were transferred fraudulently or for inadequate consideration so that the debtors could escape liability. Id. Under Minnesota's fraudulent transfers act, a transfer is fraudulent if the debtor made the transfer "with actual intent to hinder, delay, or defraud" a creditor. Minn. Stat. § 513.44(a) (1) (2015). In determining the intent of the transfer, a court may consider whether:

1. *The transferwas to an insider;*
2. *The debtor retained possession or control of the property.....;*
3. *The transfer was disclosed or concealed; and*
4. *Before the transfer was made...the debtor had been sued or threatened with a suit; and*
5. *The value of consideration received by the debtor was reasonably equivalent to the value of the asset transferred....*

Minn. Stat. § 513.44 (b) (2015)

If the debtor is an individual, "insider" includes a relative of the debtor or corporation of which the debtor is a director, officer, or a person in control. Minn. Stat. § 513.41(7)(i)(A), (D) (2015). If the debtor is a corporation, "insider" includes an officer or person in control of the corporation, or a relative of the officer or person in control of the corporation. Id. (ii) (B),(F).

In Sweeter vs. Power Industries, following a the initiation of a law suit, the sole shareholder of Power Industries, John Flugham, relinquished his franchise, which was then assumed by his mother under a newly formed corporation called Paradigm Industries. Sweeter v. Power Industries, 2006 WL 2865329 (Minn. App.). John Flugham continued to serve as the general manager and all corporations owned by John and his mother retained the same address, employees, and equipment. The Court found that the Flughams acted with fraudulent intent to

avoid legal debt in accordance with the statutory factors. First, the transfer of the franchise to Louise was viewed as a transfer to an “insider” because it allowed John to continue to be deemed in control and because Louise was his mother. Secondly, the transfer allowed John to be in a position to retain control over the franchise. Thirdly, the transfer was not disclosed. Fourth, the transition of control from the debtor to the new business entity occurred while the law suit was underway. Finally, there was evidence that Louise did not pay adequate consideration. She only paid for the startup fee and not the cost of the franchise. John had also transferred all of his office equipment and vehicles to Louise’s companies without meaningful consideration. For these reasons the Court of Appeals issued a finding that the Flughams acted fraudulently to avoid legal debt and the fourth exception to the general rule against successor liability had been met.

Similarly, the Court of Appeals affirmed a judgment under the fraudulent-transfer exception to the rule against successor liability in Schwartz v. Virtucom, Inc. Schwartz v. Virtucom Inc., 2009 WL 1311816 (Minn. App.). Schwartz initiated a law suit against Virtucom in 2001 regarding a contract dispute. Following the suit by Schwartz, the major shareholder of Virtucom, Jacobs, changed the name of the company to Virtucom Content Solutions, Inc., but did not change the legal entity in any way. Shortly thereafter, Jacobs incorporated Versant Publishing, in which he was the controlling shareholder and a year later changed its name to St. Regis Ventures. St. Regis operated a division under the name Virtucom Group with the majority of the assets that previously belonged to Virtucom: the group domain name, the URL, the customer contacts, the Virtucom name, nearly all the same company contacts, and nearly complete control by Jacobs.

By 2003, Virtucom stopped participating in the lawsuit, withdrew its counsel, and Jacobs informed the American Arbitration Association that Virtucom was not a viable entity and could not pay for arbitration. Swartz obtained a default Judgment against Virtucom and sought to hold St. Regis liable for the judgment under the successor-liability theory. The appellate court reached a finding that the district court’s application of factors in Minn. Stat. § 513.44 (b) supported the fraudulent-transfer exception to the rule of successor liability due to the transfer of significant assets without consideration and timing of the same.

In the present matter, Dan and Scott Stauss are the partners of Boardwalk Enterprises LLP, which has delinquent financial obligations to the city of East Grand Forks. Both partners have the majority share of Boardwalk Bar & Grill, LLC, with the addition of third partner, Jane

Moss. As a result of Boardwalk Enterprises, LLP's delinquent obligations the city council conditionally renewed the Boardwalk Bar & Grill LLC's liquor license, contingent on their participation in conditions to be resolved within a one (1) year time period. The Boardwalk appealed the council's decision and the appellate court affirmed the city's conditions, finding that the Boardwalk Enterprises LLP qualifies as a "related person" to the Boardwalk Bar & Grill LLC due to the collective ownership and majority shares of Dan and Scott Stauss.

A transfer of Dan and Scott Stauss' ownership interests in the Boardwalk Bar & Grill, LLC to Jane Moss to avoid the enforcement of the appellate court judgment, the transfer would be subject to the application of factors 513.44 (b). First, Jane would be considered an insider as defined in Minn. Stat. § 513.41(7)(ii)(B) due to her present interest as an owner. Second, the timing of the transfer would be at issue in light of the effect of the unfavorable judgment on the Boardwalk Bar & Grill, LLC's upcoming liquor license renewal. Third, the primary factor in the restaurant's successor liability will be whether Jane has provided Scott and Dan Stauss with adequate consideration for the transfer of the significant assets of the Boardwalk Bar & Grill, LLC.

Presently, the sale documents require a small down payment (.018% of the purchase price), the remaining payments come from the net quarterly income, if any which appears to reflect a continued partnership arrangement no matter what the documents state. Dan and Scott Stauss also continue to hold a secured interest in all of the assets, the sale is contingent on JDM, LLC obtaining all permits and licenses to operate, the sale is not completed without JDM, LLC obtaining the liquor license to operate the bar and restaurant, and if the sale is completed any default the assets go back to Dan and Scott Stauss. Essentially, the sale is a conduit to avoid the satisfaction of the debt and the conditions that were placed upon the renewal of the liquor license.

In addition to the legal analysis above the City of East Grand Forks issues only one liquor license for the same location (licensed premise). Presently, 415 2nd Street, N.W., Suite 2, East Grand Forks, MN is a licensed premise for a liquor license to the Boardwalk Bar & Grill, LLC. Boardwalk Bar & Grill, LLC applied for renewal of its liquor license for the exact same address and location. No authority exists for the application of a conditional license for an existing license holder at the same licensed premise as for a new business applying for a new liquor license at the same licensed premise. As such, the City in its discretion may conclude that the

filing of the application for the renewal liquor license essentially supplants the application for a new liquor license by JDM, LLC rendering it a nullity.

Lastly the Boardwalk Bar and Grill, LLC, Dan Stauss, Scott Stauss, and Jane Moss have a loan obligation to the East Grand Forks Economic Development Authority. If the asset sale transaction is completed the sale of the collateral without the Permission of the EGF EDA violates the terms of the security agreement and the loan is in default the payoff amount is approximately \$68,000.00. (See attached Loan Documents Exhibit "F") The owners of the Boardwalk Bar and Grill, LLC have not requested approval of the collateral sale. The transfer of assets to JDM, LLC will jeopardize the East Grand Forks Economic Development Authority's collateral position and ultimately the ability to collect on the underlying obligation. The granting of the liquor license will undoubtedly lead to additional litigation. As such, to grant a liquor license to JDM, LLC is not in the public interest.

CONCLUSION

Based upon the foregoing analysis the City of East Grand Forks in its discretion may deny the renewal liquor license application to the Boardwalk Bar & Grill, LLC because the delinquent financial obligation of Boardwalk Enterprises, LLP was not resolve within one (1) year. The City may also consider and decide to deny the renewal license application as it was untimely.

Regarding JDM,LLC the City may deny the new liquor license application by JDM, LLC because the transfer is a conduit to avoid the satisfaction of the debt and the conditions that were placed upon the renewal of the 2015 liquor license to Boardwalk Bar & Grill, LLC. In addition to the foregoing the City of East Grand Forks, in its discretion may deny the new application as the subsequent renewal application by Boardwalk Bar & Grill, LLC supplants the new application of JDM, LLC as only one license is issued to the same licensed premise. Lastly and equally as important the City of East Grand Forks may decide to deny the application because the transfer of assets to JDM, LLC will jeopardize the East Grand Forks Economic Development Authority's collateral position and undoubtedly lead to additional litigation which is not in the public interest.

Based upon all of the foregoing it is the staff recommendation to deny the renewal application of Boardwalk Bar & Grill, LLC and the new liquor license application for JDM, LLC.

This opinion will be unpublished and may not be cited except as provided by Minn. Stat. § 480A.08, subd. 3 (2014).

**STATE OF MINNESOTA
IN COURT OF APPEALS
A15-1071**

Boardwalk Bar & Grill, LLC,
Relator,

vs.

East Grand Forks City Council,
Respondent

**Filed April 11, 2016
Affirmed
Smith, John, Judge***

East Grand Forks City Council
File No. 15-06-60

Jade M. Rosenfeldt, Drew J. Hushka, Vogel Law Firm, Moorhead, Minnesota (for relator)

Ronald I. Galstad, Galstad, Jensen & McCann, P.A., East Grand Forks, Minnesota (for respondent)

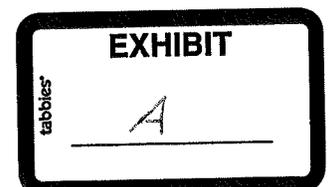
Considered and decided by Schellhas, Presiding Judge; Johnson, Judge; and Smith, John, Judge.

UNPUBLISHED OPINION

SMITH, JOHN, Judge

We affirm Respondent East Grand Forks City Council's (city council) conditional renewal of Relator Boardwalk Bar & Grill, LLC's (Boardwalk LLC) liquor license because

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.



the city code allows a conditional renewal and the provisions of the city code are not unconstitutionally vague.

FACTS

In 1986, the City of East Grand Forks (city) created the East Grand Forks Economic Development Authority (EDA). The mission of the EDA was to create an environment that encouraged resident businesses to remain and grow, while also encouraging non-resident businesses to relocate to or expand in the city.

In June 1999, the city and Boardwalk Enterprises LLP (Boardwalk LLP) entered into the Parker Building Construction and Development Agreement (development agreement). At this time, David J. Parker was the managing partner of Boardwalk LLP. The development agreement required Boardwalk LLP to purchase Parcel No. 83.00816.00 (the property) from the city and construct a two-story building on the property. In exchange, the city agreed to loan Boardwalk LLP \$510,000.

On October 22, 1999, the city transferred the property to Boardwalk LLP. That same day, the EDA agreed to loan Boardwalk LLP \$510,000, with annual repayments of \$30,000 commencing in October 2003. To secure its indebtedness to the EDA, Boardwalk LLP mortgaged the property to the city. In the mortgage agreement, Boardwalk LLP acknowledged that it was indebted to the city in the amount of \$510,000.

On November 30, 2011, Boardwalk LLP approved a resolution allowing the EDA to perfect a mortgage on property owned by Boardwalk LLP, for a \$100,000 loan made to Boardwalk Entertainment Group, LLC. Dan and Scott Stauss signed the resolution as owners of Boardwalk LLP.

On May 4, 2015, Boardwalk LLC applied to renew its liquor license with the city council. Dan Stauss, Scott Stauss, and Jane Moss own Boardwalk LLC. On May 22, 2015, the city's attorney wrote a letter stating that the city council could deny Boardwalk LLC's renewal application because Boardwalk LLP¹ had delinquent financial obligations owed to the city.

On June 2, 2015, the city council conditionally renewed Boardwalk LLC's liquor license pursuant to the following conditions:

That the [c]ity renews the [l]iquor [l]icense . . . conditioned upon resolution within one (1) year by Boardwalk Enterprises, LLP with the [c]ity by either:

1. commencement of a legal proceeding by Boardwalk Enterprises, Inc.;
2. the parties' agreement to mutual mediation and resolution of the dispute;
3. arbitration of the issue; or
4. the parties negotiating a settlement of the amount of indebtedness all prior to the renewal date.

If the obligation is not resolved within one (1) year, renewal of the license can be denied if the obligation still remains outstanding.

D E C I S I O N

Ripeness

Before addressing the merits of Boardwalk LLC's claims, we are obligated to address the assertion of the city council that Boardwalk LLC's case is not ripe for review. The ripeness doctrine "bars suits brought before a redressable injury exists." *State by*

¹ The letter referred to "Boardwalk Enterprises, Inc.," but considering the entire record and the parties' briefs, we conclude that the letter was intended to refer to Boardwalk LLP.

Friends of Riverfront v. City of Minneapolis, 751 N.W.2d 586, 592 (Minn. App. 2008), review denied (Minn. Sept. 23, 2008). Ripeness issues raise a question of justiciability, which this court reviews de novo. *Id.*; see *Leiendecker v. Asian Women United of Minn.*, 731 N.W.2d 836, 841 (Minn. App. 2007) (stating that “[r]ipeness is a justiciability doctrine”), review denied (Minn. Aug. 7, 2007). “To establish the existence of a justiciable controversy, the litigant must show a *direct and imminent injury*.” *Leiendecker*, 731 N.W.2d at 841 (emphasis added) (quotation omitted). Hypothetical issues that “have no existence other than in the realm of future possibility” are not justiciable. *Lee v. Delmont*, 228 Minn. 101, 110, 36 N.W.2d 530, 537 (1949).

The city council argues that this case is not ripe for review because Boardwalk LLC’s license was renewed and the possibility of any injury is hypothetical. This court previously considered a challenge to the imposition of conditions on a business’s liquor license. See *In re On-Sale Liquor License, Class B.*, 763 N.W.2d 359, 365–66 (Minn. App. 2009). In *Class B.*, the city council renewed a liquor license without conditions for Gabby’s Saloon and Eatery. *Id.* at 362. The city council subsequently adopted multiple conditions. *Id.* at 365. On appeal, this court held that “the city exceeded its express and implied legal authority by imposing conditions on Gabby’s’ . . . liquor license.” *Id.* at 372.

Here, Boardwalk LLC has not lost its license for failing to comply with the renewal conditions. But, just like in *Class B.*, this court may consider Boardwalk LLC’s claim that the city council exceeded its express or implied legal authority. See *id.* (holding that the city’s imposition of conditions on a liquor license denied due process even though the

license was not yet revoked). Therefore, the city council's argument that Boardwalk LLC's claims are not ripe for review fails.

Conditional renewal

Boardwalk LLC asserts that the city ordinance regarding restrictions on liquor licenses does not provide grounds to conditionally renew its liquor license. *See* East Grand Forks, Minn., Code of Ordinances (EGFCO) § 117.03(B) (2010). A city council has "broad discretion" when determining whether to renew a liquor license, and this court's scope of review "is a narrow one, which should be exercised most cautiously." *See Wajda v. City of Minneapolis*, 310 Minn. 339, 343, 246 N.W.2d 455, 457 (1976). This court may modify or reverse a city council's decision "if the city violated constitutional provisions, exceeded its statutory authority, made its decision based on unlawful procedure, acted arbitrarily or capriciously, made an error of law, or lacked substantial evidence in view of the entire record submitted." *Montella v. City of Ottertail*, 633 N.W.2d 86, 88 (Minn. App. 2001). The interpretation and application of a city ordinance, however, is a question of law that this court reviews de novo. *Cannon v. Minneapolis Police Dep't*, 783 N.W.2d 182, 192 (Minn. App. 2010).

Boardwalk LLC first asserts that the city council could not conditionally renew its liquor license because it is not an applicant that owes a debt to the city. We are not persuaded. The ordinance provides:

No license under this chapter shall be granted for operation on any premises upon which taxes, assessments, or installments thereof, or other financial claims of the city are owed by the applicant and are delinquent and unpaid. For the

purpose of this section *APPLICANT* includes persons, and related persons:

- (1) Owning at least a 50% beneficial interest in the proposed license or in the entity making the application; and
- (2) At least an undivided 1/2 interest in the premises proposed to be licensed or at least a 50% beneficial interest in the entity owning the premises.

EGFCO § 117.03(B).

The municipal code broadly defines “person” as “an individual, person, persons, firm, corporation, copartnership, trustee, lessee, or receiver.” EGFCO § 10.05(B) (2010). The code does not define “related.” But “related” has been defined to mean “[b]eing connected; associated.” *The American Heritage Dictionary* 1523 (3d ed. 1992).

Here, Dan and Scott Stauss are partners of Boardwalk LLP and they collectively own a majority share of Boardwalk LLC. Thus, Boardwalk LLP qualifies as a “related person.” Additionally, “Whenever used in any clause prescribing and imposing a penalty, the term[] *Person* . . . as applied to any unincorporated entity shall mean the partners or members thereof” EGFCO § 10.05(B). Dan and Scott Stauss are partners of Boardwalk LLP, they own at least a 50% beneficial interest in the entity making the liquor license application, and they also own an undivided half interest in the premises proposed to be licensed. Therefore, based on the broad language contained in the municipal code and the similarity in ownership, Boardwalk LLP falls within the definition of an “applicant” that owes a debt to the city.

Boardwalk LLC also asserts that EGFCO § 117.03(B) does not apply because the debt is owed to the EDA, not to the city. Boardwalk LLC supports its claim by asserting

that the October 1999 promissory note requires Boardwalk LLP to repay the EDA. We are not persuaded. Boardwalk LLP signed the development agreement in June 1999 and a mortgage agreement in October 1999, stating that it is indebted to the city in the amount of \$510,000. A “mortgage is an independent contract, though collateral to the instrument which it secures, and . . . [it] may be foreclosed even though an action on [a] note is barred.” *Lundberg v. Nw. Nat’l Bank of Minneapolis*, 299 Minn. 46, 48, 216 N.W.2d 121, 123 (1974). Moreover, the terms “city” and “EDA” have been interpreted to represent a single entity to avoid inconsistent results when the terms have been used interchangeably. *See Eagan Econ. Dev. Auth. v. U-Haul Co. of Minn.*, 787 N.W.2d 523, 535–36 (Minn. 2010). Therefore, Boardwalk LLP is indebted to the city.

Finally, Boardwalk LLC argues that the record does not contain evidence of delinquent financial obligations. “City council action is quasi-judicial and subject to certiorari review if it is the product or result of discretionary investigation, consideration, and evaluation of evidentiary facts.” *Staheli v. City of St. Paul*, 732 N.W.2d 298, 303 (Minn. App. 2007) (quotation omitted). “[This court] will not retry facts or make credibility determinations, and [it] will uphold the decision if the lower tribunal furnished any legal and substantial basis for the action taken.” *Id.* at 303–04 (quotation omitted). Substantial evidence includes: “(1) such relevant evidence as a reasonable mind might accept as adequate to support a conclusion[,] (2) more than a scintilla of evidence[,] (3) more than some evidence[,] (4) more than any evidence[,] or (5) the evidence considered in its entirety.” *Cannon*, 783 N.W.2d at 189.

Here, the record contains sufficient evidence of a delinquent financial obligation. First, in June 1999, Boardwalk LLP and the city entered into an agreement whereby Boardwalk LLP agreed to repay the city \$510,000. Second, in a promissory note dated October 22, 1999, Boardwalk LLP agreed to pay the EDA \$510,000. Third, on October 22, 1999, Boardwalk LLP signed a mortgage and agreed that it owed the city \$510,000, as evidenced by the promissory note. Fourth, Dan Stauss and Jane Moss signed two agreements stating that they met with the city twice in July 2014 to discuss the settlement of various disputes between Boardwalk LLP and the city. Fifth, at a city council meeting in May 2015, a city council member stated that the debt owed to the city was “significantly higher” than \$2,600. Finally, at a city council meeting in June 2015, there were numerous discussions that referenced a debt between Boardwalk LLP and the city. Therefore, the record contains sufficient evidence of a delinquent financial obligation.

Void for vagueness

Boardwalk LLC asserts an as-applied challenge to EGFCO § 117.03(D) (2010), stating that it is vague and violates due process. We disagree. “The constitutionality of an ordinance is a question of law which this court reviews de novo.” *Hard Times Cafe, Inc. v. City of Minneapolis*, 625 N.W.2d 165, 171 (Minn. App. 2001) (quotation omitted). City ordinances “are presumed constitutional, and the burden of proving that they are unconstitutional is on the [party challenging the ordinance].” *Minn. Voters All. v. City of Minneapolis*, 766 N.W.2d 683, 688 (Minn. 2009). “Courts should exercise extreme caution before declaring a[n] [ordinance] void for vagueness.” *Hard Times Cafe*, 625 N.W.2d at 171.

The due-process clause of the fourteenth amendment prohibits vague statutes and, thus, ordinances. *Id.* “A[n] [ordinance] is void due to vagueness if it defines an act in a manner that encourages arbitrary and discriminatory enforcement, or the law is so indefinite that people must guess at its meaning.” *Id.* (quotation omitted). Using general language in an ordinance does not make it vague. *Id.* “An entity challenging the constitutionality of a[n] [ordinance] on vagueness grounds must show the ordinance lacks specificity as to its own behavior rather than some hypothetical situation.” *Id.* at 172 (quotation omitted).

EGFCO § 117.03(D) (2010) states: “Notwithstanding any provision of law to the contrary, the [c]ouncil may, upon a finding of the necessity therefor, place special conditions and restrictions, in addition to those stated in this chapter, upon any license as it, in its discretion, may deem reasonable and justified.”

Here, the city council could have denied Boardwalk LLC’s application because it was in violation of EGFCO § 117.03(B). Instead of denying Boardwalk LLC’s liquor license, the city council agreed to a conditional renewal. Because it was in violation of EGFCO § 117.03(B), Boardwalk LLC did not have to “guess” that its license could be subject to revocation or conditional renewal. *See Hard Times Cafe*, 625 N.W.2d at 172 (stating that an ordinance was not unconstitutionally vague when the license holder had an association with illegal activity). Therefore, EGFCO § 117.03(D) does not violate Boardwalk LLC’s due-process rights.

Affirmed.

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made with an effective date of June ____, 2016, by and between Boardwalk Bar and Grill, LLC, a Minnesota limited liability company, of P.O. Box 13595, Grand Forks, North Dakota 58208, ("*Seller*"), and JDM, LLC, a Minnesota limited liability company, of 415 2nd Street NW, Suite 2, East Grand Forks, MN 56721, ("*Buyer*"). Seller and Buyer shall be collectively referred to as "Parties."

WITNESSETH:

WHEREAS, Seller now owns and operates a bar and restaurant (hereafter the "Business"), located at 415 2nd St NW, East Grand Forks, MN 56721 (hereafter the "Premises"). Seller owns certain bar and restaurant assets located on the Premises related to the business.

WHEREAS, Seller desires to sell to Buyer, the bar and restaurant assets (hereafter the Assets) located upon said Premises, related to the Business and owned by the Seller.

WHEREAS, Buyer desires to purchase the bar and restaurant assets located upon said Premises, related to the Business and owned by the Seller.

WHEREAS, the Parties mutually agree and covenant the purchase of the bar and restaurant assets shall be contingent upon Buyer obtaining a liquor license effective July 1, 2016 from the City of East Grand Forks, Minnesota.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. **Definitions.** As used herein, the following terms shall have the meanings set forth below, and where said meanings are intended, said terms shall be capitalized:

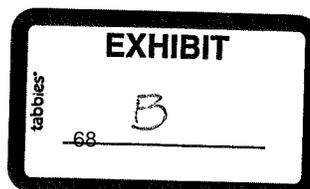
1.1 "Assets" shall mean all of the Assets identified in paragraph 6.

1.2 "Closing Date" shall mean the date on which the transfer of Assets is to occur on the close of business on June 30, 2016.

2. **Purchase and Sale.**

2.1 **Purchase Price.** In consideration of the purchase and sale of the Assets, subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, assign, transfer and convey to Buyer, and Buyer agrees to purchase, the Assets, for an amount (the "Purchase Price") equal to the sum of **Two Hundred Seventy Five Thousand and no/100ths Dollars (\$275,000.00)** ("Purchase Price"), which shall be payable as follows:

- (a) The sum of Five Thousand and no/100ths Dollars (\$5,000.00) shall be paid from Buyer to Seller as a down payment before the closing of this Agreement.



- (b) The sum of Two Hundred Seventy Thousand and no/100ths Dollars (\$270,000.00) shall be paid in quarterly installments consisting of twenty-five percent (25%) of all profits before depreciation, with the first payment due on or before November 15, 2016, for the third quarter of 2016.
- (c) Each payment shall consist of twenty-five percent (25%) of all quarterly profits before depreciation, and each payment must be paid on or before the 45th day following the end of each quarter.
- (d) The payment term shall be no more than ten (10) years. In the event the full payment of all sums required to be made are not paid by September 15, 2026, Seller may, in its sole discretion, negotiate a longer repayment term. During the first ten (10) year term, the outstanding principal shall accrue interest at the Applicable Federal Rate of 1.41%. If all payments are not paid by August 15, 2026, and Seller extends the repayment term, the Applicable Federal Rate in effect in July 2026 shall apply.
- (e) All payments shall be made to **Boardwalk Bar and Grill, LLC, P.O. Box 13595, Grand Forks, North Dakota 58208.**
- (f) Unless otherwise provided in this Agreement, Buyer shall have the right to fully or partially prepay any amount due under this Agreement at any time without penalty. Any partial prepayment shall be applied first to payment of amounts then due under this Agreement, including unpaid accrued interest, and the balance shall be applied to the principal installments to be paid in the inverse order of their maturity. Partial prepayment shall not postpone the due date of the installments to be paid pursuant to this Agreement or change the amount of such installments.
- (g) Jane D. Moss, sole owner of JDM, LLC, is aware the remaining balance of the EDHA loan # _____ is \$68,470.54.

2.2 Inventory Procedures. Inventory shall be maintained in the normal course of the Business throughout the transition period until the Closing Date. The costs of Inventory shall be allocated as follows. Inventory ordered and received prior to the Closing Date shall be paid by Seller. Inventory ordered and received on or after the Closing Date shall be paid by Buyer. Upon request, Seller shall provide to Buyer all records and reports regarding the Inventory.

2.3 No Assumption of Liabilities. Buyer shall not assume or become liable for any Liabilities and Obligations of Seller; except only that Buyer shall be responsible for liabilities arising under acquired contracts, if any.

Without limiting the generality of the foregoing, it is specifically understood and agreed as follows:

- 2.3.1 Buyer has no obligation to hire any of Seller's employees. In any event, Seller shall be responsible for any and all liabilities and obligations owed to its

employees through the Closing Date, including but not limited to any termination payments, accrued vacation pay, unpaid wages, and otherwise. All such obligations of Seller to employees shall be satisfied, or arrangements for the satisfaction thereof acceptable to Buyer shall be made, on or before the Closing Date.

2.3.2 Buyer has no obligation with respect to Seller's prior obligations (including dramshop) for products sold or services provided by Seller before the Closing Date. Seller shall satisfy all such prior obligations at its expense.

2.4 Indemnification against Non-Assumed Liabilities.

2.4.1 Excepting for post-closing contract liabilities, if any, Seller shall indemnify, defend and hold Buyer harmless from and against all claims, demands, losses, expenses, and liabilities, including but not limited to reasonable attorneys' fees, arising in any fashion out of any non-assumed liabilities or obligations of Seller which arise before the Closing Date.

2.4.2 Excepting for pre-closing contract liabilities, if any, Buyer shall indemnify, defend and hold Seller harmless from and against all claims, demands, losses, expenses, and liabilities, including but not limited to reasonable attorneys' fees, arising in any fashion out of any non-assumed liabilities or obligations of Buyer which arise after the Closing Date.

2.5 Financial Statements and Collateral.

(a) Buyer will provide to Seller complete and accurate business financial statements on a quarterly basis. Buyer will also provide to Seller complete, true and accurate profit and loss statements and other financial statements and records on a quarterly basis to accurately reflect the operations of Buyer's business to ensure proper payments are made to Seller.

(b) Seller shall have a reasonable time after their receipt of each quarter's financial statements and records to have its representative make such investigation as may be necessary to determine whether the amount of profit disclosed for Buyer, and the resulting payment is accurate and approved by Seller or its representatives.

(c) Buyer will cause to be maintained, and in force, at its own expense all insurance required under the Security Agreement and this Agreement on all inventory, equipment, machinery, tools, and any other items used as collateral for this Agreement. In addition, Seller will be named as an additional loss payee. Such insurance to include all risk type and extended coverage, loss by burglary, theft, or mysterious disappearance, for all secured collateral, all with companies satisfactory to Seller for their full insurable value or in such amount Seller shall require from time to time.

(d) Buyer shall at all times keep all collateral free from any attachment or loss, from any mechanic's or other liens, and shall not provide or place thereon any secondary

financing or any other type of encumbrance whether the same be prior to or subordinate to the lien hereby granted to Seller.

Seller and its representatives shall at all times have the right to enter the premises for the purposes of inspecting any collateral.

2.6 Lease of Business Space. The Parties agree and acknowledge the Assets will remain in the same rented location during the term of this Agreement. Prior to the Closing Date, Buyer will negotiate with the owner of the building in which the Business is located in order to acquire a full release of Seller from its duties and obligations associated with that lease. Accordingly, Buyer shall work with and negotiate with the owner of the same building in order to enter into a new lease or to negotiate a continuation of the lease agreement, or otherwise receive an assignment of said lease so that Buyer can operate its own business in the same location after the Closing Date. If the Buyer is unable to negotiate satisfactory terms to accomplish this objective, based upon the sole discretion of Buyer, this Agreement may be canceled or terminated by Buyer. In the unlikely event the Closing Date does not occur on the same date as the transition of the lease from Seller to Buyer, the costs associated with the lease shall be allocated on a prorated basis as an operating cost described in paragraph 2.7.

2.7 Prorations, Etc. Seller and Buyer agree to the following prorations and allocation of costs in connection with the Agreement and the transactions contemplated hereby:

2.7.1 All operating costs of the Business, including but not limited to utilities, shall be allocated between Seller and Buyer based upon the Date of Closing, such that Seller shall pay that portion of the operating costs pertaining to that period up to and excluding the Date of Closing, and Buyer shall pay that portion of the operating costs including and after the Date of Closing.

2.7.2 All salary or wages, vacation pay, and other unpaid employee benefits, if any, shall be paid by Seller at Closing, or, if Buyer, at Seller's request, agrees to pay any such amounts, they shall be deducted from next payment due under this Purchase Price. No such payment by Buyer shall be an assumption of any of the liability of Seller.

2.7.3 Seller agrees that it will pay all existing wages and expenses including but not limited to sales taxes, withholding taxes, social security taxes and any other withholding taxes, worker's compensation premiums, unemployment, any other insurance premiums associated with the Business, through the Closing Date. Buyer will only assume expenses and debts incurred by Buyer after the Closing Date.

3. Deliveries by Seller.

3.1 Seller's Deliveries. On the Closing Date, subject to the terms and conditions set forth in this Agreement, Seller shall make the following deliveries:

- 3.1.1 Bill of Sale, Assignments, and other instruments of conveyance reasonably requested by Buyer in order to consummate the sale and transfer of the Assets; and
 - 3.1.2 All other items or documents necessary or appropriate to complete the transfer of the Assets to Buyer.
- 3.2 Buyer's Deliveries. On the Closing Date, subject to the terms and conditions set forth in this Agreement, Buyer shall make the following deliveries:
- 3.2.1 The down payment from the Purchase Price at Closing;
 - 3.2.2 UCC-1 financing statement and Security Agreement; and
 - 3.2.3 All other items or document necessary or appropriate to consummate the purchase and transfer of the Assets.

4. Closing.

No formal Closing shall take place on June 30, 2016. It is expected that all documents necessary to complete this transfer of Assets will be accomplished before June 30, 2016.

Ministerial acts such as reading of the meters, the taking of inventory, wages and the like will be completed and determined as of close of business June 30, 2016 or as reasonably close to such date as may be agreed or warranted.

5. Identification of Assets.

It is intended by the Parties the sale includes all bar and restaurant Assets of the Seller including, if any, all assets, inventory on hand, business contracts, accounts receivable, except current accounts payable which are owing by the Seller to suppliers and lenders, all logos, art work, literature, a list of all accounts, customer lists, goodwill of the Business, trade names, trademarks, patents and trade insignia used in the conduct of said Business, whether or not these registrations, trademarks, trade names or trade insignia are registered or copyrighted, and all of the following tangible assets and other effects pertaining to a bar and restaurant, to-wit:

- 1)** All stationery, bill heads, office supplies, advertising and sales material and paraphernalia on hand at the closing of a kind customarily used in the operation of said Business, and which is not included and identified as inventory above;
- 2)** All sales records, invoices, sales contracts, and work orders that are in process;
- 3)** All licenses or permits, except beer, wine or liquor, which may be required of said Business, including lists and all information pertaining to Seller's customers and the requirements of such customer, their contracts and other arrangements with such customer for their patronage;

- 4) Banquet reservations, contracts for weddings, parties and numerous other events scheduled after July 1, 2016;
- 5) Glass ware, kitchen utensils, point-of-sale equipment, and all removable items; and
- 6) Point-of-Sale Equipment, Tills, Booths, Tables, Chairs, Kitchen Equipment, Lounge Coolers, All Built-In and Non-Removable Fixtures related to a bar and restaurant, Dishes, Food Warmers, Kitchen Utensils.
- 7) All property of every kind and description in which the Buyer has or may acquire any interest now or hereafter at any time in the possession or control of Buyer for any reason including, without limitation, property acquired by Buyer in exchange for other property, and all dividends and distributions and other rights acquired in connection with such property.

6. Representations and Warranties of Seller.

Seller represents and warrants to Buyer the following statements are true and correct as of the date of this Agreement and will be true and correct on the Closing Date as if made on said date.

6.1 Seller. Seller is the owner of the Assets. Seller will only have the power and authority to sell, convey, assign, transfer and deliver the Assets as herein provided if the city of East Grand Forks, Minnesota approves Buyer's application for a liquor license on June 21, 2016. Otherwise this Agreement has been duly and validly executed and delivered by Seller, and constitutes a valid and binding obligation of Seller enforceable in accordance with its terms.

6.2 Seller does not lease any of the Assets sold to Buyer.

7. Non-Breach, Etc. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not (a) violate or breach any operating agreement or member control agreement of Seller and (b) once the City of East Grand Forks approves of Buyer's liquor license, result in a breach of any of the terms or conditions of, or constitute a default under, any mortgage, note, bond, indenture, agreement, license or other instrument or obligation (including any "Contracts") to which Seller or by which it or any of its properties or Assets may be bound or affected.

8. Contracts. With respect to the Assets, Seller is not a party to any written or oral:

- 8.1.1 Contract, agreement or understanding for the employment of any officer, consultant, director or employee;
- 8.1.2 Contract, agreement or understanding with any labor union;
- 8.1.3 Contract, agreement or understanding for the purchase of any materials, supplies or equipment not in the ordinary course of business;
- 8.1.4 Contract, agreement or understanding for the sale of products or performance of services except for contracts for weddings, banquets, parties and numerous other events scheduled after July 1, 2016;

8.1.5 Pension, profit-sharing, bonus, deferred compensation, retirement or stock option or stock purchase plan in effect beyond the Closing Date with respect to employees or others;

8.1.6 Contract, agreement or understanding to any person the right to use any property or property right of Seller, including any trademark or patent licensing agreement, or contract;

8.2 Equipment. All Equipment included in paragraph 5 of this Agreement is located at the rented premises, and are in good condition and repair, ordinary wear and tear excepted.

9. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller that the following statements are true and correct as of the date of this Agreement and will be true and correct on the Closing Date as if made on said date:

9.1 Authority. Buyer has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby, and all corporate and other proceedings required to be taken by Buyer, if any, in connection with this Agreement and the transactions contemplated hereby and necessary to make the same effective have been duly and validly taken. This Agreement constitutes a valid and binding obligation of Buyer and is enforceable in accordance with its terms.

10. Covenants of Seller.

10.1 Action by Seller. Seller will not take or permit to be taken any action or do or permit to be done anything in the conduct of the Assets or otherwise, which would be contrary to or in breach of any of the terms, conditions or provision of this Agreement, or which would cause any of the representations and warranties of Seller to be untrue as of the Closing Date or any time thereafter.

10.2 Further Assurances. On the Closing Date, and from time to time thereafter, Seller will at Buyer's request provide such assignments, endorsements and other documents, and take such other action as Buyer may reasonably request in order to transfer and assign the Assets to Buyer pursuant to this Agreement.

11. No Brokers or Finders.

Seller and Buyer represent and warrant to each other that each did not directly or indirectly engage any person, corporation or partnership to bring about the consummation of the transactions contemplated herein, and, that no person, corporation or partnership is entitled to a broker's commission, finder's fee or any similar compensation upon the consummation of the transactions contemplated herein.

12. Conditions Precedent of Buyer.

The obligations of Buyer are subject to the conditions that, on or before the Closing Date:

- 12.1 Representations and Warranties True at Closing. The representations and warranties of Seller contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby shall be true on and as of the Closing Date as though such representations and warranties were made at and as of such date.
- 12.2 Building Lease. Buyer shall enter into or otherwise acquire by a lease the leasehold rights in the portion of the building where the Assets are located. All terms and conditions of said lease shall be acceptable to Buyer in Buyer's sole and exclusive discretion.
- 12.3 Compliance with the Agreement. Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.
- 12.4 Deliveries. The documents required under paragraph 3 and delivery of the Assets in paragraph 5 shall be tendered by Seller for delivery to Buyer at the Closing.
- 12.5 Casualty. Prior to the Closing Date, the Assets, or any portion of the leased premises shall not have been adversely affected in any material way as a result of any fire, accident, flood or other casualty or act of God, terrorism or the public enemy.
- 12.6 Adverse Development. There shall have been no adverse developments, consequences or events occurring in the Assets, which would have a material adverse affect on the Assets.
- 12.7 Liquor License. Buyer shall obtain a liquor license from the city of East Grand Forks, Minnesota, prior to the closing date.

13. Conditions Precedent of the Seller.

The obligations of Seller are subject to the conditions that, on or before the Closing Date:

- 13.1 Representations and Warranties True at Closing. The representations and warranties of Buyer contained in this Agreement or in any certificate or document delivered pursuant to the provisions hereof or in connection with the transactions contemplated hereby, shall be true on and as of the Closing Date as though such representations and warranties were made at and as of such date.
- 13.2 Buyer's Payment. Buyer shall have made the \$5,000 down payment as required under subparagraph 2.1(a).
- 13.3 Buyer's Compliance with the Agreement. Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing Date.

14. **Default.** Buyer shall be deemed to be in default under this Agreement upon the occurrence of any of the following events:
- (a) Default, continuing beyond the expiration of any applicable notice and/or under grace period by Buyer under the Provisions of this Agreement, Promissory Note, Financing Statement, or any loan instrument given to secure this Agreement.
 - (b) Default by Buyer in the payment or performance of any other obligation of Buyer with respect to the project.
 - (c) At any time any representation or warranty made by Buyer to Seller which shall prove to be incorrect in any material respect when made or furnished.
 - (d) Insolvency, assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy, solvency law or any other law relating to the relief of Seller against Buyer.
 - (e) A tax lien of any kind which is filed against the secured property of Buyer and not withdrawn prior to the request of any advance.
 - (f) Default by Buyer under any other agreement made with Seller in connection with the project or otherwise.
 - (g) Failure of Buyer to obtain any necessary permits or licenses required to proceed with the operation of the business by Buyer or the revocation or invalidation of any permit or license previously issued for the Buyer.
 - (h) In addition to the foregoing events of default, if, in Seller's judgment, Buyer will not be able to operate the business as required, or in the event Seller shall deem itself insecure by any reason, or Seller determines that Buyer cannot satisfy in a timely manner the requirements of this Agreement, Seller may declare a default hereunder and exercise any and all remedies under law including but not limited to repossession of all secured collateral or exercising any other rights granted to Seller under this Agreement.
15. **Seller's Remedies In The Event Of Default.** Seller shall not be obligated to take any action if there shall exist any default as defined in the preceding section, or if Seller shall be advised that there is reasonable cause for believing that Buyer is insolvent or has violated any term or condition of this Agreement. Seller may at any time or times thereafter declare the unpaid principal, including accrued interest on the note, to be immediately due and payable. In addition to the foregoing, Seller shall have any and all rights and obligations provided for under the Minnesota Uniform Commercial Code.
16. **Notices.** All notices under this Agreement shall be in writing. If to Seller, the same shall be sufficient in all respects if delivered in person or sent certified mail return receipt requested to Seller at the address stated in the opening paragraph of this Agreement. If to Buyer, the same shall be sufficient in all respects if delivered in person or sent by registered mail to Buyer at the address stated in the opening paragraph of this Agreement.

Service in every case shall be deemed to be complete at the time any such notice is delivered in person or within five (5) days after the mailing thereof.

17. **Modification.** This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and shall not be modified or amended except by an instrument in writing signed by or on behalf of the parties hereto.
18. **Assignment.** This Agreement shall not be assignable by any party hereto without prior written consent of the other party.
19. **Warranties.** All warranties, covenants, guaranties and representations contained in any provision of this Agreement shall survive and be effective after the execution of this Agreement and be enforceable by each of the parties hereto, their personal representatives, successors and assigns.
20. **Agreement Binding.** The provisions hereof shall bind and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.
21. **Attorney Fees.** In the event either party would default under their obligations hereunder and the opposing party is required to retain the services of an attorney in order to collect any and all sums due under this Agreement, each party agrees to pay all such costs, expenses, and attorney's fees deemed reasonable on the premises, in addition to such other sums as may be awarded or determined to be due and payable to the other.
22. **Failure to Perform.** In case either of the parties shall fail to perform the agreements on their part required to be performed at the time fixed for their performance by the terms of this Agreement, the other party may, at their election, terminate this Agreement. The time within which any act or condition is to be done or completed may only be extended by written agreement between the parties.
23. **Entire Agreement.** This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party, except to the extent expressly set forth in this Agreement.
24. **Waiver.** The waiver of any right under this Agreement, by either party, shall not be construed as a waiver of the same right at a future time or as a waiver of any other right under this Agreement.
25. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceability without invalidating the remaining provisions of this Agreement.
26. **Representation.** Buyer and Seller acknowledge, agree and understand the Neil Law Firm, P.C. is representing only the Buyer. The Seller has been advised to seek their own legal counsel in respect of this matter. They have declined to obtain their own independent legal counsel.

27. **Miscellaneous Provisions.** Buyer and Seller agree that all decisions and determinations of the Parties reasonably made and in good faith on any question of fact shall bind the parties hereto.

- (a) All rights and remedies provided in favor of Seller are intended to be cumulative and not exclusive of one another or exclusive of any other remedy which Seller might have at law or in equity, including the right to enforce the payment of an amount due Seller by any proceeding at law or in equity.
- (b) The provisions of this Agreement is an additional agreement of the Parties supplementing the provisions of the Promissory Note, Bill of Sale, Security Agreement, and Financing Statement instruments which are incorporated herein and executed under the same date of this Agreement and are not in exclusion of any provision of any basic instruments binding upon Buyer or any right or remedy of Seller therein provided.
- (c) It is mutually understood and agreed by and between the parties hereto on behalf of themselves and their respective representatives, that all documents executed, acknowledged, and delivered pursuant to this Agreement shall be made subject to each other to the same extent and affect as if they would be fully set forth in this Agreement. If Buyer fails to observe, keep, or perform any of the stipulations or covenants contained in such other agreements or in this Agreement, at the option of Seller, the amount secured shall become at once due and payable, anything to the contrary notwithstanding.

28. **Minnesota Law to Govern.**

Any and all disputes arising out of this Agreement, whether substantive, procedural, or remedial in nature, shall be governed by the laws of the State of Minnesota. The parties hereto consent to personal jurisdiction, subject matter jurisdiction, in rem jurisdiction, and agree that the venue of any such dispute shall be the state courts in the State of Minnesota for any such dispute.

29. **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

30. **Headings.**

The headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision thereof. Reference to numbered "articles," "sections," "paragraphs" and "subparagraphs," and to lettered "Exhibits" refer to articles, sections, paragraphs and subparagraphs of this Agreement and Exhibits annexed thereto.

TIME IS OF THE ESSENCE OF EACH AND EVERY TERM, CONDITION AND OBLIGATION OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

SELLER
Boardwalk Bar and Grill, LLC

BUYER
JDM, LLC

By: Dan Stauss
Its: Member

By: Jane D. Moss
Its: Managing Member

By: Scott Stauss
Its: Member

STATE OF MINNESOTA)
) SS
COUNTY OF POLK)

The foregoing instrument was acknowledged before me this _____ day of June, 2016, by Jane D. Moss, managing member of JDM, LLC, a Minnesota limited liability company.

Notary

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of June, 2016, by Dan Stauss and Scott Stauss, managing members of Boardwalk Bar and Grill, LLC, a Minnesota limited liability company.

Notary

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Boardwalk Bar and Grill, LLC P.O. Box 13595 Grand Forks, ND 58208

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a. ORGANIZATION'S NAME JDM, LLC					
OR 1b. INDIVIDUAL'S LAST NAME					
1c. MAILING ADDRESS 415 2nd Street NW, Suite 2		CITY East Grand Forks	STATE MN	POSTAL CODE 56721	COUNTRY USA
1d. TAX ID #: SSN OR EIN [REDACTED]	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION limited liability company	1f. JURISDICTION OF ORGANIZATION Minnesota	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a. ORGANIZATION'S NAME OR					
1b. INDIVIDUAL'S LAST NAME					
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION I	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

OR 3a. ORGANIZATION'S NAME Boardwalk Bar and Grill, LLC					
3b. INDIVIDUAL'S LAST NAME					
3c. MAILING ADDRESS P.O. Box 13595		CITY Grand Forks	STATE ND	POSTAL CODE 58208	COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All items included on attached "Exhibit A"

5. ALTERNATIVE DESIGNATION [if applicable]: <input type="checkbox"/> LESSEE/LESSOR <input type="checkbox"/> CONSIGNEE/CONSIGNOR <input type="checkbox"/> BAILEE/BAILOR <input type="checkbox"/> SELLER/BUYER <input type="checkbox"/> AG. LIEN <input type="checkbox"/> NON-UCC FILING	
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] <input type="checkbox"/> All Debtors <input type="checkbox"/> Debtor 1 <input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA	

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

Exhibit A

Itemization of Property Serving as Collateral

It is intended by the Parties the sale includes all bar and restaurant Assets of the Debtor including, if any, all assets, inventory on hand, business contracts, accounts receivable, except current accounts payable which are owing by the Debtor to suppliers and lenders; all logos, art work, literature, a list of all accounts, customer lists, goodwill of the Business, trade names, trademarks, patents and trade insignia used in the conduct of said Business, whether or not these registrations, trademarks, trade names or trade insignia are registered or copyrighted, and all of the following tangible assets and other effects pertaining to a bar and restaurant, to-wit:

- 1) All stationery, bill heads, office supplies, advertising and sales material and paraphernalia on hand at the closing of a kind customarily used in the operation of said Business, and which is not included and identified as inventory above;
- 2) All sales records, invoices, sales contracts, and work orders that are in process;
- 3) All licenses or permits, except beer, wine or liquor, which may be required of said Business, including lists and all information pertaining to Debtor's customers and the requirements of such customer, their contracts and other arrangements with such customer for their patronage;
- 4) Banquet reservations, contracts for weddings, parties and numerous other events scheduled after July 1, 2016;
- 5) Glass ware, kitchen utensils, point-of-sale equipment, and all removable items; and
- 6) Point-of-Sale Equipment, Tills, Booths, Tables, Chairs, Kitchen Equipment, Lounge Coolers, All Built-In and Non-Removable Fixtures related to a bar and restaurant, Dishes, Food Warmers, Kitchen Utensils.
- 7) All property of every kind and description in which the Buyer has or may acquire any interest now or hereafter at any time in the possession or control of Buyer for any reason including, without limitation, property acquired by Buyer in exchange for other property, and all dividends and distributions and other rights acquired in connection with such property; and
- 8) All fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and account proceeds).

To secure payment to Secured Party at the address stated above of all amounts owed by Debtor for the Assets purchased or otherwise acquired from Secured Party, and all other liabilities and indebtedness of Debtor to Secured Party, due or to become due, direct or indirect absolute or contingent, joint or several, howsoever created, arising or evidenced, now existing or hereafter at any time created, arising, or incurred.

SECURITY AGREEMENT

JDM, LLC, of 415 2nd Street NW, Suite 2, East Grand Forks, MN 56721, (hereinafter "Debtor"), hereby grants to Boardwalk Bar and Grill, LLC, of P.O. Box 13595, Grand Forks, North Dakota 58208, (hereinafter "Secured Party"), a Security Interest in the following described property, (hereinafter "Collateral"), to secure their payment of the full amount of the purchase price stated in the Membership Interest Sale Agreement with an effective date of June _____, 2016;

It is intended by the Parties the sale includes all bar and restaurant Assets of the Debtor including, if any, all assets, inventory on hand, business contracts, accounts receivable, except current accounts payable which are owing by the Debtor to suppliers and lenders, all logos, art work, literature, a list of all accounts, customer lists, goodwill of the Business, trade names, trademarks, patents and trade insignia used in the conduct of said Business, whether or not these registrations, trademarks, trade names or trade insignia are registered or copyrighted, and all of the following tangible assets and other effects pertaining to a bar and restaurant, to-wit:

- 1) All stationery, bill heads, office supplies, advertising and sales material and paraphernalia on hand at the closing of a kind customarily used in the operation of said Business, and which is not included and identified as inventory above;
- 2) All sales records, invoices, sales contracts, and work orders that are in process;
- 3) All licenses or permits, except beer, wine or liquor, which may be required of said Business, including lists and all information pertaining to Debtor's customers and the requirements of such customer, their contracts and other arrangements with such customer for their patronage;
- 4) Banquet reservations, contracts for weddings, parties and numerous other events scheduled after July 1, 2016;
- 5) Glass ware, kitchen utensils, point-of-sale equipment, and all removable items; and
- 6) Point-of-Sale Equipment, Tills, Booths, Tables, Chairs, Kitchen Equipment, Lounge Coolers, All Built-In and Non-Removable Fixtures related to a bar and restaurant, Dishes, Food Warmers, Kitchen Utensils.
- 7) All property of every kind and description in which the Buyer has or may acquire any interest now or hereafter at any time in the possession or control of Buyer for any reason including, without limitation, property acquired by

Buyer in exchange for other property, and all dividends and distributions and other rights acquired in connection with such property; and

- 8) All fixtures; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and account proceeds).

To secure payment to Secured Party at the address stated above of all amounts owed by Debtor for the Assets purchased or otherwise acquired from Secured Party, and all other liabilities and indebtedness of Debtor to Secured Party, due or to become due, direct or indirect absolute or contingent, joint or several, howsoever created, arising or evidenced, now existing or hereafter at any time created, arising, or incurred.

Debtor warrants, represents and agrees that:

4. The Collateral will be kept by Debtor.
5. Debtor has title to and will at all times keep the Collateral free and clear of all liens, encumbrances and security interests, except the Security Interest created hereby, which is genuine and enforceable. There are no offsets, counterclaims, or defenses to said property, and Debtor has full power and authority to execute this Security Agreement, to perform Debtor's obligations hereunder, and to subject the Collateral to the Security Interest created hereby. Debtor covenants and agrees that there are no financing statements covering all or any part of the Collateral, except any which may have been filed by Secured Party or is on file in any public office.
6. Debtor will at any time or times hereafter execute such financing statements and other instruments and perform such acts as Secured Party may request to establish and maintain a valid Security Interest in the Collateral. Debtor will pay all costs of filing and recording any documents required by Secured Party.
7. Until Secured Party shall notify Debtor of the revocation of such power and authority, Debtor will, at its own expense, endeavor to collect, as and when due, all amounts due under the Collateral, including the taking of such action with respect to such collection or repossession of the goods as Debtor may deem advisable or as Secured Party may reasonably request. Debtor will forthwith deliver all proceeds of such collections and all repossessed or returned goods to Secured Party at their request; provided Debtor will, on demand, pay to Secured Party the full unpaid contract price of repossessed goods or the invoice value of returned goods.
8. Debtor will not compromise any of the property described herein without the prior written consent of Secured Party.

9. Debtor will at all times keep accurate and complete records of the Collateral, and will, upon request of Secured Party, furnish to Secured Party such reports and statements as Secured Party may request with respect to the Collateral.

10. Secured Party may notify account debtors of Secured Party's security interest, that the accounts have been assigned to Secured Party, and that payment of all sums due or to become due shall be paid directly to Secured Party. Upon the request of Secured Party, Debtor will notify account debtors of such security interest and assignment. Secured Party shall have the power to demand, receive and sue for all moneys or other proceeds due from said accounts, to endorse the name of Debtor on all commercial paper given in payment or part payment thereof, and to settle, adjust or compromise any claims or disputes as to said accounts.

11. Debtor shall notify Secured Party of all access codes to all business account(s). Secured Party shall have access to view these business account(s) online. Secured Party will not be authorized to sign checks on these business account(s). In the event that the account(s) passwords change, Secured Party must be immediately notified of this change by Debtor and Debtor must provide the new password to Secured Party, his accountant or legal representative, to gain access to these accounts. In the event Secured Party is denied access to view these business account(s) online, Debtor will be considered to be in default under the terms of the Contract to Purchase.

12. Upon default by Debtor in any of the preceding agreements, Secured Party, at its option, may pay and discharge any taxes, liens and encumbrances on the Collateral. All sums so advanced or paid by Secured Party shall be payable by Debtor on demand with interest at the maximum rate allowed by law and shall be a part of the Secured Obligations.

13. Debtor will not sell, transfer, lease, or otherwise dispose of the Collateral, or attempt or offer to do any of the foregoing, without the prior written consent of Secured Party, and unless the Proceeds of any such sale, transfer, lease, or other disposition are paid directly to Secured Party. No provision contained in this Agreement shall be construed to authorize any such sale, transfer, lease or other disposition of the Collateral except on the conditions contained in this paragraph.

14. The occurrence of any of the following events shall constitute a Default:

- (a) the failure of Debtor to pay when due any amount payable under any of the Secured Obligations;
- (b) the failure of Debtor to perform any agreement contained herein;
- (c) the discovery that any statement, representation, or warranty of Debtor made herein or at any time furnished to Secured Party is untrue in any respect as of the date made;
- (d) the entry of any judgment against Debtor in excess of \$25,000.00;

- (e) the appointment of a receiver for loss, substantial damage to, destruction, theft, sale, or encumbrance to or of any portion of the collateral, or the making of any levy, seizure, or attachment thereof;
- (f) Debtor becomes insolvent or unable to pay its debts as they mature or makes an assignment for the benefit of its creditors or any proceeding is commenced by or against Debtor alleging that it is insolvent or unable to pay its debts as they mature;
- (g) the death of any Debtor who is a natural person or of any partner of any Debtor which is a partnership;
- (h) the dissolution, consolidation, or merger, or transfer of a substantial part of the property of any Debtor which is a corporation or a partnership;
- (i) a major change in the condition or affairs (financial or otherwise) of Debtor or any co-maker, endorser, surety or guarantor of any of the Secured Obligation which, in the opinion of Secured Party, impairs Secured Party' security or increases its risk; or
- (j) Secured Party deem themselves insecure for any reason whatsoever.

15. In the event of a Default, Secured Party shall have the right, at its option and without demand or notice, to declare all or any part of the Secured Obligations immediately due and payable. Secured Party may exercise, in addition to the rights and remedies granted hereby, all of the rights and remedies of a secured party under the Uniform Commercial Code, as amended, or any other applicable law. Debtor agrees in the event of a default to pay all costs and expenses of Secured Party, including reasonable attorney fees, in the collection of any of the Secured Obligations or the enforcement of any of Secured Party's rights. Waiver of any default hereunder by the Secured Party shall not be a waiver of any other default or of a same default on a later occasion. No delay or failure by Secured Party to exercise any right or remedy shall be a waiver of such right or remedy and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy at any other time.

16. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least five (5) days before such disposition, postage prepaid, addressed to Debtor at the address set forth above.

17. This agreement and all rights and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of the State of Minnesota. If any part of this agreement shall be adjudged invalid, the remainder shall not thereby be invalidated.

18. If more than one party shall sign this agreement, the term "Debtor" shall mean all such parties, and each of them, and all such parties shall be jointly and severally obligated hereunder. All rights of Secured Party shall inure to the benefit of Secured Party' successors and assigns, and all obligations of Debtor shall bind Debtor's heirs, executors, administrators, successors and assigns.

Dated this ____ day of June, 2016.

SECURED PARTY:

BOARDWALK BAR AND GRILL, LLC

By: Dan Stauss, its Member

By: Scott Stauss, its Member

DEBTOR:

JDM, LLC

By: Jane D. Moss, its Managing Member

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that Boardwalk Bar and Grill, LLC, of P.O. Box 13595, Grand Forks, North Dakota 58208 (hereafter "Seller"), in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, paid and transferred, by JDM, LLC, of 415 2nd Street NW, Suite 2, East Grand Forks, MN 56721 (hereafter "Buyer"), the receipt of which is hereby acknowledged, does hereby Grant, Bargain, Sell and Convey unto Buyer, its representatives, administrators and assigns, forever, all Goods, Chattels and Personal Property located on the following described property, to-wit:

See attached Schedule A

To have and to hold the same, unto Buyer, its representatives, administrators and assigns, forever. Seller for themselves and their successors or assigns, covenants and agrees to and with Buyer, its representatives, administrators and assigns, to warrant and defend the sale of said Goods, Chattels and Personal Property hereby made, unto Buyer, its representatives, administrators and assigns, against all and every person, whomsoever, lawfully claiming or to claim the same.

Dated this ____ day of June, 2016

Boardwalk Bar and Grill, LLC

By: Dan Stauss
Its: Member

By: Scott Stauss
Its: Member

STATE OF MINNESOTA)
)
COUNTY OF POLK)

The foregoing instrument was acknowledged before me this ____ day of June, 2016, by Dan Stauss and Scott Stauss, members of Boardwalk Bar and Grill, LLC, known to me to be the persons who are described in, and who executed the within and foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Notary Public

We, Dan Stauss and Scott Stauss, members of Boardwalk Bar and Grill, LLC, hereby consent and agree to the transfer of goods, chattels, and personal property transferred by this Bill of Sale.

Dan Stauss

Scott Stauss

Schedule A

Itemization of Property Serving as Collateral

It is intended by the Parties the sale includes all bar and restaurant Assets of the Seller including, if any, all assets, inventory on hand, business contracts, accounts receivable, except current accounts payable which are owing by the Seller to suppliers and lenders, all logos, art work, literature, a list of all accounts, customer lists, goodwill of the Business, trade names, trademarks, patents and trade insignia used in the conduct of said Business, whether or not these registrations, trademarks, trade names or trade insignia are registered or copyrighted, and all of the following tangible assets and other effects pertaining to a bar and restaurant, to-wit:

- 1) All stationery, bill heads, office supplies, advertising and sales material and paraphernalia on hand at the closing of a kind customarily used in the operation of said Business, and which is not included and identified as inventory above;
- 2) All sales records, invoices, sales contracts, and work orders that are in process;
- 3) All licenses or permits, except beer, wine or liquor, which may be required of said Business, including lists and all information pertaining to Seller's customers and the requirements of such customer, their contracts and other arrangements with such customer for their patronage;
- 4) Banquet reservations, contracts for weddings, parties and numerous other events scheduled after July 1, 2016;
- 5) Glass ware, kitchen utensils, point-of-sale equipment, and all removable items; and
- 6) Point-of-Sale Equipment, Tills, Booths, Tables, Chairs, Kitchen Equipment, Lounge Coolers, All Built-In and Non-Removable Fixtures related to a bar and restaurant, Dishes, Food Warmers, Kitchen Utensils.
- 7) All property of every kind and description in which the Buyer has or may acquire any interest now or hereafter at any time in the possession or control of Buyer for any reason including, without limitation, property acquired by Buyer in exchange for other property, and all dividends and distributions and other rights acquired in connection with such property.
To secure payment to Secured Party at the address stated above of all amounts owed by Debtor for the Assets purchased or otherwise acquired from Secured Party, and all other liabilities and indebtedness of Debtor to Secured Party, due or to become due, direct or indirect absolute or contingent, joint or several, howsoever created, arising or evidenced, now existing or hereafter at any time created, arising, or incurred.

PROMISSORY NOTE

\$270,000.00

June _____, 2016

For value received, the undersigned, hereby agrees and promises to pay to the order of Boardwalk Bar and Grill, LLC, a Minnesota limited liability company, of P.O. Box 13595, Grand Forks, North Dakota 58208 or such other place as the holder may from time to time designate the following:

- (a) The sum of Two Hundred Seventy Thousand and no/100ths Dollars (\$270,000.00) shall be paid in quarterly installments consisting of twenty-five percent (25%) of all profits before depreciation, with the first payment due on or before November 15, 2016, for the third quarter of 2016.
- (b) Each payment shall consist of twenty-five percent (25%) of all quarterly profits before depreciation, and each payment must be paid on or before the 45th day following the end of each quarter.
- (c) The payment term shall be no more than ten (10) years. In the event the full payment of all sums required to be made are not paid by September 15, 2026, Seller may, in its sole discretion, negotiate a longer repayment term. During the first ten (10) year term, the outstanding principal shall accrue interest at the Applicable Federal Rate of 1.41%. If all payments are not paid by August 15, 2026, and Seller extends the repayment term, the Applicable Federal Rate in effect in July 2026 shall apply.

No delay or omission on the part of the holder in exercising any right hereunder shall operate as a waiver of such right or any other remedy under this note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on a future occasion.

If default be made in any payment of interest when due in accordance with the terms and conditions of this note, the entire unpaid principal balance together thereon shall become immediately due and payable at the option of the holder hereof.

In the event of any breach hereunder by the makers, endorsers, sureties and guarantors, the holder hereof (immediately or at any time thereafter and without notice by reason of such breach), is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money or is compelled to incur any expense, including reasonable attorney's fees,

including instituting or prosecuting any action, or proceeding to enforce its rights hereunder or in the collection of any sum or sums hereunder, the sum or sums so paid by the holder of this note, with interest thereon at the rate provided for herein from the date of such payment thereof, shall be deemed as additional sums due hereunder and shall be immediately due and payable from borrower to the holder hereof following the payment of such respective sums.

The makers waive presentment for payment, protest and notice of non-payment.

I, the undersigned, hereby, jointly and severally, personally guarantee the payment of all sums secured by this Promissory Note and a certain Mortgage of the same date herewith.

JDM, LLC

By: Jane Moss
Its: Managing Member

**STATEMENT OF LIMITED LIABILITY COMPANY AUTHORITY
PURSUANT TO MINN. STAT. § 322C.0302**

1. Name of the Limited Liability Company: JDM, LLC (the "Company")
2. Street address, including the zip code, of the Company's registered office:
415 2nd Street NW, Suite 2, East Grand Forks, Minnesota 56721
3. The following positions/persons are authorized to execute any instrument transferring any interest in real property held in the name of the Company: Jane D. Moss
4. The following positions/persons are authorized to enter into other transactions on behalf of, or otherwise act for, or bind the Company: Jane D. Moss, its Managing Member

**JDM,
a Minnesota Limited Liability Company**

Dated: June _____, 2016

By: Jane D. Moss
Its: Managing Member

STATE OF MINNESOTA)
) ss.
COUNTY OF POLK)

This instrument was acknowledged before me on June _____, 2016, by Jane D. Moss, the Managing Member of JDM, LLC, a limited liability company under the laws of Minnesota, on behalf of the company.

NOTARIAL STAMP OR SEAL

Signature of Notary Public or other Official

This Instrument Was Drafted By:

This instrument was drafted by:
NEIL LAW FIRM, P.C.
Gerard D. Neil
Attorneys at Law
418 Third Street NW
P.O. Box 477
East Grand Forks, MN 56716
(218) 773-0808

JDM, LLC

STATE OF MINNESOTA

Certificate No.
1

Ownership Percentage
100%

THIS CERTIFIES, Jane D. Moss is the registered holder of a 100% Interest of the capital percentage, including management, financial and governance rights, transferable only on the books of the limited liability company by the holder hereof, in person or by the duly authorized Attorney, upon surrender of this Certificate properly endorsed.

This written interest is subject to the provisions and restrictions of the Member Control and Operating Agreement, dated _____, 2016, and entered into by and between the members of JDM, LLC.

IN WITNESS WHEREOF, the said limited liability company has caused this Certificate to be signed by its duly authorized officers this ____ day of June, 2016.

Jane D. Moss - Managing Member

COMPANY AUTHORIZATION RESOLUTION

THIS IS TO CERTIFY: at a meeting of **JDM, LLC**, a limited liability company organized under the laws of the State of Minnesota, duly held on **June _____, 2016**, the following resolutions were adopted:

RESOLVED, United Valley Bank – Grand Forks, ND, is hereby designated as a depository for the funds of this limited liability company, and any officer or other person hereinafter named is hereby authorized for and on behalf of this limited liability company to open or continue an account or accounts with said Bank and to execute and deliver to said Bank signature card or cards supplied by said Bank containing specimen signatures of officers or other persons hereinafter named and assenting to said Bank's Rules and Regulations Governing Bank Accounts, and that any officer or other person hereinafter named is hereby authorized for and on behalf of the limited liability company to endorse or cause to be endorsed and to deposit or cause to be deposited in such account or accounts from time to time checks, drafts, and other instruments and funds payable to or held by this limited liability company.

RESOLVED, checks, drafts and other withdrawal orders and any and all other directions and instructions of any character with respect to funds of this limited liability company now or hereafter with said Bank may be signed the following:

Jane D. Moss

and said Bank is hereby fully authorized to pay and charge to such account or accounts any checks, drafts and other withdrawal orders so signed, and to honor any directions or instructions so signed, whether or not payable to the individual order of or deposited to the individual account of or inuring to the individual benefit of any of the foregoing officers or persons.

RESOLVED, the following:

Jane D. Moss

is hereby authorized, for and on behalf of this limited liability company, at any time or from time to time to borrow money from said Bank in such amounts, for such times, at such rate or rates of interest and upon such terms as they may see fit: to execute and deliver notes or other evidences of indebtedness of this limited liability company therefor, and extensions and renewals thereof; to sell, assign, transfer, mortgage, pledge or otherwise hypothecate to said Bank any bills receivable, accounts, contracts, warehouse receipts, bills of lading, stocks, bonds, chattels, real estate or other property of this limited liability company as security; to give guaranties and other undertakings to said Bank; to discount with said Bank bills receivable of this limited liability company and to authorize modifications and extensions with respect thereto and to waive demand, presentment, protest and notice of dishonor; and to do, authorize and agree to any and all other things at any time or from time to time in connection with any of the foregoing as they may deem appropriate.

RESOLVED, said Bank shall be entitled to rely upon a certified copy of these resolutions until written notice of modification or rescission has been furnished to and received by said Bank.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of June, 2016.

Jane D. Moss- Managing Member

CITY OF EAST GRAND FORKS
 CLERK-TREASURER'S OFFICE
 600 Demers Ave - PO Box 373, East Grand Forks, MN 56721
 (218)773-2483 - FAX (218)773-9728

APPLICATION FOR "ON SALE" WEEKDAY AND SUNDAY INTOXICATING LIQUOR LICENSE

If a corporation, an officer shall execute this application. If a partnership, a partner shall execute this application.

Licensee Name (Corporation, Partnership, Individual) JDM, LLC		Trade Name or DBA The Boardwalk	
License Location (Street Address & Block No.) 415 - 2nd St NW Ste 2		Business Phone Number 218-399-3000	Applicant Home Number [REDACTED]
City EAST GRAND FORKS	County POLK	State MN	Zip Code 56721
Name of Resident Manager/Agent HADLEY FRENCH		Manager Home Address (must be city resident) [REDACTED]	
License Period From: July 1, 2016		To: June 30, 2017	Manager/Agent Home Number: [REDACTED]
Federal ID#		State ID#	

If a corporation, state the name, date of birth, address, title and shares held by each officer. If a partnership, state the name, address and date of birth of each partner.

Partner/Officer Name (First, middle and last)	DOB	Title	Shares	Address
Jane Danille Moss	[REDACTED]	PRES.	100%	[REDACTED]

1. Name, address, and telephone number of the owner of the land where the licensed establishment will be located:
Boardwalk Enterprises PO Box 13595 Grand Forks ND 58208
701-775-5344

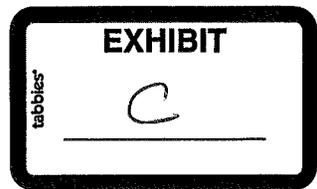
Name, address, and telephone number of the owner of the building where the licensed establishment will be located:
Boardwalk Enterpoc PO Box 13595 GF ND 58201
701-775-5344

2. Describe premises to which license applies; such as (first floor, second floor, basement, etc.) or if entire building, so state.
partial first floor, entire second floor, deck, basement

3. Legal description of premises: E.D. Frederick's Addn. blk 002 lots 13, 14, 15, 16, 17 (ex. NWLY 20 FT of lot 17) and vacated alley

4. Are the real estate taxes for the premises described in this application paid in full? Yes No

Are the sales taxes for these premises paid in full? Yes No



5. Is applicant or any of the associates in this application, a member of the governing body of the municipality in which this license is to be issued? Yes No If yes, in what capacity? _____
6. State whether any person other than applicants has any right, title or interest in the furniture, fixtures or equipment for which license is applied and if so, give name and details. NA
7. Have applicants any interest whatsoever, directly or indirectly, in any other liquor establishment? Yes No If yes, give name and address of establishment. _____
8. Seating capacity for serving meals at tables related to Sunday On Sale liquor license: 154
9. Are there any individuals who are involved with the licenses requested under the age of 21 or not US citizens? Yes No

1. State whether applicant or any of the associates in this application, have ever had an application for a liquor license rejected by any municipality or state authority; if so, give dates and details. X
2. Has the applicant or any of the associates in this application, during the five years immediately preceding this application ever had a license under the Minnesota Liquor Control Act revoked for any violation of such laws or local ordinances; if so, give date and details. X
3. Has applicant, partners, officers, or employees ever had any liquor law violation in Minnesota or elsewhere, including State Liquor Control penalties? Yes No If yes, give dates, charges and final outcome.
Employee served liquor to minor April 18, 2016
no final outcome to date
4. During the past license year, has a summons been issued under the Liquor Civil Liability Law (Dram Shop) M.S. 340A.802. Yes No If yes, attach a copy of the summons.

I certify that I have read the above questions and that the answers are true and correct of my own knowledge.

Signature of Applicant <u>Jane D. Moss</u>	Date: <u>4/28/16</u>
Print Name and Title of Applicant: <u>Jane D. Moss owner JDM, LLC</u>	Daytime Phone Number: <u>218-399-3000</u>

* All applications must include proof of workers comp and a liquor liability certificate.

Date to Admin Committee:	Date to City Council:
Amount Paid:	Receipt Number:



2

Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division (AGED)
444 Cedar Street, Suite 222, St. Paul, MN 55101-5133
Telephone 651-201-7507 Fax 651-297-5259 TTY 651-282-6555

Certification of an On Sale Liquor License, 3.2% Liquor license, or Sunday Liquor License

Cities and Counties: You are required by law to complete and sign this form to certify the issuance of the following liquor license types:
1) City issued on sale intoxicating and Sunday liquor licenses
2) City and County issued 3.2% on and off sale malt liquor licenses

Name of City or County Issuing Liquor License East Grand Forks License Period From: 7-1-16 To: 6-30-17

Circle One: New License License Transfer - N/A - Suspension Revocation Cancel _____
(former licensee name) (Give dates)

License type: (circle all that apply) On Sale Intoxicating Sunday Liquor 3.2% On sale 3.2% Off Sale

Fee(s): On Sale License fee: \$ 3800 Sunday License fee: \$ 250 3.2% On Sale fee: \$ _____ 3.2% Off Sale fee: \$ _____

Licensee Name: JDM, LLC DOB [redacted] Social Security # [redacted]
(corporation, partnership, LLC, or Individual)

Business Trade Name The Boardwalk Business Address 415 2nd St NW City E. Grand Forks

Zip Code 56721 County Polk Business Phone 218-399-3000 Home Phone [redacted]

Home Address [redacted] City [redacted] Licensee's MN Tax ID # Pending

Licensee's Federal Tax ID # Pending Applied For
(To apply call IRS 800-829-4933) (To Apply call 651-296-6181)

If above named licensee is a corporation, partnership, or LLC, complete the following for each partner/officer:

Jane Danille Moss [redacted]

Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address
(Partner/Officer Name (First Middle Last))	DOB	Social Security #	Home Address
Partner/Officer Name (First Middle Last)	DOB	Social Security #	Home Address

Intoxicating liquor licensees must attach a certificate of Liquor Liability Insurance to this form. The insurance certificate must contain all of the following:

- 1) Show the exact licensee name (corporation, partnership, LLC, etc) and business address as shown on the license.
- 2) Cover completely the license period set by the local city or county licensing authority as shown on the license.

Circle One: (Yes No) During the past year has a summons been issued to the licensee under the Civil Liquor Liability Law? NC

Workers Compensation Insurance is also required by all licensees: Please complete the following:

Workers Compensation Insurance Company Name: State Auto Policy # WCP2027754

I Certify that this license(s) has been approved in an official meeting by the governing body of the city or county.

City Clerk or County Auditor Signature _____ Date _____
(title)

On Sale Intoxicating liquor licensees must also purchase a \$20 Retailer Buyers Card. To obtain the application for the Buyers Card, please call 651-201-7504, or visit our website at www.dps.state.mn.us.

GENERAL INFORMATION SHEET
REQUIRED TO ACCOMPANY ANNUAL BEER AND LIQUOR APPLICATIONS

1. Name of applicant: Jane Moss - JDM, LLC

2. Is applicant an individual, partnership or corporation? (Circle one)
If individual, go to question 7 and continue. If partnership, go to question 6 and continue.
If corporation, start at question 3 and continue.

3. Name of Officers Jane Moss President

Secretary

4. Names of Directors Jane Moss

5. Names of stockholders and number of shares held by each:

Name	Number of Shares
<u>Jane Moss</u>	<u>100%</u>
_____	_____
_____	_____

6. Names of Partners: N.A.

7. Name and address of manager/agent: Hadley Freng _____

8. Seating capacity for serving meals at tables related to the Sunday On Sale liquor license: 154

9. Are there any delinquent taxes or charges owed to the City on the premises where licenses are to be issued: Yes _____ No X

10. Are there any individuals who are involved with the licenses requested under the age of 21 or not citizens of the United States? Yes _____ No X

Jane D. Moss

Signatures of authorized individual Date

FED ID# _____ MN ID# _____

PROOF OF WORKERS' COMPENSATION INSURANCE COVERAGE

Minnesota Statute Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Section 176.181, Subd. 2. The information required is: The name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and put in their company file. It will be furnished, upon request, to the Department of Labor and Industry to check for compliance with Minnesota Statute Sec. 176.181, Subd. 2.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided and/or falsely reported, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of Labor and Industry payable to the Special Compensation Fund.

Provide the information specified above in the spaces provided, or certify the precise reason your business is excluded from compliance with the insurance coverage requirement for workers' compensation.

Insurance Company Name: JOMILLE State Auto - Thompson Ins. Agcy.
(Not the insurance agent)

Policy Number or Self-Insurance Permit Number: WCP2227454

Dates of Coverage: July 1, 2016 to June 30, 2017

(or)

I am not required to have workers' compensation liability coverage because:

() I have no employees covered by the law.

() Other (specify) N.A.

I HAVE READ AND UNDERSTAND MY RIGHTS AND OBLIGATIONS WITH REGARDS TO BUSINESS LICENSES, PERMITS AND WORKERS' COMPENSATION COVERAGE, AND I CERTIFY THAT THE INFORMATION PROVIDED IS TRUE AND CORRECT.

PROOF OF WORKERS' COMPENSATION INSURANCE COVERAGE

Minnesota Statute Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Section 176.181, Subd. 2. The information required is: The name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. This information will be collected by the licensing agency and put in their company file. It will be furnished, upon request, to the Department of Labor and Industry to check for compliance with Minnesota Statute Sec. 176.181, Subd. 2.

This information is required by law, and licenses and permits to operate a business may not be issued or renewed if it is not provided and/or is falsely reported. Furthermore, if this information is not provided and/or falsely reported, it may result in a \$1,000 penalty assessed against the applicant by the Commissioner of the Department of Labor and Industry payable to the Special Compensation Fund.

Provide the information specified above in the spaces provided, or certify the precise reason your business is excluded from compliance with the insurance coverage requirement for workers' compensation.

Insurance Company Name: State Auto
(Not the insurance agent)

Policy Number or Self-Insurance Permit Number: WC P2227454

Dates of Coverage: 7/1/16 - 6/30/17
(or)

I am not required to have workers' compensation liability coverage because:

() I have no employees covered by the law.

() Other (specify) _____

I HAVE READ AND UNDERSTAND MY RIGHTS AND OBLIGATIONS WITH REGARDS TO BUSINESS LICENSES, PERMITS AND WORKERS' COMPENSATION COVERAGE, AND I CERTIFY THAT THE INFORMATION PROVIDED IS TRUE AND CORRECT.



June 9, 2016

City of East Grand Forks
600 DeMers Ave
East Grand Forks, MN 56721

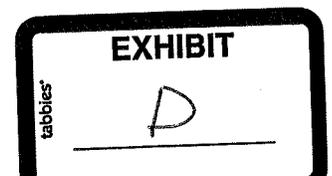
Dear City of East Grand Forks Administration,

An entity by the name of JDM, LLC has submitted an application for a new license for the premises located at 415 2nd St NW Ste.2, East Grand Forks, Minnesota. That application is presently under consideration by the City of East Grand Forks. This application for renewal of the existing liquor license held by Boardwalk Bar & Grill, LLC is submitted to ensure the continuity of operations at the above location. The application as submitted is requested to be placed on the agenda as a continuity contingency as stated. If the application of JDM, LLC is approved, this application for renewal will be withdrawn.

Very truly yours,

Jane Moss
Owner/Manager
Boardwalk Bar & Grill

415 2nd Street Northwest
East Grand Forks, MN 56721
www.boardwalkgef.com



To: The City of East Grand Forks

From: Boardwalk Bar & Grill

6/09/16

The enclosed check for \$4,000 for the liquor license for Boardwalk Bar & Grill is only to be cashed upon issuance of the liquor license to the Boardwalk Bar & Grill from 7/1/16 to 7/1/17.

Jane Moss
Owner/Manager
Boardwalk Bar & Grill



**Minnesota Department of Public Safety
Alcohol and Gambling Enforcement**
445 Minnesota Street, Suite 222
St. Paul, MN 55101
651-201-7500

Front

RENEWAL OF LIQUOR, WINE, CLUB OR 3.2% LICENSES

No license will be approve or released until the \$20 Retailer ID Card fee is received by Alcohol and Gambling Enforcement

Licensee: Please verify your license information contained below. Make corrections if necessary and sign. City Clerk/County Auditor should submit this signed renewal with completed license and licensee liquor liability for the new license period. City Clerk/County Auditor are also required by M.S. 340A.404 S.3 to report any license cancellation.

License Code ONSS **License Period Ending** 6/30/2016 **ID#** 26788

ISSUING AUTHORITY East Grand Fks

Licensee Name Boardwalk Bar & Grill LLC

Trade Name Boardwalk Bar & Grill

City, State, Zip Code 415 2nd St NW/Suite 2
East Grand Fks MN 56721

Business Phone 2183993000

License Fees: Off Sale \$0.00 On Sale \$3,800.00 Sunday \$200.00

By signing this renewal application, applicant certifies that there has been no change in ownership on the above named licensee. For changes in ownership, the licensee named above, or for new licensees, full applications should be used. See back of this application for further information needed to complete this renewal.

Applicant's signature on this renewal confirms the following: Failure to report any of the following may result in civil penalties.

1. Licensee confirms it has no interest whatsoever, directly or indirectly in any other liquor establishments in Minnesota. If so, give details on back of this application.
2. Licensee confirms that it has never had a liquor license rejected by any city/township/county in the state of Minnesota. If ever rejected, please give details on the back of this renewal, then sign below.
3. Licensee confirms that for the past five years it has not had a liquor license revoked for any liquor law violation (state or local). If a revocation has occurred, please give details on the back of this renewal, then sign below.
4. Licensee confirms that during the past five years it or its employees have not been cited for any civil or criminal liquor law violations. If violations have occurred, please give details on back of this renewal, then sign below.
5. Licensee confirms that during the past license year, a summons has not been issued under the Liquor Liability Law (Dram Shop) MS 340A.802. If yes, attach a copy of the summons, then sign below.
6. Licensee confirms that Workers Compensation insurance will be kept in effect during the license period.

Licensee has attached a liquor liability insurance certificate that corresponds with the license period in city/county where license is issued. \$100,000 in cash or securities or \$100,000 surety bond may be submitted in lieu of liquor liability. (3.2& liquor licenses are exempt if sales are less than \$25,000 at on sale, or \$50,000 at off sale).

Licensee Signature Jane A. Moss DOB [REDACTED] SS# [REDACTED] Date 4-18-16
(Signature certifies all above information to be correct and license has been approved by city/county.)

City Clerk/County Auditor Signature _____ Date _____
(Signature certifies that renewal of a liquor, wine or club license has been approved by the city/county as stated above.)

County Attorney Signature _____ Date _____
County Board issued licenses only (Signature certifies licensee is eligible for license).

Police/Sheriff Signature _____ Date _____
Signature certifies licensee or associates have been checked for any state/local liquor law violations (criminal/civil) during the past five years. Report violations on back, then sign here.



DEPARTMENT OF PUBLIC SAFETY
ALCOHOL AND GAMBLING ENFORCEMENT DIVISION
445 Minnesota Street, Suite 222, St Paul, MN 55101
Phone 651-201-7507 TDD 651-282-5133

APPLICATION FOR RETAILER'S (BUYERS) CARD FOR LIQUOR OR WINE

CARD NUMBER

(Official Use Only)

PLEASE RETURN THIS APPLICATION WITH \$20.00 FEE.

ISSUING AUTHORITY (CITY OR COUNTY) East Grand Fks	LICENSE TYPE ONSS	CURRENT BUYERS CARD EXPIRES 06/30/2016	IDEN NUMBER 26788
PRINT NAME OF LICENSEE (AS SHOWN ON LICENSE) Boardwalk Bar & Grill LLC		BUSINESS NAME (DBA) Boardwalk Bar & Grill	
BUSINESS ADDRESS 415 2nd St NW/Suite 2		COUNTY Polk	BUSINESS PHONE 2183993000
East Grand Fks	MN 56721	OWNER/MANAGER SIGNATURE <i>Jane B. Mass</i>	

**GENERAL INFORMATION SHEET
REQUIRED TO ACCOMPANY ANNUAL BEER AND LIQUOR APPLICATIONS**

1. Name of applicant: Boardwalk Bar & Grill, LLC

2. Is applicant an **individual**, **partnership** or **corporation?** (Circle one)
If individual, go to question 7 and continue. If partnership, go to question 6 and continue.
If corporation, start at question 3 and continue.

3. Name of Officers Jane Danielle Moss President
Dan Michael Stauss Vice-Pres
Scott Raymond Stauss Treasurer
Secretary

4. Names of Directors
Same

5. Names of stockholders and number of shares held by each:

Name	Number of Shares
<u>Jane Moss</u>	<u>25</u>
<u>Dan Stauss</u>	<u>37 1/2</u>
<u>Scott Stauss</u>	<u>37 1/2</u>

6. Names of Partners: NA

7. Name and address of manager/agent:
Judd Stauss [Redacted]

8. Seating capacity for serving meals at tables related to the Sunday On Sale liquor license: 154

9. Are there any delinquent taxes or charges owed to the City on the premises where licenses are to be issued: Yes _____ No X

10. Are there any individuals who are involved with the licenses requested under the age of 21 or not citizens of the United States? Yes _____ No X

Jane D. Moss
Signatures of authorized individual
Date 6-8-16

FED ID# 30-0508905 MN ID# 9649964

RESOLUTION NO. 15 - 06 - 60

Council member Tweten, supported by Council member Pokrzywinski, introduced the following Resolution and moved its adoption:

WHEREAS, the City of East Grand Forks, (hereinafter "The City") has a renewal application for a liquor license for the Boardwalk Bar and Grill, LLC.

WHEREAS, the Boardwalk Enterprises, LLP owns the premises that the Boardwalk Bar and Grill, LLC leases for its operation.

WHEREAS, the Boardwalk Enterprises, LLP has a disputed delinquent financial claim with the City in the amount of \$510,000.00 that is attached to the premises the house the Boardwalk Bar & Grill, LLC Operation.

WHEREAS, the ownership group of the two entities meet the definition of APPLICANT in City Code Section 117.03 (B). resulting in the ability to deny the renewal.

WHEREAS, since the claim is disputed and to put the Boardwalk Bar & Grill, LLC on notice and to be fair and reasonable to the Boardwalk Bar and Grill, LLC and the Citizens of East Grand Forks the Council resolves as follows:

NOW, THEREFORE, BE IT HEREBY RESOLVED

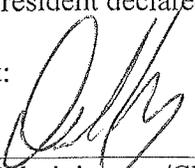
That the City renews the Liquor License however but conditioned upon resolution within one (1) year by Boardwalk Enterprises, LLP with the City by either:

1. commencement of a legal proceeding by Boardwalk Enterprises, Inc.;
2. the parties agreement to mutual mediation and resolution of the dispute;
3. arbitration of the issue; or
4. the parties negotiating a settlement of the amount of indebtedness all prior to the renewal date.

If the obligation is not resolved within one (1) year, renewal of the license can be denied if the obligation still remains outstanding.

Voting Aye: DeMers, Vetter, Pokrzywinski, and Tweten.
Voting Nay: Grassel, Buckalew, and Olstad.
Absent: None.

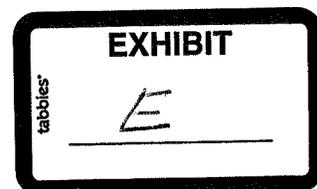
The President declared the resolution passed.

Attest: 

City Administrator/Clerk-Treasurer

Passed: June 2, 2015


President of Council



PROMISSORY NOTE

**Jane D. Moss, Daniel M. Stauss and
Scott Stauss Individually and
Boardwalk Bar and Grill, LLC**
415 2nd Street NW
East Grand Forks, MN 56721
Borrower's Name and Address
"Borrower" includes each borrower
above, jointly and severally.

Economic Development Authority
600 DeMers Avenue
East Grand Forks, MN 56721
Lender's Name and Address
"Lender" means the lender,
Lender's successors and assigns

1. **Amount of Loan.** Borrower promises to pay to lender, or lenders' successors and assigns order, at lender's address listed above, the **PRINCIPAL** sum of **One Hundred Fifty Thousand Dollars (\$150,000.00)**. The purpose of this loan is to **finance a bar and grill.**

2. **Interest.** Borrower agrees to pay interest on the principal balance owing from time to time at the fixed, simple rate of **four percent (4%)** per year.

3. **Payments.** Borrower agrees to pay this Note as follows: One Hundred Twenty Monthly (120) Installment payments of **One Thousand Five Hundred Eighteen and 68/100 (\$1,518.68) Dollars** shall commence on the **16th** day of **APRIL, 2009** and be due on or before the **16TH DAY** of each and every month thereafter until the **16TH** day of **MARCH, 2019**. All payments made shall be applied first to interest due on the unpaid principal balance and thereafter to the reduction of the principal. The entire outstanding principal balance and interest, if not sooner paid, shall be paid in full on or before the **16TH** day of **MARCH, 2019**.

4. **Security.** This Note is secured with and a security agreement.

5. **How Payments Applied.** Each payment Borrower makes on this Note will first reduce the amount Borrower owes lender for charges, if any, which are neither interest nor principal. The remainder of each payment will then reduce unpaid earned interest, and then unpaid principal. If Lender and Borrower agree to a different application of payments, the agreement will be described on this form.

6. **Payments by Lender.** If lender is authorized to pay, on Borrower's behalf, charges Borrower is obligated to pay (such as property insurance premiums), then lender may treat those payments as advances and add them to the unpaid principal

EXHIBIT

F

tabbles

lender may treat those payments as advances and add them to the unpaid principal under this Note.

7. **Default.** Borrower will be in default if any one or more of the following occur:

(a) Failure of Borrower to make any payment when due on the Indebtedness;

(b) Failure to comply with any other term, obligation, covenant or condition contained in this Note or in any of the Related Documents;

(c) Should Borrower default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property which is the subject of this note or Borrower's or any Borrower's ability to repay the Loan or perform their respective obligations under this Note or any of the Related Documents;

(d) Any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower under this Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished;

(e) Failure of Borrower to comply with any term, obligations, covenants, or condition contained in any other agreement between Borrower and Lender;

(f) The insolvency of Borrower, the appointment of a receiver for any part of Borrower's property which is the subject of this note, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower;

(g) Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any of the Property which is the subject of this note. However, this subsection shall not apply in the event of a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Borrower gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender; and

(h) Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

8. **Remedies.** If Borrower is in default on this Note, lender has the following remedies:

(a) Lender may demand immediate payment of all Borrower owes lender

under this Note.

- (b) Lender may set-off this debt against any right Borrower has to the payment of money from lender.
- (c) Lender may demand more security or new parties obligated to pay this Note in return for not using any other remedy.
- (d) Lender may make use of any remedy lender has under state or federal law.
- (e) Lender may make use of any remedy given to lender in any agreement securing this Note.

By selecting any one or more of these remedies, lender does not give up lender's right to later use any other remedy. By deciding not to use any remedy should Borrower default, lender does not waive lender's right to later consider the event a default if it happens again.

9. **Waiver.** Borrower gives up Borrower's rights to require lender to do certain things. Borrower will not require lender to:

- (a) Demand payment of amounts due (presentment); and
- (b) Obtain official certification of nonpayment (protest).

10. **Attorneys' Fees.** If lender must hire a lawyer to collect this Note, Borrower must pay his or her fee, plus court costs (except where prohibited by law).

11. **Security.** The portion of this form identifying agreements securing this Note is for lender's reference only. The fact that lender does not list an agreement in that portion of the form does not mean that the agreement does not secure this Note.

12. **Additional Parties as Security.** Borrower understands that Borrower must pay this Note even if someone else signed it. Lender may sue Borrower, or anyone else, or any of us together, to collect this Note. Lender does not have to tell Borrower this Note has not been paid. Lender may release any cosigner and Borrower will still be obligated to pay the Note. If lender gives up any of lender's rights, it will not affect Borrower's duty to pay this Note. Extending new credit or renewing this Note will not affect Borrower's duty to pay this Note.

BORROWER AGREES TO THE TERMS OF THIS NOTE. Borrower has received a copy on today's date.

Dated: 3/16/09

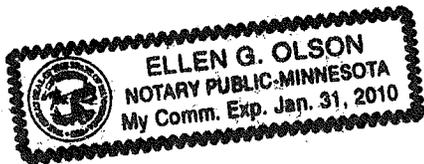
Jane D. Moss
Jane D. Moss, Borrower

Scott Stauss
Scott Stauss, Borrower

Danny M. Stauss
Daniel M. Stauss, Borrower
Danny

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Promissory Note was individually acknowledged before me this 16th day of March, 2009, by Jane D. Moss, Owner, Scott Stauss, owner, and Daniel M. Stauss, Owner.



Ellen G. Olson
Notary Public

My Commission Expires: 1-31-2010

BOARDWALK BAR & GRILL, LLC

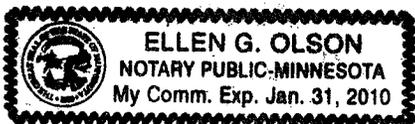
By Jane D. Moss
Its Owner/Manager

By Scott Stauss
Its Owner

By Danny M. Stauss
Its Owner

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Promissory Note was individually acknowledged before me this 16th day of March, 2009, by Jane D. Moss, its Owner/Manager on behalf of Boardwalk Bar & Grill, LLC and Scott Stauss, its owner, Daniel M. Stauss its Owner on behalf of Boardwalk Bar & Grill, LLC



Ellen G. Olson
Notary Public

My Commission Expires: 1-31-2010

LOAN AGREEMENT

LOAN AGREEMENT, made 3/16/09, 2008, between the City of East Grand Forks Economic Development Authority, a Minnesota economic development authority, ("EDA") (collectively the "Lender"), Jane D. Moss, Scott Stauss, and Daniel Stauss individually and Boardwalk Bar and Grill, LLC (collectively the "Borrower").

Recitals

- A. Borrower is engaged in a business that consists of a restaurant and bar.
- B. Borrower desires financing in order to continue its business operations.
- C. Lender is willing to finance Borrower under the terms and conditions set forth below.

THEREFORE, For valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Loan**. EDHA will loan to Borrower the sum of **One Hundred Fifty Thousand and no/100 (\$150,000.00) dollars** which will be amortized over a period of **one hundred twenty (120) months** at an annual simple interest rate of **four (4%) percent** all as more specifically described in the Note which Borrower will sign and deliver to EDHA.

3. **Security**. Lender shall retain and/or obtain as security for Borrower's obligations under this Agreement the following (the item(s) set forth below and the present collateral referred to in Paragraph 5 are referred to herein collectively as "the collateral"):

a. **Personal Guarantee(s)**. Personal guarantee(s) from Borrower to Lender guaranteeing the payment by Borrower of all amounts owed to Lender under this Agreement.

b. **Security Agreement**. Borrower will give to Lender a Security Interest

in Collateral that has been or is to be attached to real estate, the name of the recorded owners of such real estate is Boardwalk Enterprise, Inc.

4. **Priority of Interests in Security.** Borrower agrees, warrants, and affirms that there are no adverse claims or liens, security interests, or encumbrances in or on the collateral other than the security interest(s) granted to Lender in this Agreement.

5. **Present Collateral.** If Lender has, at the execution of this Agreement, security agreements, mortgages, assignments, and other documents, instruments, or agreements securing Borrower's present indebtedness to Lender and covering collateral, some or all of which is listed at Paragraph 3 above, it is agreed that all such security agreements, mortgages, assignments, and other agreements, documents, and instruments, and all collateral thereunder, shall remain as security for the present and future indebtedness under this Agreement. Lender does not waive any rights it has under any other agreements it may have with Borrower and any mortgages, security agreements, assignments, and other agreements, instruments, and documents securing Borrower's present indebtedness hereunder shall remain in effect.

6. **No Guarantee of Renewal Nor Endorsement of Cash Flow Projection.** The parties understand that the cash flow projection was prepared by Borrower and submitted to Lender. The parties understand that Lender is not endorsing the contents of such cash flow projection nor is it making any representations whatsoever relating to nor is it responsible for the success of the Borrower's business operations or the sufficiency of the cash flow projections. Borrower fully realizes that there have been absolutely no guarantees by Lender of any additional credit after the maturity date or dates of the indebtedness under this Agreement, or no guarantees of additional loans. Lender hereby makes no guaranty of a renewal or increase or extension of the loans hereunder when the same become due and this is so even though the cash flow projection, copies of which are in the possession of the parties hereto, has been fully complied with.

7. **Default.** Borrower will be in default under the terms of this Agreement if any one or more of the following occur:

(a) Failure of Borrower to make any payment when due on the Indebtedness;

(b) Failure to comply with any other term, obligation, covenant or condition contained in this Loan Agreement or in any of the Related Documents;

(c) Should Borrower or any Borrower default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property which is the subject of this Loan Agreement or Borrower's or any Borrower's ability to repay the Loan or perform their respective obligations under this Loan Agreement or any of the Related Documents;

(d) Any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower under this Loan Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished;

(e) Failure of Borrower to comply with any term, obligations, covenants, or condition contained in any other agreement between Borrower and Lender;

(f) The insolvency of Borrower, the appointment of a receiver for any part of Borrower's property which is the subject of this Loan Agreement, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower;

(g) Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any of the Property which is the subject of this Loan Agreement. However, this subsection shall not apply in the event of a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Borrower gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender; and

(h) Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

8. **Remedies.** If Borrower is in default under this Agreement, Lender has the following remedies:

- a. It may demand immediate payment of all Borrower owes it under this Agreement and all prior agreements and notes.
- b. It may set-off the debt hereunder against any right Borrower has to the payment of money from it.
- c. It may demand more security or new parties obligated to pay the indebtedness under this Agreement in return for not using any other remedy.
- d. It may make use of any remedy it has under State or Federal law.
- e. It may make use of any remedy given to it in this Agreement, the original Note or Notes, security agreements, and any other agreements securing or relating to the indebtedness referred to herein.

9. **Insurance**. Borrower will keep the collateral insured against damage and loss, in amounts and by insurance companies acceptable to Lender. All policies must provide that any insurance proceeds will be paid to Lender and such policies will be delivered to Lender upon its request.

10. **Financial Statements**. Borrower will supply to Lender, when reasonably requested by Lender to do so, additional or interim financial statements or information which is readily available to Borrower with respect to this property.

11. **Waiver of Counsel**. Borrower has been advised to have an independent attorney of Borrower's choice advise and represent Borrower with respect to this Agreement. Borrower has retained an attorney to review and represent him with regards to this transaction. Further, Borrower has carefully read this Loan Agreement, fully understands its terms, and willingly signs this Loan Agreement with advice of counsel.

12. **Cooperation/Additional Documents**. Borrower will do anything Lender reasonably requests in order to make Lender's security interest in the collateral granted under this Agreement legally effective and will sign all documents necessary or advisable to carry out the purposes of this Agreement.

13. **Cumulative Rights**. No right or remedy herein conferred on or reserved to Lender is intended to be exclusive in any other right or remedy herein or by

law provided, but each shall be cumulative in and in addition to every other right or remedy existing under all other agreements with Borrower, at law or in equity, or by statute, now or in the future.

14. **Waiver**. No delay or omission on Lender's part in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be considered as a bar to or waiver of any right on any future occasion. All rights and remedies of Lender on liabilities or collateral whether evidenced hereby or by any other instrument or papers shall be cumulative and may be exercised singularly or concurrently.

15. **Expenses/Attorneys' Fees/Deficiency**. Borrower shall pay to the Lender on demand any and all expenses, including reasonable attorney's fees, incurred or paid by Lender in protecting or enforcing its rights upon or under the liabilities referred to in this Agreement or the collateral it holds in connection therewith. After deducting all said expenses, the residue of any proceeds or collection or sale of liabilities or collateral shall be applied to the payment of principal or interest on liabilities in such order of preference as Lender may determine, and Borrower shall remain liable for any deficiency.

16. **Amendment, Modification or Waiver**. No amendment, modification, or waiver of any condition, provision, or term of this Agreement 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.

17. **Severable Provisions**. Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

18. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the transactions contemplated hereby. No representations, warranties, undertakings, or promises, whether oral, implied, written, or otherwise have been made by any party hereto to the other unless expressly stated in this Agreement or unless mutually agreed in writing between the parties hereto after the date hereof, and none of the parties has relied on any verbal representations, agreements, or understanding not expressly set forth herein.

19. Captions, Headings, or Titles. All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement as a limitation of the scope of the particular paragraph or sections of which they apply.

IN TESTIMONY WHEREOF, the parties hereto have hereunto signed this Loan Agreement to be effective the day and year first above written.

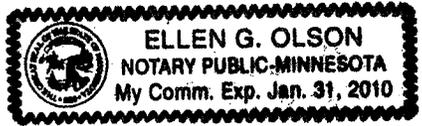
By Jane D. Moss
Jane D. Moss, Borrower

By Scott Stauss
Scott Stauss, Borrower

By Danny M. Stauss
Daniel M. Stauss, Borrower
Danny

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Loan Agreement was individually acknowledged before me this 16th day of March, 2009 by Jane D. Moss, borrower, Scott Stauss, borrower, and Daniel M. Stauss, borrower.



Ellen G. Olson
Notary Public

My Commission Expires 1-31-2010

BOARDWALK BAR & GRILL, LLC

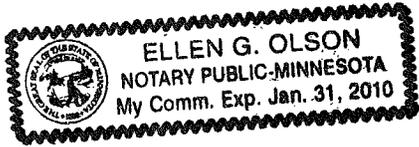
Jane D. Moss
Jane D. Moss
Its Owner/Manager

Danny M. Stauss
Daniel M. Stauss
Its Owner

Scott Stauss
Scott Stauss
Its Owner

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Loan Agreement was individually acknowledged before me this 16th day of March, 2009 Boardwalk Bar & Grill, LLC Jane D. Moss its owner/manager and Boardwalk Bar & Grill, LLC, Scott Stauss, its owner, and Daniel M. Stauss, its owner.



Ellen Olson
Notary Public
My Commission Expires 1-31-2010

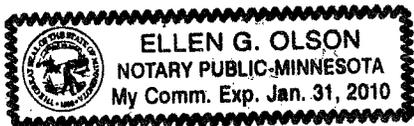
ECONOMIC DEVELOPMENT AUTHORITY

By George Wogaman
Its President

By James S. Richter
Its Executive Director

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Loan Agreement was individually acknowledged before me this 16th day of March, 2009 by George Wogaman, its President and James S. Richter, its Executive Director.



Ellen Olson
Notary Public
My Commission Expires 1-31-2010

SECURITY AGREEMENT

Jane D. Moss, Scott Stauss, and Daniel M. Stauss, and the Boardwalk Bar and Grill, LLC whose business address is **415 Second Street NW**, East Grand Forks, in the County of Polk, State of Minnesota (hereinafter called "**Debtor**" whether one or more) hereby grants a security interest to the **East Grand Forks Economic Development Authority**, a Minnesota municipal corporation, whose address is 600 Demers Avenue, East Grand Forks, Minnesota 56721 (hereinafter called "**Secured Party**") in the property described below, together with any additions and accessions and together with all proceeds of the sale or other disposition of any of the property described herein, and all accounts receivable resulting from any such sale (hereinafter called the "**Collateral**"):

SEE ATTACHED COLLATERAL ITEMS DESCRIPTION

to secure prompt payment when due of a note dated 3/16/09, executed and delivered by Debtor to Secured Party in the sum of **One Hundred Fifty Thousand and no/100 (\$150,000.00) dollars**, with interest as therein provided, and any and all extensions and renewals thereof, and any and all future advances made by Secured Party to Debtor at Secured Party's option, together with all other liabilities of Debtor to Secured Party due or to become due or which may be hereafter contracted or acquired and the performance by Debtor of all of the terms and conditions of this Security Agreement, (hereinafter referred to "**Obligations**").

DEBTOR HEREBY AGREES, WARRANTS, AND COVENANTS THAT:

1. The Collateral will be kept at 415 Second Street NW, East Grand Forks, in the County of Polk, State of Minnesota. Debtor will not remove the Collateral from the above location without the prior written consent of Secured Party. The Secured Party may examine and inspect the property at any time during normal business hours, wherever located.
2. The Collateral is or is to be used primarily as a restaurant and bar.

3. Debtor's place of business in this state is 415 Second Street NW, East Grand Forks, in the County of Polk, State of Minnesota.

4. If the Collateral has been or is to be attached to real estate, the name of the record owner of such real estate, the name of the record owner is Boardwalk Enterprises, Inc.

If any of the Collateral is or is to become a fixture, Debtor agrees to furnish Secured Party, at its request, with a statement or statements signed by all persons who have or claim an interest in the real estate concerned, which statements shall provide that the signer consents to the security interest created hereby and disclaims any interest in the Collateral as fixtures.

5. All or some of the Collateral is being acquired by Debtor with the proceeds of the Note, which will be used for no other purpose. Debtor hereby authorizes but does not require Secured Party to disburse said proceeds to the seller of the Collateral as shown on Secured Party's records. Except for the security interest granted hereby, Debtor is the owner of the Collateral, free and clear of liens, security interests, or encumbrances and Debtor will defend the Collateral against all claims and demands of all persons not disclosed herein at any time claiming a right or any interest therein.

6. Debtor will not sell or otherwise transfer or encumber the Collateral **except Debtor is authorized to assign his rights to an affiliate company under common or similar ownership or to another newly formed entity which Jane D. Moss, Scott Stauss, and Daniel M. Stauss have an ownership interest with the prior written notification of Secured Party and upon execution of a personal guarantee by Jane D. Moss, Scott Stauss and Daniel M. Stauss for the underlying debt which is the subject of this security agreement.** Further, the Debtor will keep the Collateral in good order and repair, and will not waste or destroy the Collateral.

7. Debtor will pay promptly when due all indebtedness secured hereby with interest, and all taxes and assessments upon the Collateral, which are or may become liens against the Collateral.

8. Debtor will keep the structure located at: 415 Second Street NW., insured at all times against loss by fire and/or other hazards concerning which, in the judgment of Secured Party, insurance protection is reasonably necessary, in a company or companies satisfactory to the Secured Party and in amounts sufficient to protect Secured Party against loss or damage to said Collateral and will pay the premiums therefore; such policy or policies of insurance will be delivered to or held by the Secured Party, together with loss payable clauses in favor of the Secured Party as its interest may appear in a form satisfactory to the Secured Party.

9. At its option, but only upon an uncured default, Secured Party may discharge taxes, liens, or security interests or other encumbrances at any time levies are placed on the Collateral. The Secured party may also pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral, if after notice to the Debtor, the debtor has not paid for the insurance or the Debtor has not performed the maintenance or made other arrangements to the satisfaction of the Secured part within ten days. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization, and any such payment made or expenses incurred shall be added to and become a part of the Obligations.

10. Until default, Debtor may retain possession of the Collateral and use the same in any lawful manner not inconsistent with the agreements herein or with the terms and conditions of any policy of insurance thereon.

11. Debtor shall be in default under this agreement upon the happening of any of the following events:

- (a) Failure of Debtor to make any payment when due on the Indebtedness;
- (b) Failure to comply with any other term, obligation, covenant or condition contained in this Security Agreement or in any of the Related Documents;
- (c) Should Debtor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any

other creditor or person that may materially affect any of Borrower's property which is the subject of this Security Agreement or Borrower's or any Debtor's ability to repay the Loan or perform their respective obligations under this Security Agreement or any of the Related Documents;

(d) Any warranty, representation or statement made or furnished to Lender by or on behalf of Debtor under this Security Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished;

(e) Failure of Debtor to comply with any term, obligations, covenants, or condition contained in any other agreement between Debtor and Lender;

(f) The insolvency of Debtor, the appointment of a receiver for any part of Debtor's property which is the subject of this Security Agreement, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor;

(g) Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Debtor or by any governmental agency against any of the Property which is the subject of this Security Agreement. However, this subsection shall not apply in the event of a good faith dispute by Debtor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Debtor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender; and

(h) Any of the preceding events occurs with respect to any Debtor or any of the Indebtedness or such Debtor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Debtor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

12. In the event of a default, Secured Party shall have the right at its option and with notice to the debtor to declare all or any part of the Obligations immediately due and payable; and in addition, Secured Party may exercise, in addition to the rights and remedies granted hereby, all of the rights and remedies of the Secured Party under the Uniform Commercial Code or any other applicable law. Debtor agrees in the event of a default, to make the Collateral available to Secured Party at a place to be designated by Secured Party which is reasonably convenient. Debtor further agrees to pay all costs and expenses of Secured Party, including reasonable attorney's fees, in the collection of any of the Obligations or the enforcement of any of Secured Party's rights. If any notice of sale,

disposition or other intended action by Secured Party is required by law to be given to Debtor, such notice shall be deemed reasonably and properly given if mailed to Debtor at the address specified above unless the Debtor has provided to the Secured Party written notice of a change of address at least fifteen (15) days before such sale, disposition, or other intended action. Waiver of any default hereunder by Secured Party shall not be waiver of any other default or of a same default on a later occasion. No delay or failure by Secured Party to exercise any right or remedy shall be a waiver of such right or remedy and no single or partial exercise by Secured Party of any right or remedy shall preclude other further exercise thereof, or the exercise of any other right or remedy at any other time.

13. This Agreement and the security interest in the Collateral created hereby shall terminate when the Obligations have been paid in full. No waiver by Secured Party of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion.

14. Secured Party is hereby appointed Debtor's attorney-in-fact to do all things and acts necessary to perfect and to continue to perfect the security interest in the Collateral.

15. This Security Agreement contains the entire agreement between the parties, and no oral agreement shall be binding.

16. This Agreement and all right, and obligations hereunder, including matters of construction, validity, and performance, shall be governed by the laws of Minnesota. If any part of this contract shall be adjudged invalid, the remainder shall not thereby be invalidated.

Dated: _____

3/16/09

ECONOMIC DEVELOPMENT AUTHORITY

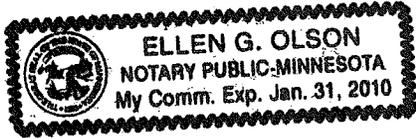
Secured Party

By *James S. Richter*
Its Executive Director

By *George Wogaman*
Its President

STATE IF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Security Agreement was individually acknowledged before me this 16th day of March, 2009 by George Wogaman, its President and James S. Richter, its Executive Director.



Ellen G. Olson
Notary Public

My Commission Expires 1-31-2010

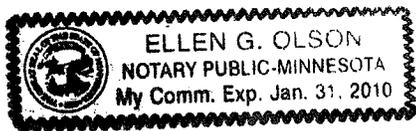
By *Jane D. Moss*
Jane D. Moss, Debtor

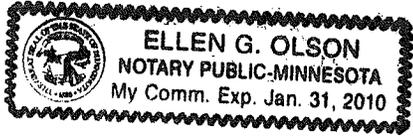
By *Daniel M. Stauss*
~~Daniel M. Stauss, Debtor~~
Danny

By *Scott Stauss*
Scott Stauss, Debtor

STATE IF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Security Agreement was individually acknowledged before me this 16th day of March, 2009 by Jane D. Moss, debtor, Scott Stauss, debtor and Daniel M. Stauss, debtor.





Ellen G. Olson
Notary Public
My Commission Expires 1-31-2010

BOARDWALK BAR & GRILL, LLC

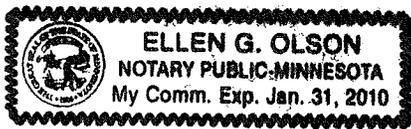
Jane D. Moss
Jane D. Moss
Its Owner/Manager

Daniel M. Stauss
Daniel M. Stauss
Its Owner

Scott Stauss
Scott Stauss
Its Owner

STATE IF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Security Agreement was individually acknowledged before me this 16th day of March, 2009 by **Boardwalk Bar & Grill, LLC**, Jane D. Moss, its Owner/Manager and **Boardwalk Bar & Grill, LLC**, Scott Stauss, its Owner, and Daniel M. Stauss, its Owner.



Ellen G. Olson
Notary Public
My Commission Expires 1-31-2010

COMMERCIAL GUARANTY

Borrower: Jane D. Moss, Scott Stauss
Daniel M. Stauss, and
Boardwalk Bar & Grill, LLC
415 Second Street NW
East Grand Forks, MN

Lender: East Grand Forks Economic
Development Authority
600 DeMers Avenue
East Grand Forks City Hall
East Grand Forks, MN

Grantor: Jane D. Moss
Daniel M. Stauss
Scott Stauss
Boardwalk Bar & Grill, LLC
415 Second Street NW
East Grand Forks, MN

AMOUNT OF GUARANTY. The amount of this Guaranty is 100.000% of all amounts due now or later from Borrower to Lender as provided below without limit.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Jane D. Moss, Scott Stauss and Daniel M. Stauss ("Guarantors") absolutely and unconditionally guarantees and promises to pay to the East Grand Forks Economic Development Authority (EDA) ("Lender") or its order, in legal tender of the United States of America, 100.000% of the indebtedness (as that term is defined below) of Jane D. Moss, Scott Stauss and Daniel M. Stauss ("Borrowers") to Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing. Guarantor agrees that Lender, in its sole discretion, may determine which portion of Borrower's indebtedness to Lender is covered by Guarantor's percentage guaranty.

DEFINITIONS. The following words shall have the following meanings when used in this Guaranty:

Borrower. The word "Borrower(s)" means Jane D. Moss, Scott Stauss and Daniel M. Stauss, and Boardwalk Bar and Grill, LLC.

Guarantor. The word "Guarantor(s)" means Jane D. Moss, Scott Stauss and Daniel M. Stauss.

Guaranty. The word "Guaranty" means this Guaranty made by Guarantor(s) for the benefit of Lender dated 3/16/09.

Indebtedness. The word "Indebtedness" is used in its most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations, debts, and indebtedness to Lender, now existing or hereinafter incurred or

created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

Lender. The word "Lender" means East Grand Forks Economic Development Authority (EDA), its successors and assigns.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

NATURE OF GUARANTY. Guarantor's liability under this Guaranty shall be open and continuous for so long as this Guaranty remains in force. Guarantor intends to guarantee at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, all of Indebtedness. Accordingly, no payments made upon the Indebtedness will discharge or diminish the continuing liability of Guarantor in connection with any remaining portions of the Indebtedness or any of the Indebtedness which subsequently arises or is thereafter incurred or contracted.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of Guarantor under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be delivered to Lender at the address of Lender listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the

Indebtedness. All renewals, extensions, substitutions, and modifications of the Indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new Indebtedness. This Guaranty shall bind the estate of Guarantor as to Indebtedness created both before and after the death or incapacity of Guarantor, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation received by Lender from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. **It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty, and it is specifically acknowledged and agreed by Guarantor that reductions in the amount of Indebtedness, even to zero dollars (\$0.00), prior to written revocation of this Guaranty by Guarantor shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed Indebtedness remains unpaid and even though the Indebtedness guaranteed may from time to time be zero dollars (\$0.00).**

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this guaranty, from time to time: (a) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (b) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (d) to release, substitute, agree not to sue, or deal with any one or more of the Borrower's sureties, enforcers, or other guarantors on any terms or in any manner Lender may choose; (e) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (f) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (g) to sell, transfer, assign, or grant participations in all or any part of the Indebtedness; and (h) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Borrower's request and not at the request of

Lender; (c) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (d) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; (e) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information provided to Lender is true and correct in all material respects and fairly presents the financial condition of Guarantor as of the dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the date of the financial statements; and (f) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risk under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (a) to continue lending money or to extend other credit to Borrower; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (c) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person (e) to give notice of the terms, time and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

If now or hereafter (a) Borrower shall be or become insolvent, and (b) the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and relinquishes in favor of Lender and Borrower, and their respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. Section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses arising by reason of (a) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guaranty, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (b) any election of remedies by Lender which destroys or otherwise

adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (c) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (d) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (e) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (f) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

LENDER'S RIGHT OF SETOFF. In addition to all liens upon and rights of setoff against the moneys, securities or other property of Guarantor given to Lender by law, Lender shall have, with respect to Guarantor's obligations to Lender under this Guaranty and to the extent permitted by law, a contractual possessory security interest in and a right of setoff against, and Guarantor hereby assigns, conveys, delivers, pledges, and transfers to Lender all of Guarantor's right, title and interest in and to, all deposits, moneys, securities and other property of Guarantor now or hereafter in the possession of or on deposit with Lender, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding however all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to Guarantor. No security interest or right of setoff shall be deemed to have been waived by any act or conduct on the part of Lender or by any neglect to exercise such right of setoff or to enforce such security interest or by any delay in so doing. Every right of setoff and security interest shall continue in full force and effect until such right of setoff or security interest is specifically waived or released by an instrument in writing

executed by Lender.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be prior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender hereby is authorized, in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Guaranty has been delivered to Lender and accepted by Lender in the State of Minnesota. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Polk County, State of Minnesota. This Guaranty shall be governed by and construed in accordance with the laws of the State of Minnesota.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and

including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the Court.

Notices. Except for revocation notices by Guarantor, all notices required to be given by either party to the other under this Guaranty shall be in writing and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier, or when deposited in the United States mail, first class postage prepaid, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing. All revocation notices by Guarantor shall be in writing and shall be effective only upon delivery to Lender as provided above in the section titled "DURATION OF GUARANTY." If there is more than one Guarantor, notice to any Guarantor will constitute notice to all Guarantors. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address.

Interpretation. In all cases whether there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural whether the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor", "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable. If any one or more of Borrower or Guarantor are corporations or partnerships, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, or agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Waiver. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of

Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Statutory Rights Not Waived. Notwithstanding any other provision of this Guaranty, Guarantor does not waive or agree to forego any of Guarantor's statutory rights unless the waiver of such a right is expressly authorized by law.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED March 16, 2009.

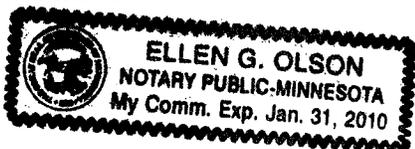
Jane D. Moss
Jane D. Moss

Daniel M. Stauss
~~Daniel M. Stauss~~
Danny

Scott Stauss
Scott Stauss

STATE OF MINNESOTA)
)ss
COUNTY OF POLK)

The foregoing Commercial Guaranty was individually acknowledged before me this 16th day of March, 2009, by Jane D. Moss, Scott Stauss and Daniel M. Stauss.



Ellen G. Olson
Notary Public

My Commission Expires: 1-31-2010

TRANSACTION # 34632
DOCUMENT # U000005823
EDHA

RECEIVED

APR 15 2009

UCC FINANCE STATEMENT

UCC: \$20.00
TOTAL: \$20.00
CHECK: \$20.00 2736

THANK YOU

MICHELLE M. COTE
POLK COUNTY RECORDER
POLK COUNTY, MINNESOTA

Filing NO: 200915676614
Filing Date: 2009/04/10
Filing Time: 9:57 AM
State of Minnesota
Processing Office: Polk
Filed by: newmar60

8-773-2371
c
hority
6721

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

Do debtor name (1a or 1b) - do not abbreviate or combine names

1. DEBTOR'S NAME

1a. ORGANIZATION'S NAME BOARDWALK BAR & GRILL	FIRST NAME	MIDDLE NAME	SUFFIX
OR 1b. INDIVIDUAL'S LAST NAME			
1c. MAILING ADDRESS 415 2nd St. NW	CITY EAST GRAND FORKS	STATE MN	POSTAL CODE 56721
1d. TAX ID# SSN OR EIN 9649964	ADDL INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION BAR & GRILL	1f. JURISDICTION OF ORGANIZATION POLK COUNTY
			1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME	FIRST NAME	MIDDLE NAME	SUFFIX
OR 2b. INDIVIDUAL'S LAST NAME			
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
2d. TAX ID# SSN OR EIN	ADDL INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
			2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME East Grand Forks Economic Development Housing Authority	FIRST NAME	MIDDLE NAME	SUFFIX
OR 3b. INDIVIDUAL'S LAST NAME			
3c. MAILING ADDRESS P O Box 439	CITY East Grand Forks	STATE MN	POSTAL CODE 56721
			COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

All equipment, inventory, accounts receivable, and contract rights not to exceed the value of the loan agreement and/or the balance of the loan.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum if applicable.

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ADDITIONAL FEE

8. OPTIONAL FILER REFERENCE DATA

ACKNOWLEDGMENT COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/88)

Request for Council Action

Date:

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: Fire Chief Gary Larson

RE: Short Term Storm Shelters

The history of storm shelters in East Grand Forks has been when there is a tornado warning issued, the Police Dept opens the Civic Center and the Fire Dept opens the VFW arena for protection from the storms that may be approaching. Since that time the campground is evacuated to the main fire station in a tornado warning. We have never had personnel at the arena's to watch over people coming there which leaves a huge liability for the City of East Grand Forks.

It would be my recommendation to call in Parks and Recreation people during a tornado warning to sign people in and direct them to a designated area. This would protect the arena and property and keep people seeking shelter in a safe area. Police and Fire would stay in contact with Park and Recreation personnel as to when it safe to release people from the shelter.

It is also my recommendation to work with the City of Grand Forks to post our shelters with theirs on web sites and hand out to alert people where to go in case of a tornado warning. This would protect our citizens wherever they may be in the Grand Cities.

Respectfully,



Gary Larson

Fire Chief East Grand Forks

EAST GRAND FORKS SHORT TERM SHELTERING PLAN

DATE: 5-17-2016

PURPOSE:

To establish a safe place for residents to evacuate their residence to a place of refuge during a storm or other emergencies where evacuation is called for.

For storm purposes the shelter will open when a tornado warning is issued.

PROCEDURE:

Emergency Management, Fire Department, and Police Department will be notified of situations that call for evacuation, or storm shelters to open.

1. When Emergency Management, Fire , or Police are notified of weather approaching (tornado watch) they will notify Parks & Recreation call list and let them know they are on standby to open shelters.
2. When a tornado warning is issued, Parks & Recreation will be called to staff the building and guide residents into the designated shelter area. People will be asked to sign in on arrival and sign out as leaving.
3. Residents will stay in the designated area. If they should be wandering around the building they will be asked to leave.
4. Emergency Management, Fire, and Police will monitor the storm or incident, and tell Parks & Recreation personel when it is safe to release residents.



East Grand Forks Storm Shelter Locations



East Grand Forks
Civic Center
300 15th St NE
North Entrance
Off 17th St NE



East Grand Forks
VFW Arena
711 3rd St SE
West Entrance

*** NO PETS ALLOWED ***
UNLESS BROUGHT IN A KENNEL

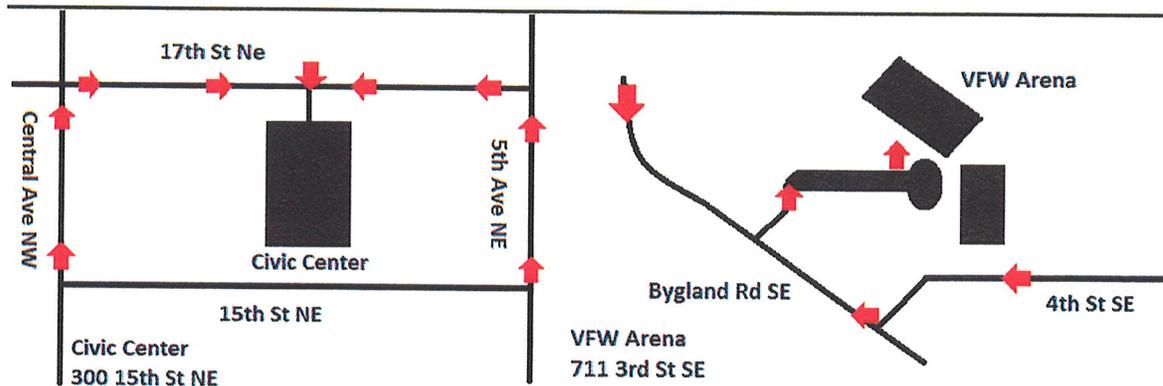
TORNADO WATCH: Tornadoes are possible in your area. Remain alert for approaching storms. Know what counties are in the watch area by listening to NOAA weather radio or your location radio/Television.

SEVERE THUNDERSTORM WATCH: Tells you when and where severe thunderstorms are likely to occur. Watch the sky and stay tuned to know when warnings are issued.

TORNADO WARNING: A Tornado has been sighted or indicated by weather radio. Once a Tornado Warning is issued the Storm Shelter Locations will open.

SEVERE THUNDERSTORM WARNING: Issued when severe weather has been sighted or indicated by radar. Warnings indicate imminent danger to life and property to those in the path of the storm.

Sign up for weather alerts through
www.egf.mn/ or www.co.polk.mn.us/



City of East Grand Forks Emergency Management • 415 4th Street NW • East Grand Forks, MN 56721
Phone 218-773-2403 • Fax 218-773-7894

RESOLUTION NO. 16 – 06 – 60

Council Member _____, supported by Council Member _____, introduced the following resolution and moved its adoption:

RESOLUTION RATIFYING CONTRACTS

WHEREAS, the City of East Grand Forks purchased from Hardware Hank the goods referenced in check number 24345 for a total of \$1,944.40.

WHEREAS, Craig Buckalew, was personally interested financially in the contract, but the purchases were made because the price was as low as or lower than other local vendors.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EAST GRAND FORKS:

1. The above mentioned purchase by the City and the claim of the vendor based thereon are confirmed and the Mayor and Clerk are directed to issue an order-check in payment of such claim on the filing of the affidavit of official interest required under Minnesota Statutes, Section 471.89.
2. It is hereby determined that the total price of \$1,944.40 paid for such goods is as low as, or lower than, the price at which they could have been obtained elsewhere at the time the purchase was made.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on June 21, 2016.

Voting Aye:
Voting Nay:
Abstain:

The President declared the resolution passed.

Passed: June 21, 2016

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 21st day of June, 2016.

Mayor

AFFIDAVIT OF OFFICIAL INTEREST CLAIM

STATE OF MINNESOTA)
COUNTY OF POLK) ss
CITY OF EAST GRAND FORKS)

I, Craig Buckalew, being duly sworn states the following:

1. I am 3rd Ward Council Member of the City of East Grand Forks.
2. The City of East Grand Forks check number 24345 for a total of \$1,944.40.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on June 21, 2016.

Affiant states further that to the best of his knowledge and belief (a) the contract price was as low as or lower than the price at which the services could be obtained from other sources.

Affiant further states that the affidavit constitutes a claim against the city for the contract price, that the claim is just and correct, and that no part thereof has been paid.

Dated: _____

(Signature of Official)

Accounts Payable

Check Register Totals Only

User: apassa
Printed: 6/16/2016 - 4:20 PM



City of East Grand Forks

P. O. Box 373
East Grand Forks, MN 56721
(218) 773-2483

Check	Date	Vendor No	Vendor Name	Amount	Voucher
24302	06/21/2016	ACM001	Acme Electric Companies	286.00	0
24303	06/21/2016	ADV001	Advanced Business Methods Inc	518.79	0
24304	06/21/2016	ALB001	Albrecht Manufacturing	102.50	0
24305	06/21/2016	ALT001	Altru Health System	47.50	0
24306	06/21/2016	AME002	American Tire Service	599.70	0
24307	06/21/2016	AME008	American Tire Service Inc	460.60	0
24308	06/21/2016	AME005	Ameripride Linen & Apparel Services	214.31	0
24309	06/21/2016	APO001	Apollo Electric Inc	212.36	0
24310	06/21/2016	AVE001	Avesis	27.42	0
24311	06/21/2016	BIG001	Big Jim's East Side Tire	178.00	0
24312	06/21/2016	BOR001	Border States Electric Supply	135.77	0
24313	06/21/2016	BSN001	BSN Sports Inc.	592.20	0
24314	06/21/2016	BUS002	Business Essentials	97.25	0
24315	06/21/2016	C&R001	C&R Cleaners & Laundry	30.83	0
24316	06/21/2016	CAN001	Canon Financial Services	140.80	0
24317	06/21/2016	CJO001	Casey and Jennifer Olson	79.99	0
24318	06/21/2016	CED001	Cedar Rapids Tire	1,008.08	0
24319	06/21/2016	CEN006	Century Link	814.59	0
24320	06/21/2016	EGF013	City of East Grand Forks - Petty Cash	34.32	0
24321	06/21/2016	GFC002	City of Grand Forks	3,386.25	0
24322	06/21/2016	COL003	Colonial Life & Accident Ins	1,263.23	0
24323	06/21/2016	COU008	Countrywide Sanitation Company	56,936.35	0
24324	06/21/2016	DAK006	Dakota TV & Appliance	604.00	0
24325	06/21/2016	DAN002	Dan's Excavating Inc	708.25	0
24326	06/21/2016	DOC001	Docu Shred Inc	37.43	0
24327	06/21/2016	DVS002	Driver & Vehicle Services	72.00	0
24328	06/21/2016	EAP001	EAPC Architects Engineers	7,351.79	0
24329	06/21/2016	EAS003	East Grand Floral	213.75	0
24330	06/21/2016	EXP002	Exponent	366.00	0
24331	06/21/2016	ODL001	Fitzgerald, Reynolds & Harbott PLLP	621.00	0
24332	06/21/2016	FOR004	Forx Radiator	899.00	0
24333	06/21/2016	G&K001	G&K Services	159.21	0
24334	06/21/2016	GAL003	Galstad Jensen & McCann PA	14,737.18	0
24335	06/21/2016	GAR001	Garden Hut Inc	645.74	0
24336	06/21/2016	GEO001	George's Quick Printing	129.00	0
24337	06/21/2016	GER001	Gerrells Sport Center	257.00	0
24338	06/21/2016	GLO003	Global Safety Network, Inc.	39.00	0
24339	06/21/2016	GOP002	Gopher State Lawn Sprinklers	394.11	0
24340	06/21/2016	GRA0011	Grainger	82.90	0
24341	06/21/2016	GFF001	Grand Forks Fire Equipment	140.80	0
24342	06/21/2016	GFH002	Grand Forks Herald	572.00	0
24343	06/21/2016	GFC001	Grand Forks Utility Billing	17,763.91	0
24344	06/21/2016	EAS006	Dale Gulbranson	250.00	0
24345	06/21/2016	HAR001	Hardware Hank	1,944.40	0
24346	06/21/2016	HAW001	Hawkins Chemical	299.57	0
24347	06/21/2016	HEA001	Heartland Paper	99.76	0
24348	06/21/2016	HOL002	Holiday Companies	30.93	0
24349	06/21/2016	HUG001	Hugo's	29.01	0
24350	06/21/2016	IDE001	Identisys	34.85	0
24351	06/21/2016	INP002	In Prints Screen Printing	719.00	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
24352	06/21/2016	INT007	In the Swim	167.98	0
24353	06/21/2016	INT006	Interstate Power Systems	401.78	0
24354	06/21/2016	JOB001	JobsHQ	780.68	0
24355	06/21/2016	KAL003	Kaler Doeling, PLLP	1,480.72	0
24356	06/21/2016	KEI001	Keith's Security World	309.17	0
24357	06/21/2016	KNO006	Michael Knorr	108.00	0
24358	06/21/2016	KOT008	Bill & Sharon Kotrba	99.99	0
24359	06/21/2016	LAR002	Brian Larson	5,000.00	0
24360	06/21/2016	LEA002	League of MN Cities	98,803.57	0
24361	06/21/2016	LIT001	Lithia Payment Processing	235.76	0
24362	06/21/2016	LUM001	Lumber Mart	37.96	0
24363	06/21/2016	M&W001	M&W Services	2,185.77	0
24364	06/21/2016	MAR004	Marco	154.21	0
24365	06/21/2016	MAR008	Marschall and Polk Rural Water Syste	15,800.00	0
24366	06/21/2016	B&M002	Michael C Moulton/Beverly Moulton	18.00	0
24367	06/21/2016	MID003	Midcontinent Communications	75.00	0
24368	06/21/2016	MID006	Midwest Specialty Sales Inc	511.14	0
24369	06/21/2016	MIK001	Mike's Pizza	128.37	0
24370	06/21/2016	MPW001	Minnesota Pump Works	56,037.61	0
24371	06/21/2016	BCA004	MN Bureau of Criminal Apprehension	825.00	0
24372	06/21/2016	MND003	MN Dept of Labor & Industry	120.00	0
24373	06/21/2016	MND006	VOID****VOID****VOID*** MN I	344.00	0
24374	06/21/2016	MNP002	MN Pollution Control Agency	300.00	0
24375	06/21/2016	MTI001	MTI Distributing Company	3,381.37	0
24376	06/21/2016	MVT002	MVTL Laboratories Inc	558.00	0
24377	06/21/2016	NEW001	Newman Outdoor Advertising	2,710.86	0
24378	06/21/2016	NFP001	NFPA	175.00	0
24379	06/21/2016	ORE001	O'Reilly Auto Parts	350.15	0
24380	06/21/2016	OCC001	Occupational Development Center, Inc	562.70	0
24381	06/21/2016	OFF002	Office Depot	210.92	0
24382	06/21/2016	OPP001	Opp Construction	3,100.00	0
24383	06/21/2016	ORT001	Ortiz Upholstery	337.40	0
24384	06/21/2016	PDQ001	PDQ Sanitary Services	206.00	0
24385	06/21/2016	PEN002	John Pender	309.79	0
24386	06/21/2016	PET001	Peterson Veterinarian Clinic P.C.	240.00	0
24387	06/21/2016	POW001	Power Equipment Shop	98.25	0
24388	06/21/2016	PRE001	Premium Waters Inc	82.85	0
24389	06/21/2016	QUI001	Quill Corp	369.33	0
24390	06/21/2016	RIG001	Right Choice Electric Inc	703.10	0
24391	06/21/2016	BOR002	Timothy Riopelle	111.00	0
24392	06/21/2016	RMB001	RMB Environmental Lab Inc	345.00	0
24393	06/21/2016	SIM004	Micheal Simengaard	180.00	0
24394	06/21/2016	SKY004	Sky Digital Advertising, LLC	100.00	0
24395	06/21/2016	SLE001	Llyod Slette	87.98	0
24396	06/21/2016	SPR002	Spray Advantage	52.62	0
24397	06/21/2016	STE013	Stein's, Inc.	213.28	0
24398	06/21/2016	STE001	Stennes Granite	85.00	0
24399	06/21/2016	STO001	Stone's Mobile Radio Inc	216.54	0
24400	06/21/2016	STA005	Strata Corp	822.83	0
24401	06/21/2016	STU001	Stuart's Towing	250.00	0
24402	06/21/2016	TFP001	TF Powers Construction	342,264.60	0
24403	06/21/2016	THU002	Thur-O-Clean	641.25	0
24404	06/21/2016	UNI005	Uniforms Unlimited Inc.	289.97	0
24405	06/21/2016	UNU001	Unum Life Insurance of America	966.46	0
24406	06/21/2016	UNU002	Unum Life Insurance of America	201.05	0
24407	06/21/2016	USB004	US Bank Equipment Finance	139.86	0
24408	06/21/2016	VAL004	Valley Golf Association	275.00	0
24409	06/21/2016	VAL002	Valley Truck	111.78	0
24410	06/21/2016	VER001	Verizon Wireless	891.51	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
24411	06/21/2016	WAT001	Water & Light Department	19,043.54	0
24412	06/21/2016	WES002	West Fargo Public Schools	150.00	0
24413	06/21/2016	WIL002	Wilbur-Ellis	1,769.50	0
				<hr/> <hr/>	
Check Total:				682,897.63	
				<hr/> <hr/>	