

SETTLEMENT, NON-ENFORCEMENT, AND RELEASE AGREEMENT

This Settlement, Non-Enforcement, and Release Agreement (the **"Agreement"**) is made and entered into effective as of May 25, 2021 (the **"Effective Date"**) by and between Super Tobacco 2 LLC (**"Licensee"**) and the County of Wright in the State of Minnesota (the **"County"**).

RECITALS

A. Effective January 1, 2021, Licensee was granted a restricted tobacco license from the County which authorizes Licensee to sell licensed products (the **"License"**) (as such term is defined in Wright County, Minnesota Code of Ordinances Chapter 110 (the **"Tobacco Regulations"**)).

B. Due to the proximity of Licensee's business location, 1005 Crossing Way, Delano, MN 55328 (the **"Business Location"**) to a youth-oriented facility (as such term is defined in the Tobacco Regulations) the License restricts Licensee from obtaining more twenty-five percent (25%) of Licensee's total revenue from the sale of licensed products (the **"Sales Restriction"**).

C. On or about April 2, 2021, the County issued Licensee a citation based on the alleged violation of the Sales Restriction.

D. Licensee disputes any violation of the Sales Restriction or Tobacco Regulations, and provided the County with notice requesting a hearing under the Tobacco Regulations to contest any alleged violation of the Sales Restriction (the **"Dispute"**).

E. Licensee and the County wish to avoid the time, expense, and inconvenience of any further action with respect to the Dispute, including, but not limited to, the hearing currently scheduled before the County Board on May 25, 2021.

F. Accordingly, without any party admitting any liability, violation, or wrongdoing, the parties wish to resolve and settle all disputes, claims, violations, and defenses arising from the License, Sales, Restriction, and Dispute.

THEREFORE, in consideration of the foregoing recitals, and the mutual covenants and conditions contained in this Agreement, the parties agree as follows:

AGREEMENT

1. This Agreement is entered into in good faith for the purpose of settling completely the Dispute. It shall not otherwise affect or impact the County's enforcement of the Tobacco Regulations against the Licensee, except as they pertain to the Sales Restriction.

2. The County shall not enforce those parts of the Tobacco Regulations, including, specifically, the Sales Restriction and the Business Location's proximity to a youth-oriented

facility, whether now existing or subsequently established, through 11:59 p.m. on December 31, 2021 (the “**Termination Date**”), at which time the License shall expire. Licensee can continue to operate its business in the ordinary course, without adhering to the Sales Restriction, at the Business Location through the Termination Date. Licensee will close its operations at the Business Location by the Termination Date and cease the sale of all regulated tobacco products. Licensee may establish a new business location, at least 1,000 feet from any youth-oriented facility, subject to the County’s ordinary transfer and licensing approval requirements under the Tobacco Regulations, in advance of the end of the Termination Date.

3. The County Board by accepting this agreement is directing all County Departments, including any agency, office, or other enforcement division, that it will not enforce those parts of the Tobacco Regulations pertaining to the Sales Restriction against Licensee at the Business Location through the Termination Date.

4. The Licensee’s appeal hearing currently schedule for May 25, 2021 to determine whether or not Licensee violated the Sales Restriction of the Tobacco Regulation is cancelled.

5. The County agrees to dismiss and waive any alleged violation or citation as it pertains to the dispute, including, but not limited to any alleged violation or citation included in the County’s letter to Licensee dated April 2, 2021, or any other alleged violations of the Sales Restriction portion of the Tobacco Regulations through the Effective Date.

6. The County will not renew, and Licensee will not seek to apply for, a tobacco license, for the Business Location for the 2022 licensing year.

7. The County will not treat or otherwise consider, and Licensee shall not be obligated to disclose in any future tobacco application, the Dispute and the resolution thereof, including any alleged violations or citations arising from the Sales Restriction, as a violation of the Tobacco Regulations. The County will not otherwise take any adverse action against Licensee when the County reviews, approves, or denies any future tobacco licensee application for a new business location for Licensee in Wright County with regards to this Dispute.

8. Except only for the representations or obligations of the parties under this Agreement, Licensee and the County, and any and all of their beneficiaries, employees, agents, representatives, successors, assignees, transferees, joint ventures, attorneys, and insurers, hereby release and discharge the other and their past and present officers, managers, directors, governors, partners, elected officials, board members, employees, agents, representatives, affiliates, divisions, successors, shareholders, members, owners, assignees, transferees, joint ventures, attorneys, insurers, and risk pools (including the Minnesota Counties Intergovernmental Trust) from all manner of claims, demands, actions, causes of actions, suits, debts, dues, sums of money, accounts, bills, covenants, contracts, rights, obligations, controversies, agreements, promises, and demands whatsoever, whether in law or equity, they ever had, or now have, whether known or unknown, against each other involving the matters at issue in the Dispute, except for the enforcement of the obligations contained in this Agreement.

9. Each party will bear its own costs, expenses, and attorney fees that it has incurred in connection with or arising out of the Dispute.

10. All questions with respect to the construction of this Agreement and the rights and liabilities of the parties to this Agreement shall be governed by the laws of the State of Minnesota, and any dispute to enforce this Agreement shall be decided by the courts situated in Wright County, State of Minnesota.

11. This Agreement effects the settlement and release of claims and defenses, which are denied and contested by the parties, and nothing contained in this Agreement shall be construed as an admission of liability by either party.

12. This Agreement represents the entire agreement between the parties with respect to the subject matter of the Agreement and supersedes all prior and contemporaneous oral and written agreements and discussions. Each of the parties covenants that it has not entered into this Agreement as a result of any representation, agreement, inducement, or coercion, except to the extent specifically provided in this Agreement. Each party further covenants that the consideration recited in this Agreement is the only consideration for entering into this Agreement, and that no promises or representations of other or further consideration have been made by any person. This Agreement may be amended only by a written agreement executed by all parties.

13. This Agreement is the result of arms-length negotiations among the parties. All parties hereof have participated in the negotiations, have had an equal opportunity to participate in the drafting and revision of this Agreement, and have had the opportunity to review this Agreement with their counsel. No ambiguity shall be construed against any party based upon a claim that the party in question drafted ambiguous language.


14. This Agreement may be executed by the parties by electronic or facsimile signature and in identical counterparts, each of which shall constitute an original for all purposes.

15. Licensee, by executing this Agreement, agrees that the County Board shall have until June 1, 2021, at 11:59 p.m. to meet and consider approval or rejection of this Agreement. The County Attorney's Office and staff will recommend that the County Board approve this settlement. From the time of execution hereof until such time, this Agreement and the offer of Licensee as evidenced by the execution hereof, shall be irrevocable. If the County Board does not approve this Agreement by the above date and time, and if no extension is otherwise negotiated, then this Agreement shall be null and void, and the County shall reschedule the pending hearing as to the Dispute at a mutually acceptable time, not earlier than June 8, 2021.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written, intending to be legally bound.

SUPER TOBACCO 2 LLC

By: MONIR AM AMRO 
Monir Amro

Its: President

Dated: May 22, 2021

COUNTY OF WRIGHT

By: _____

Print: _____

Its: _____

Dated: May _____, 2021