

LEASE INFORMATION

Organization:	License/Site Number:	Daytime Phone:
SO. ST. LOUIS COUNTY FAIR ASSN - PROCTOR		218-591-0899
Address:	City:	State: Zip:
800 N BOUNDARY AVE	PROCTOR	MN 55810
Name of Leased Premises:	Street Address:	
RUSTIC BAR	401 N CENTRAL AVE	
City:	State: Zip:	Daytime Phone:
DULUTH	MN 55807	218-624-7463
Name of Legal Owner:	Business/Street Address:	
RUSTIC BAR INC.	401 N CENTRAL AVE	
City:	State: Zip:	Daytime Phone:
DULUTH	MN 55807	218-624-7463
Name of Lessor (if same as legal owner, write "SAME"):	Address:	
SAME		
City:	State: Zip:	Daytime Phone:

Check applicable item:

- ☒ **New or amended lease.** Effective date: _____. Submit changes at least ten days **before** the effective date of the change.
- ☐ **New owner.** Effective date: _____. Submit new lease **within** ten days after new lessor assumes ownership.

CHECK ALL ACTIVITY THAT WILL BE CONDUCTED (no lease required for raffles)

- | | |
|---|---|
| ☒ Pull-Tabs (paper) | ☒ Electronic Pull-Tabs |
| ☐ Pull-Tabs (paper) with dispensing device | ☒ Electronic Linked Bingo |
| ☒ Bar Bingo ☐ Bingo | Electronic games may only be conducted: |
| ☒ Tipboards | 1. at a premises licensed for the on-sale of intoxicating liquor or the on-sale of 3.2% malt beverages; or |
| ☒ Paddlewheel ☐ Paddlewheel with table | 2. at a premises where bingo is conducted as the primary business and has a seating capacity of at least 100. |

PULL-TAB, TIPBOARD, AND PADDLEWHEEL RENT (separate rent for booth and bar ops)

BOOTH OPERATION: Some or all sales of gambling equipment are conducted by an employee/volunteer of a licensed organization at the leased premises.

ALL GAMES, including electronic games: Monthly rent to be paid: 10 %, not to exceed **10%** of gross profits for that month.

- Total rent paid from all organizations for only booth operations at the leased premises **may not exceed \$1,750**.
- The rent cap does not include BAR OPERATION rent for electronic games conducted by the lessor.

BAR OPERATION: All sales of gambling equipment conducted by the lessor or lessor's employee.

ELECTRONIC GAMES: Monthly rent to be paid: 15 %, not to exceed **15%** of the gross profits for that month from electronic pull-tab games and electronic linked bingo games.

ALL OTHER GAMES: Monthly rent to be paid: _____ %, not to exceed **20%** of gross profits from all other forms of lawful gambling.

- If any booth sales conducted by a licensed organization at the premises, rent may not exceed **10%** of gross profits for that month and is subject to booth operation **\$1,750** cap.

BINGO RENT (for leased premises where bingo is the primary business conducted, such as bingo hall)

Bingo rent is limited to one of the following:

- Rent to be paid: _____ %, not to exceed **10%** of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo.
- OR -
- Rate to be paid: \$ _____ per square foot, not to exceed 110% of a comparable cost per square foot for leased space, as approved by the director of the Gambling Control Board. The lessor must attach documentation, verified by the organization, to confirm the comparable rate and all applicable costs to be paid by the organization to the lessor.
 - ⇒ **Rent may not be paid for bar bingo.**
 - ⇒ Bar bingo does not include bingo games linked to other permitted premises.

LEASE TERMINATION CLAUSE (must be completed)

The lease may be terminated by either party with a written 30 day notice. Other terms:

LG215 Lease for Lawful Gambling Activity

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Lease Term: The term of this agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management: The owner of the premises or the lessor will not manage the conduct of lawful gambling at the premises. The organization may not conduct any activity on behalf of the lessor on the leased premises.

Participation as Players Prohibited: The lessor will not participate directly or indirectly as a player in any lawful gambling conducted on the premises. The lessor's immediate family and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises, except as authorized by Minnesota Statutes, Section 349.181.

Illegal Gambling: The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7865.0220, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without payment of rent during the time period determined by the Board for violations of this provision, as authorized by Minnesota Statutes, Section 349.18, Subd. 1(a).

To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes, Section 609.75.

Notwithstanding Minnesota Rules 7865.0220, Subpart 3, an organization must continue making rent payments under the terms of this lease, if the organization or its agents are found to be solely responsible for any illegal gambling, conducted at this site, that is prohibited by Minnesota Rules 7861.0260, Subpart 1, item H, or Minnesota Statutes, Section 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.

The lessor must not modify or terminate the lease in whole or in part because the organization reported, to a state or local law enforcement authority or to the Board, the conduct of illegal gambling activity at this site in which the organization did not participate.

Other Prohibitions: The lessor will not impose restrictions on the organization with respect to providers (distributor or linked bingo game provider) of gambling-related equipment and services or in the use of net profits for lawful purposes.

The lessor, the lessor's immediate family, any person residing in the same residence as the lessor, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. The lessor must not modify or terminate this lease in whole or in part due to the lessor's violation of this provision. If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.

Access to Permitted Premises: Consent is given to the Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel to enter and inspect the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the premises during any time reasonable and when necessary for the conduct of lawful gambling.

Lessor Records: The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record must be maintained for 3-1/2 years.

Rent All-Inclusive: Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to:

- trash removal
- electricity, heat
- snow removal
- storage
- janitorial and cleaning services
- other utilities or services
- lawn services
- security, security monitoring
- cost of any communication network or service required to conduct electronic pull-tabs games or electronic bingo
- in the case of bar operations, cash shortages.

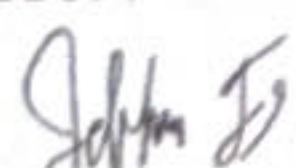
Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Board. Rent payments may not be made to an individual.

ACKNOWLEDGMENT OF LEASE TERMS

I affirm that this lease is the total and only agreement between the lessor and the organization, and that all obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board.

Other terms of the lease:

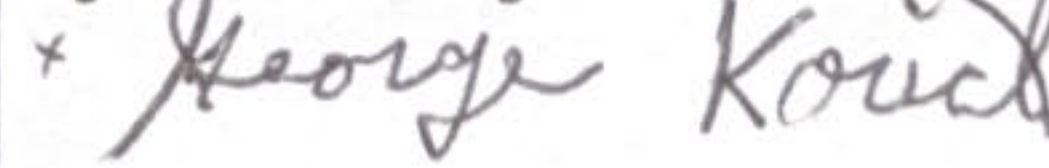
Signature of Lessor:



Date:

03 / 13 / 2026

Signature of Organization Official (Lessee):



Date:

3-13-26

Print Name and Title of Lessor:

Jeff Flynn

President

Print Name and Title of Lessee:

GEORGE KORICH

CEO

Questions? Contact the Licensing Section, Gambling Control Board, at 651-539-1900. This publication will be made available in alternative format (i.e. large print, braille) upon request. **Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

Mail or fax lease to:

Minnesota Gambling Control Board
1711 W. County Road B, Suite 300 South
Roseville, MN 55113

Fax: 651-639-4032

MINNESOTA LAWFUL GAMBLING
LG214 Premises Permit Application

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Annual Fee \$150 (NON-REFUNDABLE)

REQUIRED ATTACHMENTS TO LG214

1. If the premises is leased, attach a copy of your lease. Use **LG215 Lease for Lawful Gambling Activity**.
2. \$150 annual premises permit fee, for each permit (non-refundable). Make check payable to "**State of Minnesota**."

Mail the application and required attachments to:

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions? Call 651-539-1900 and ask for Licensing.

ORGANIZATION INFORMATION

Organization Name: SO. ST. LOUIS COUNTY FAIR ASSN - PROCTOR License Number: _____

Chief Executive Officer (CEO) GEORGE KORICH Daytime Phone: 218-348-2281

Gambling Manager: ERICA JOHN Daytime Phone: 218-591-0899

GAMBLING PREMISES INFORMATION

Current name of site where gambling will be conducted: RUSTIC BAR

List any previous names for this location:

Street address where premises is located: 401 N CENTRAL AVE
(Do not use a P.O. box number or mailing address.)

City: <u>DULUTH</u>	OR Township: _____	County: <u>ST LOUIS</u>	Zip Code: <u>55807</u>
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Does your organization own the building where the gambling will be conducted?

☐ Yes ☒ No **If no, attach LG215 Lease for Lawful Gambling Activity.**

A lease is not required if only a raffle will be conducted.

Is any other organization conducting gambling at this site? ☒ Yes ☐ No ☐ Don't know

Note: Bar bingo can only be conducted at a site where another form of lawful gambling is being conducted by the applying organization or another permitted organization. Electronic games can only be conducted at a site where paper pull-tabs are played.

Has your organization previously conducted gambling at this site? ☐ Yes ☒ No ☐ Don't know

GAMBLING BANK ACCOUNT INFORMATION; MUST BE IN MINNESOTA

Bank Name: FIRST NATIONAL BANK OF PROCTOR Bank Account Number: [REDACTED]

Bank Street Address: 211 2ND ST City: PROCTOR State: MN Zip Code: 55810

ALL TEMPORARY AND PERMANENT OFF-SITE STORAGE SPACES

Address (Do not use a P.O. box number):	City:	State:	Zip Code:
<u>800 N BOUNDARY AVE</u>	<u>PROCTOR</u>	<u>MN</u>	<u>55810</u>
_____	_____	<u>MN</u>	_____
_____	_____	<u>MN</u>	_____

ACKNOWLEDGMENT BY LOCAL UNIT OF GOVERNMENT: APPROVAL BY RESOLUTION**CITY APPROVAL
for a gambling premises
located within city limits**City Name: CITY OF DULUTH

Date Approved by City Council: _____

Resolution Number: _____
(If none, attach meeting minutes.)

Signature of City Personnel: _____

Title: _____ Date Signed: _____

**Local unit of government
must sign.****COUNTY APPROVAL
for a gambling premises
located in a township**

County Name: _____

Date Approved by County Board: _____

Resolution Number: _____
(If none, attach meeting minutes.)

Signature of County Personnel: _____

Title: _____ Date Signed: _____

TOWNSHIP NAME: _____

Complete below only if required by the county.

On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date Signed: _____

ACKNOWLEDGMENT AND OATH

1. I hereby consent that local law enforcement officers, the Board or its agents, and the commissioners of revenue or public safety and their agents may enter and inspect the premises.
2. The Board and its agents, and the commissioners of revenue and public safety and their agents, are authorized to inspect the bank records of the gambling account whenever necessary to fulfill requirements of current gambling rules and law.
3. I have read this application and all information submitted to the Board is true, accurate, and complete.
4. All required information has been fully disclosed.
5. I am the chief executive officer of the organization.

6. I assume full responsibility for the fair and lawful operation of all activities to be conducted.
7. I will familiarize myself with the laws of Minnesota governing lawful gambling and rules of the Board and agree, if licensed, to abide by those laws and rules, including amendments to them.
8. Any changes in application information will be submitted to the Board no later than ten days after the change has taken effect.
9. I understand that failure to provide required information or providing false or misleading information may result in the denial or revocation of the license.
10. I understand the fee is non-refundable regardless of license approval/denial.

George Kovach

Signature of Chief Executive Officer (designee may not sign)

3-13-26

Date

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application. Your organization's name and address will be public

information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information;

Minnesota's Department of Public Safety, Attorney General, Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format, i.e. large print, braille, upon request.

An equal opportunity employer