

Racing Commission Meeting

August 15, 2022

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**Full Commission Meeting  
Monday, August 15, 2022, 4:00 p.m.  
Nutrena Conference Center  
1801 Dudley Avenue Saint Paul, MN 55108**

**AGENDA**

- 1) Call to Order
- 2) Roll Call
- 3) Adoption of Agenda
- 4) Approval of Minutes from July 18, 2022
- 5) Committee Reports
  - A. Aftercare Committee
  - B. Racing Committee
- 6) Action Items
  - A. Election of Vice Chair and Second Vice Chair
  - B. Committee Appointments
  - C. Class A License Land Amendment
  - D. Improvement and Modification of Facilities and Equipment
- 7) Staff Reports
  - A. Chief Veterinarian
  - B. Stewards
  - C. Judges
- 8) Status Reports
  - A. Canterbury Park Entertainment
  - B. Running Aces Casino, Hotel and Racetrack
- 9) Deputy Director's Report
- 10) Executive Director's Report
  - A. Contract Approvals
  - B. Licensing Report
  - C. Rules Update
  - D. HISA Update
  - E. Other

11) MTA/MHRI/MNHBPA/MQHRA Updates

12) Announce Future Meetings

- A. Full Commission – ***Thursday, September 22, 2022; October 20, 2022; November 17, 2022; and December 15, 2022.***

13) Adjourn

Item 4 –  
Minutes from July 18<sup>th</sup>,  
2022

**Full Commission Meeting**  
Monday, July 18, 2022 – 4:00 p.m. CDT  
Nutrena Conference Center  
1801 Dudley Avenue, St. Paul, MN 55108

**MINUTES**

**Call to Order:**

**Agenda Item 1 – Call to Order**

**Chair McArdle** called the meeting to order at 4:02 p.m. CDT

**Roll Call:**

**Agenda Item 2 – Roll Call**

Present – Vice Chair Colombo, Second Vice Chair Johnson, Commissioners Dehn, Erhart, Goodman, Gingold, and Koob. A quorum was acknowledged.

Other participants –Charlene Griner (Interim Director, Minnesota Racing Commission) E. Joseph Newton (General Counsel, Minnesota Racing Commission), Randy Sampson (President/CEO, Canterbury Park and Entertainment), Steve Carpenito (Director of Racing, Running Aces Casino, Hotel, and Racetrack), Bob Schiewe (Deputy Director, Minnesota Racing Commission), Taro Ito (President/CEO, Running Aces Casino, Hotel, and Racetrack), Mike Cronin (Minnesota Horsemen’s Benevolent and Protective Association), Kay King (Executive Director, Minnesota Thoroughbred Association), and Keven Decker (Executive Secretary MHRI).

**Adoption of Agenda:**

**Agenda Item 3 – Approval of Agenda**

Commissioner Dehn motioned to approve the agenda; Second by Commissioner Colombo; Motion carried.

**Approval of Minutes:**

**Agenda Item 4 – Approval of Minutes**

Motion to approve the minutes by Colombo; Second by Goodman. Motion passed.

**New Business – Action Items:**

**Agenda Item 5 – Approval of Steward**

Executive Director Briner spoke on this item. She summarized the issues that raised the need to approve additional stewards and asked for approval for three. Mr. Schiewe also summarized the situation and talked of the intent to bring back the previous stewards as they became available. Chair McArdle offered words of praise and stressed the need to use the applicants as stewards and praised their performance in the time of need. Commissioner Colombo inquired about potential conflict of interests and was assured they were handled appropriately. Motion to approve by Johnson, Second by Gingold. Motion passed.

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**Item 6 – Authorization to Proceed with Rulemaking and Publish Request for Comments:**

Chair McArdle asked if this was the first step for the MRC rules changes for the 2023 racing meet. Mr. Newton confirmed that it was. Chair McArdle summarized the processes involved with rule making. Motion to authorize by Koob, 2<sup>nd</sup> by Johnson. Motion passed.

New Business – Informational Items:

**Item 7 Status Reports**

**a. Canterbury Park Entertainment**

Mr. Sampson spoke on this item. He spoke about the revenue from racing and the cardroom. He gave updates on recent races and field sizes. He also gave updates about the progress of the building projects around Canterbury Park including the amphitheater. Colombo asked about potential opposition for the amphitheater project from various groups. Mr. Sampson said so far there has not been any organized resistance and the process is moving on as well as he could hope.

**b. Running Aces Casino, Hotel and Racetrack**

Mr. Carpenito expressed his satisfaction with the racing this season. He spoke about the quality of the races and the upcoming Dan Patch race night. Mr. Ito said that the track, cardroom and hotel were all doing very well. He also praised the new grounds keeper and the quality of the races. Mr. Ito also spoke about recent elections and renovations to the property. Chair McArdle praised the recent renovations.

**Agenda Item 8 – Staff Reports**

**Agenda Item 8a – Chief Veterinarian’s Report**

Dr. Hovda was absent, and Mr. Schiewe stated the report was in the materials.

**Agenda Item 8b – Stewards’ Report**

MRC chief steward Mr. Blaseg was absent, and Mr. Schiewe gave this update on his behalf. Mr. Schiewe also commented about how pleased he was at the performance of Mr. Clark as a steward.

**Agenda Item 8c – Judges’ Report**

MRC chief judge Mr. Corey was absent, and Mr. Schiewe gave the update on his behalf. Mr. Schiewe also praised the dedication of the judges and stewards that work for the MRC this season. He also spoke on the number of fines.

**Item 9 – Deputy Director’s report**

Mr. Schiewe commented that licensing fees were due for the tracks and had been paid. He gave financial updates and commented on upcoming events at Canterbury Park. He spoke about staffing issues at Canterbury Park and thanked Ms. Briner for her impact on the agency.

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## Item 10 – Executive Director’s report

Ms. Briner thanked people for their support as she learns the agency and the industry. She recommended filling staffing vacancies and adding some positions. She gave a brief HISA update. Mr. Newton spoke about HISA rulings as well as HISA compliance and implementation. Commissioner Johnson commented that he received public feedback about the whipping rules. Chair McArdle spoke about possible adjustments to HISA rules. Ms. Briner praised staff and during the transition to HISA. Mr. Dehn asked about potential changes to the whip rule and possible amnesty for those who are in severe violation. The Chair spoke about the state of HISA and the fluidity of the situation. She made clear that there are no easy answers to some of these questions. She speculated that HISA was reassessing the rules and the implementation of them.

## Item 11 – MGHRA/MTA/MHRI/MNHBPA Reports

### MTA

Ms. King gave an update on several upcoming events including an auction and “Ponies and Pastries.” She spoke about supply chain issues and a raffle for the “Leg Up Fund.”

### MHRI

Mr. Decker spoke and said he had no update.

### MNHBPA

Mike Cronin commented positively on how well Canterbury Park was handling racing this season. He gave an update on the quality of life and a new program to help with substance abuse program. Commissioner Johnson added comments about a hall-of-fame trainer and the birth of a new child.

## Item 12 – Future Meetings

Next meeting – August 15<sup>th</sup>, 2022. Meeting place to be determined.

## Item 13 - Adjournment

Motion to adjourn by Goodman, 2<sup>nd</sup> by Dehn.

Chair McArdle adjourned the meeting on Monday, July 18th, 2022, at 5:07 p.m. CDT.

THESE MEETING MINUTES HAVE BEEN APPROVED ON THIS \_\_\_\_\_ DAY OF 2022 BY A QUORUM OF THE MINNESOTA RACING COMMISSION.

# Item 5a – Aftercare Committee Report





Date of Application: \_\_\_\_\_

<b>Organization Information</b>
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Name of Organization	Legal name, if different
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Physical Address	City, State, Zip	Employer Identification Number (EIN)
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Phone	Fax	Website
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Name of President/ Exec Dir.	Title	Phone	E-mail
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Name of contact person regarding this application	Title	Phone	E-mail
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Is your organization an IRS 501(c)(3) not-for-profit?      Yes      No

- If yes please attach a copy of your organization's IRS exemption letter

Total number of full time employees:

Total number of part-time employees:

Total number of Board Members:

Total Number of Voulnteers:

Do any state, federal or other accrediting bodies accredit your organization? If yes provide details \_\_\_\_ Yes \_\_\_\_ No

**Please attach you organization's mission statement.**

**Please attach you organization's vision statement. This should include your view on your organizations role in the aftercare process.**



<b>Budget</b>
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Total annual organization budget: \$

Dollar amount requested : \$

Current Year Estimated Expenditures: \$

Previous Year Actual Expenditures: \$

Describe your Organization's major sources of funding, both current and past:

List each grant you received within the last 24 months, including amount, purpose, and granting agency:

**Proposal Information**

**Narrative: (Include the funding amount you are requesting)**

Please describe the purpose of the funding request, including a needs assessment, description of how funds will be used, and how many horses will be impacted by the funds. Include details such as photos and estimated costs of any items being purchased with the funds. Please attach additional page(s) as needed.

**Equine Information**

Number of horses currently in your organization's care:

Number of Minnesota-**raced** horses in your organization's care:

Number of Minnesota-**bred** horses in your organization's care:

Current number of **adoptable/suitable for retraining** horses in your organization's care:

Current number of **permanent resident/non-adoptable** horses in your organization's care:

Current number of **recovering** horses in your organization's care:

Number of horses (by breed) taken in by your organization in the last **three (3) years**:

**Thoroughbred:**

**Quarter Horse:**

**Standardbred:**

**Other:**

Number re-homed/adopted in the past 3 years:

Number re-homed/adopted in the past 12 months:

Number returned to you in the past 12 months:

Number permanently retired to the organization in the past 12 months:

Number euthanized in the past 12 months:

Number of horses retrained (this means trained under saddle or in harness) in the 12 months:



RACING COMMISSION

**Facility Information**

**Property Description:**

Please include a description of the property and include **CURRENT** photos of the facility used for the horses listed in the funding request. Please also include answers to the the below questions in your response. **Please include this information as an attachment.**

What is the maximum capacity of horses on the property?

What is the total available acreage to which horses have access?

Describe number and type of paddocks/pastures/holding enclosures (size and material used):

Do you (check all that apply):    Own Facility                      Lease Facility                      Use Foster Homes

- **If leasing, provide a copy of the lease and/or boarding agreement.**

If you utilize foster homes, how many homes do you have?

Where are the foster homes located? **Please include this information as an attachment.**

If needed please include the complete address.



Describe the available sources of shelter for horses at the facility:

Describe the available sources of fresh water for horses at the facility:

Describe your feeding program (hay, pasture, grain etc.):

<b>Equine Care</b>
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Does your Organization have a detailed written euthanasia policy?  Yes  No

If NO, do you intend to develop one in accordance with the American Association of Equine Practitioners (AAEP) guidelines?  Yes  No

Do you have a written policy on the castration of stallions, with the exception of stallion retirement facilities?

Yes  No



Please list the names and contact information for the following:

**Veterinarians that treat horses at your facility:**

Name: Phone: Email:

Malpractice Insurance Current? Yes No

Name: Phone: Email:

Malpractice Insurance Current? Yes No

**Farriers that provide services at your facility:**

Name: Phone:

Name: Phone:

Do you have a written policy for horses that need to be returned to the Organization?  Yes  No

**Attachments**

Please ensure you have attached the following requested items:

- IRS Exemption Letter
- Current photos of the facility
- Facility lease/or board agreement (if applicable)
- Euthanasia policy (if applicable)
- Castration policy
- Return of Horse to Organization policy
- Annual Report (if available)
- List of Board Members and Officers with Affiliations
- A list including the names of horses re-homed/adopted, returned, permanently retired to the Organization and euthanized over the past 3 years.
- A list including the names of horses re-homed/adopted, returned, permanently retired to the Organization and euthanized over the past 1 year.
- Organizational mission & vision statements.



**Authorization**

I hereby verify that the information provided is accurate to the best of my knowledge.

Name and title President or Exec. Director:

**Signature**

Item 6c –  
Class A License Land  
Amendment



## PURCHASE AGREEMENT

THIS AGREEMENT is made as of September 8, 2021 (the “**Effective Date**”) by and between the following parties (the “**Parties**”):

- a. Canterbury Development LLC, a Minnesota limited liability company (“**Development**”) and Canterbury Park Holding Corporation, a Minnesota corporation (“**Holding**”) (Development and Holding are sometimes collectively referred to herein as “**Seller**”); and
- b. Swervo Development Corporation, a Minnesota corporation or its assigns (“**Buyer**”).

### Preliminary Statement of Facts

Development is the owner the tract of land (the “**Development Tract**”) situated in the City of Shakopee (the “**City**”), Scott County (the “**County**”), Minnesota, legally described on Exhibit A-1 hereto. Holding is the owner the tract of land legally described on Exhibit A-2 hereto (the “**Holding Tract**”); with the Development Tract collectively the “**Canterbury Land**”).

Canterbury Park Entertainment, LLC, a Minnesota limited liability company (“**Entertainment**”), is the owner of the tract of land (the “**Racetrack Property**”) located adjacent to the Property, which Racetrack Property is legally described on Exhibit A-3 hereto. The Racetrack Property includes, for purposes of this Agreement:

- a. Three parking areas, depicted on the preliminary development plan (the “**Amphitheater Development Plan**”) attached hereto as Exhibit B and labeled “A” though “C” (the “**Canterbury Parking Areas**”); and
- b. A walkway area (the “**Promenade**”) depicted and so labeled on the **Amphitheater Development Plan**.

Seller and Entertainment are sometimes collectively referred to herein as “**Canterbury**”.

The County is the owner of the tract of land (the “**County Property**”) located adjacent to the Property, which is legally described on Exhibit C hereto.

The Parties desire to provide for the purchase by Buyer and the sale by Seller of a portion of the Canterbury Land contained within the properties being depicted and described on the Amphitheater Development Plan as the “**Amphitheater Land**” (consisting of approximately twenty-nine (29) acres) and the “**South Parcel**” (consisting of approximately eight and 9/10ths (8.9) acres (collectively, the “**Land**”), and for the creation of certain rights associated with and

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for the benefit of the Amphitheater Land as more particularly described herein. The Land, together with all rights and appurtenances of Seller pertaining to the Land, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (including, without limiting the generality of the foregoing, the Access Right, as the same is hereinafter defined), are collectively referred to herein as the "Property".

In consideration of this Agreement, the Parties agree as follows:

1. Sale of Property. Seller shall sell the Property to Buyer, and Buyer shall buy the Property from Seller, subject only to (i) easements, restrictions and other matters affecting title specifically approved in writing by Buyer pursuant to Section 10 below and (ii) the Canterbury Road Easements (as hereinafter defined) (the "Permitted Encumbrances").

2. Purchase Price and Manner of Payment. The total purchase price for the Property (the "Purchase Price") shall be determined as follows. The Survey provided for in Section 7.b below shall determine the total number of square feet comprising the Land, less public rights-of-way and roadways contained in the Land (the "Net Area"). The Purchase Price shall be \* \* \*

\* \* \*

\* \* \*

Buyer shall pay the Purchase Price to Seller as follows:

- (a) \$100,000.00 as earnest money (the "Earnest Money"), which Earnest Money shall be deposited with and held by Commercial Partners Title, LLC ("Title"). Buyer shall deposit the Earnest Money with Title within three (3) business days after the Effective Date. Title shall deposit the Earnest Money in an interest bearing account and, by executing the Joinder by Escrow Agent attached hereto, and shall hold and disburse the Earnest Money pursuant to the terms and conditions of this Agreement. All interest earned on the Earnest Money shall be added to and become part of the Earnest Money.
- (c) The "Balance" (being the difference between the Purchase Price and the Earnest Money) in cash or by wire transfer of U.S. Federal Funds to be received in Title's trust account in Minneapolis, MN on or before 2:00 p.m. on the Closing Date defined below.

3. Amphitheater Project: Repurchase Option: Option Agreement.

3.1. Amphitheater Project. Subsequent to Closing Buyer intends to develop, construct and operate on the Property an amphitheater project with associated surface parking (the "Amphitheater Project"). The Amphitheater Project will hold approximately nineteen thousand five hundred (19,500) patrons, performers and staff for live performance events (the "Performance Events") and will consist of a permanent stage and back-of-the-house/greenroom building facilities, fixed outdoor seating and other amenities determined by Buyer.

3.2 Approval Rights. Seller shall have the right to review and approve the Amphitheater Project site plan, concept design, infrastructure, traffic patterns and construction procedures, which approval shall not be unreasonably withheld or delayed. Seller and Buyer will collaborate with Entertainment on major operation issues that could impact the Canterbury Land or the Racetrack Property such as hours of operation. Such approval rights, to the extent they extend beyond the Closing, shall be included within the REOA provided for in Section 5 below.

3.3 Repurchase Option. At Closing Seller and Buyer shall execute an option agreement (the "**Repurchase Option**") granting Seller the right to repurchase the Property if Buyer fails to commence construction of the Amphitheater Project within two (2) years after the Closing Date. The form of the Repurchase Option is attached to and incorporated into this Agreement as Exhibit D hereto and, as to any conflict or inconsistency that exists between this Section 3.3 and Exhibit D, the terms and conditions of Exhibit D shall control.

3.4 Collaboration to Develop the Future Development Land. During the Executory Period (hereinafter defined), and continuing thereafter for a period of one hundred eighty (180) days after Closing (the "**Negotiation Period**"), Seller agrees to negotiate only with Buyer, and Seller and Buyer agree to collaborate in good faith and expend reasonable efforts and resources, to explore plans and methods by which the two parties can jointly develop the portions of the Canterbury Land depicted and labeled in the Amphitheater Development Plan as the "Future Development Land" (the "**Future Development Land**"). If at the end of the Negotiation Period Seller and Buyer have not entered into a binding development agreement for the Future Development Land (the "**Development Agreement**"), then thereafter Seller shall have the right to develop the Future Development Land, with or without any third party.

4. Plaza Project License.

4.1 Plaza Parcel License. In conjunction with the Amphitheater Project, Buyer desires to obtain from Seller certain rights to use that portion of the Canterbury Land adjoining the Land and depicted and described on the Amphitheater Development Plan as the "Plaza Parcel" (the "**Plaza Parcel**") on the same dates on which Performance Events occur and on other such dates for the use of the Amphitheater Parcel (collectively, "**Amphitheater Events**") determined by the parties to such agreement to operate food and entertainment services in connection with the Amphitheater Events and to erect during the dates of the Amphitheater Events temporary structures thereon for food preparation and service, bar service and stage entertainment (the "**Licensee Structures**"). The Plaza Parcel shall be created as a part of the Canterbury Land Subdivision (hereinafter defined). At Closing Seller shall grant Buyer a license (the "**Plaza Parcel License**") granting Buyer the exclusive right to use that portion of the Plaza Parcel depicted and described on the Amphitheater Development Plan as the "Activity Plaza Space" (the "**Ancillary Amphitheater Event Location**"). Seller and Buyer will collaborate on the overall concept and use plan for the Plaza Parcel (the "**Plaza Project**") as a part of the process for seeking the Approvals (as hereinafter defined), including specifically the approval of the dedication of some or all of the Plaza Parcel to the City for parkland purposes as provided in Section 9.2.b below. If such dedication to the City shall be approved in connection with the



Canterbury Property Subdivision, and the dedicated land shall include the Ancillary Amphitheater Event Location, then Seller will use commercially reasonable efforts to obtain the City's approval for the use thereof pursuant to the Plaza Parcel License, and to approve that the licensee thereunder may, at its expense, erect and operate the Licensee Structures as above provided, provided that obtaining such approvals is not a condition of the transactions contemplated by this Agreement. Notwithstanding anything contained in this Section 4.1 to the contrary, Seller reserves the right to develop those portions of the Plaza Parcel outside of the Ancillary Amphitheater Event Location as Seller in its sole discretion may determine.

4.2 Plaza Parcel License Agreement. The terms and conditions of the Plaza Parcel License shall be incorporated into an agreement (the "**Plaza Parcel License Agreement**") which Plaza Parcel License Agreement Seller and Buyer shall negotiate in good faith and finalize prior to the Due Diligence Date defined below. The final form of the Plaza Parcel License Agreement shall then be added to and incorporated into this Agreement as Exhibit E hereto.

4.3 Projects Defined. For purposes of this Agreement "**Projects**" shall mean, collectively, the Amphitheater Project and the Plaza Project.

5. Restriction on Certain Activities. At Closing Seller shall execute and shall cause Entertainment to execute and deliver to Buyer an agreement (the "**Restricted Activities Agreement**") that neither Seller nor Entertainment will produce, present, engage in or otherwise allow within the Canterbury Land or Racetrack Property \* \* \*

\* \* \*, without the prior written consent of the owner of the Property, which consent shall not be unreasonably withheld or conditioned, and which consent shall not be required for \* \* \*

\* \* \*

\* \* \*. The form of the Restricted Activities Agreement is attached to and incorporated into this Agreement as Exhibit F hereto and, as to any conflict or inconsistency that exists between this Section 5 and Exhibit F, the terms and conditions of Exhibit F shall control.

6. Parking License. As a condition of Closing, at Closing Seller shall cause Entertainment to enter into a license and access agreement (the "**Parking License Agreement**") with Buyer granting to the owner of the Property (the "**Property Owner**"), as "Licensee", the right for patrons of the Amphitheater Project to park in the Canterbury Parking Areas depicted and labeled on the Amphitheater Development Plan as Parking Areas A-C during specific times on certain dates for Amphitheater Events and to use certain walkways or sidewalks within the Racetrack Property (or within the public right-of-way of the street connecting the Racetrack Property and the Property) to access the Property, all subject to the terms and conditions of the Parking License Agreement. The form of the Parking License Agreement is attached and incorporated into this Agreement as Exhibit G hereto and, as to any conflict or inconsistency

that exists between this Section 6 and Exhibit G, the terms and conditions of Exhibit G shall control.

7. Seller's Delivery and Subdivision Obligations. Seller's delivery and subdivision obligations (the "**Delivery and Subdivision Obligations**") are as follows:

- a. Within five (5) business days after the Effective Date Seller shall deliver to Buyer copies of all records and documents relating to the physical condition and land use regulation of the land comprising the Canterbury Land to the extent same are in Seller's possession or within its reasonable control (the "**Records**"). The Records include, without limitation, all maps, surveys, title insurance commitments or policies, plats, soil tests and reports, environmental tests and reports, traffic and noise impact studies, market studies, EIS/EAW materials and reports, TIF documentation and approved plans for the construction of infrastructure pursuant to any approved Redevelopment Contract, together with any relevant and material written communications with the City or any governmental entity that could relate to the Projects. Buyer shall use the Records solely for internal review and shall keep them confidential but may share them as reasonably necessary with Buyer's professional consultants with the caveat that such professionals are required to keep the Records confidential.
- b. Within thirty (30) days of the date hereof (the "**Survey Delivery Date**") Seller shall, at its expense, have a current survey ("**Survey**") of the Canterbury Land prepared by a Minnesota registered land surveyor meeting the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys (including all applicable Table A items desired by Buyer). The Survey shall be certified to Seller, Buyer and Title Company. The Survey shall specifically contain a calculation of the Net Area of the Land as defined in Section 2 of this Agreement.
- c. Prior to the Closing Date, Seller shall, at its expense, cause the Land and the Plaza Parcel to be legally subdivided into separately taxed parcels of land pursuant to a subdivision plan for the Canterbury Land (the "**Subdivision**").
- d.

8. General Contingencies. The obligations of Buyer to perform hereunder are contingent upon each of the following (the "**General Contingencies**"):

- a. Representations and Warranties. The representations and warranties of Seller contained in this Agreement must be true now and on the Closing Date as if made on the Closing Date.



- b. Title. Title to the Property shall have been found acceptable by Buyer or shall have been made acceptable to Buyer, in accordance with the requirements and terms of Section 10.b below.
- c. Performance of Seller Obligations. Seller shall have performed all of the obligations required to be performed by Seller or any party comprising Seller under this Agreement as and when required by this Agreement, including the timely completion of Seller's Delivery and Subdivision Obligations.
- d. Waiver of Buyer's Due Diligence Contingency and Approvals Contingency. Buyer shall have waived or shall be deemed to have waived the Due Diligence Contingency and the Approvals Contingency set forth in Section 9 below.

If, as of the Closing Date, the General Contingencies are not satisfied or waived in writing by Buyer, then Buyer may terminate this Agreement by written notice to Seller. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall have any further obligation to the other hereunder except that Buyer's Inspection Obligations, defined below, shall survive the termination.

9. Specific Contingencies. The obligations of Buyer to perform hereunder are contingent upon each of the following specific contingencies (the "**Specific Contingencies**"):

9.1 Buyer's Due Diligence Contingency.

- a. Buyer's obligation to perform hereunder is specifically contingent upon Buyer determining, in its sole discretion, on or before a date one hundred and twenty (120) days from the Effective Date (the "**Due Diligence Date**"), that it is satisfied with the matters disclosed by the Records, the results of and matters disclosed by any market and feasibility studies, soil tests, engineering inspections, hazardous waste and environmental reviews of the Property and any other due diligence, tests, studies, reviews or investigations that Buyer conducts (the nature, extent and scope of which shall be determined solely by Buyer) (the "**Tests**"), which Tests shall be obtained at Buyer's sole cost and expense except as otherwise provided herein to the contrary.
- b. Buyer and Buyer's agents, representatives and consultants (collectively, "**Buyer's Consultants**"), may enter upon the Property and the Plaza Parcel (the "**Parcels**") to conduct the Tests. Buyer shall not conduct any invasive tests or borings on the Parcels without Seller's prior written consent, which consent shall not be unreasonably withheld or delayed. Buyer shall further repair and restore any damage to the Parcels caused by the Tests and Buyer shall return the Parcels to substantially the same condition as existed prior to such entry. Buyer shall pay all of the costs



and expenses of the Tests and shall not allow any mechanic's liens or similar claims to be filed against the Parcels for any work ordered by or under Buyer's authority. If any mechanic's lien or similar claim is filed against any of the Parcels as a result of the Tests, Buyer shall cause such lien or claim to be released within ten (10) days after the filing of same. Buyer shall indemnify, defend and hold Seller and the Parcels harmless from any cost, expense liability, action, lien or any claim of any type, including the cost of defense and attorney's fees, arising out of or related to the Tests (the "**Buyer's Inspection Obligations**"). Buyer's Inspection Obligations shall survive any termination of this Agreement and the Closing of the transaction provided for herein.

- c. If Buyer is not satisfied with the Tests then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Due Diligence Date (the "**Due Diligence Contingency**"). If Buyer does not so terminate this Agreement on or before the of the Due Diligence Date, then Buyer shall be deemed to have waived the Due Diligence Contingency. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall be liable for the other hereunder except that Buyer's Inspection Obligations shall survive such termination.

#### 9.2 Approvals Contingency.

- a. Buyer's obligation to perform hereunder is specifically contingent upon Buyer, on or before a date that is one calendar year from the Effective Date (the "**Approvals Date**"), determining that it has obtained approvals, permits and entitlements of any type or nature from all appropriate governmental authorities that are required or which Buyer desires to obtain in order to develop, construct and operate the Amphitheater Project and the Licensee Structures (the "**Approvals**"). If, as of the Approvals Date, the Approvals are actively pending before any governmental authority but not yet received, then Buyer may, by notice in writing delivered to Seller prior to the original Approvals Date, extend the Approvals Date for an additional period not to exceed ninety (90) days.
- b. Canterbury shall collaborate with and assist Buyer in obtaining the Approvals provided that Buyer pays all third-party costs of so doing (including specifically the fees of consultants, engineers and attorneys), and the costs of producing any Environmental Assessment Worksheet required. Notwithstanding the foregoing, the cost of preparing the traffic management study supporting the Environmental Assessment Worksheet or otherwise required by the City as part of the Approvals shall be shared equally by Canterbury and Buyer. Furthermore, Canterbury shall initiate and direct efforts of the Parties based on Buyer's reasonable approval of the terms thereof, to explore (i) the availability of City or other public



resources to finance all or part of the improvements comprising the Plaza Project, (ii) whether the park dedication requirements of the City may be satisfied by the dedication in the Subdivision of the Plaza Parcel as parkland, and (iii) ways in which the City can financially assist in the construction of such parkland. It is acknowledged and agreed by the Parties that existing Tax Increment Financing available to Seller from the City may be used for public improvements to be constructed by Seller in connection with the Amphitheater Project, but otherwise will not be available for the Projects.

- c. Notwithstanding the term of the Approvals Contingency, the Parties agree to target the completion of the Approvals process by August 15, 2022 and will use commercially reasonable efforts to complete the Approvals process by that date. Within thirty (30) days after the Effective Date, the Parties shall prepare and execute a checklist setting forth the anticipated Approvals required and the schedule benchmarks for applying for and processing the Approvals requests (the “**Project Checklist**”), which Project Checklist shall be updated from time to time as appropriate during the Approvals process.
- d. If Buyer does not obtain the Approvals on or before the Approvals Date then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Approvals Date (the “**Approvals Contingency**”). If Buyer does not to terminate this Agreement on or before the Approvals Date, then Buyer shall be deemed to have waived the Buyer’s Approvals Contingency. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall be liable for the other hereunder except that Buyer’s Inspection Obligations shall survive such termination.

9.3 County Property Contingency. Buyer’s obligation to perform hereunder is specifically contingent upon Buyer obtaining fee title ownership of the County Property from the County or its successor in title on or before the Closing Date on terms and conditions acceptable to Buyer. If Buyer does not obtain such fee title ownership on or before the Closing Date, then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Closing Date (the “**County Property Contingency**”). If Buyer does not decide to terminate this Agreement on or before the Closing Date as provided in this Section 9.3, then Buyer shall be deemed to have waived the County Property Contingency. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall be liable for the other hereunder except that Buyer’s Inspection Obligations shall survive such termination.

9.4 Workforce Parcel Contingency. Buyer’s obligation to perform hereunder is specifically contingent upon Buyer obtaining fee title ownership of the Workforce Parcel (the “**Workforce Parcel**”) depicted and described as such on the Amphitheater Development Plan on or before the Closing Date on terms and conditions acceptable to Buyer. If Buyer does not obtain





such fee title ownership on or before the Closing Date, then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Closing Date (the “**Workforce Parcel Contingency**”). If Buyer does not decide to terminate this Agreement on or before the Closing Date as provided in this Section 9.4, then Buyer shall be deemed to have waived the Workforce Parcel Contingency. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall be liable for the other hereunder except that Buyer’s Inspection Obligations shall survive such termination.

9.5 REOA Contingency. Buyer’s obligation to perform hereunder is specifically contingent upon Buyer’s approval, on or before a Due Diligence Date, of a reciprocal easement and operating agreement (the “**REOA**”) to be made by Seller and Entertainment covering the Land and the Racetrack Property. Seller shall negotiate in good faith to finalize the terms of the REOA prior to the Due Diligence Date and shall cause Entertainment to negotiate in good faith to finalize the terms of the REOA prior to the Due Diligence Date. The REOA shall provide, among other things, for the following:

- a. Promenade Area. The development of the common area (the “**Promenade Area**”) identified as the “Promenade” on the Amphitheater Development Plan. The purpose of the Promenade Area is to create active and landscaped features of interest for patrons of the Projects and the Racetrack Property. Canterbury will, at its expense, develop and construct the Promenade Area improvements (the “**Promenade Area Improvements**”) pursuant to plans reasonably approved by Buyer and, subject to the terms of the REOA, Canterbury shall operate and maintain the Promenade Area and the Promenade Area Improvements at its expense.
- b. Shared Expenses. The owner of the Property shall pay a pro rata share of the costs of operating and maintaining (i) the Promenade Area Improvements and (ii) boulevards and medians of the roads adjacent to and providing the primary access to the Property (the “**Shared Roadway Areas**”), which Shared Roadway Areas are depicted and labeled on the Amphitheater Development Plan.
- c. Development Limitations. If the Closing Date occurs prior to the discontinuance of racing operations for the 2022 season on the Racetrack Property, the REOA shall include a covenant that the owner of the Property shall not commence the physical development of the South Parcel until after such discontinuance of racing operations, unless and only to the extent specifically permitted in writing by the owner of the Racetrack Property.
- d. Workforce Use Restriction. The REOA shall include the following restriction applicable to the Workforce Parcel, provided Buyer or a party



related to Buyer acquires title to the Workforce Parcel (the “**Workforce Parcel Use Restriction**”): For a period of fifteen (15) years from the date the Amphitheater is completed, the Workforce Parcel shall be used solely for parking purposes so long as the Amphitheater is in operation (or under reconstruction or repair for continued use as an amphitheater). Upon the expiration of the fifteen (15) year period or at such time as the Property ceases to be permanently used for Amphitheater purposes, whichever first occurs, the Workforce Parcel Use Restriction shall terminate and the Workforce Property may be used for any purpose permitted by law.

If Buyer does not approve of the form of the REOA by Due Diligence Date, then Buyer may terminate this Agreement by delivering written notice to Seller on or before the Due Diligence Date (the “**REOA Contingency**”). If Buyer does not decide to terminate this Agreement on or before the Due Diligence Date as provided in this Section 9.6, then Buyer shall be deemed to have waived the REOA Contingency, and shall be deemed to have approved the REOA. If Buyer so terminates this Agreement the Earnest Money shall be paid to Buyer and thereupon neither party shall be liable for the other hereunder except that Buyer’s Inspection Obligations shall survive such termination. Upon such approval, if any, the final form of the REOA shall then be added to and incorporated into this Agreement as Exhibit H hereto.

9.6 Other Contingency Terms. All the contingencies provided for in Sections 8 and 9 hereof (the “**Contingencies**”) are specifically stated and agreed to be for the sole and exclusive benefit of Buyer and Buyer shall have the right to unilaterally waive any contingency by written notice to Seller. If Buyer terminates this Agreement pursuant to any of the Contingencies or pursuant to any other termination right granted to Buyer under this Agreement, then Buyer shall, upon Seller’s written request, execute and deliver to Seller a Quit Claim Deed to the Property.

10. Title Examination.

10.1 Title Evidence. In addition to Seller’s obligation to deliver the Survey as set forth in Section 7.b above, Seller shall, within twenty (20) days after the Effective Date, deliver to Buyer a commitment (the “**Title Commitment**”) issued by Title for an ALTA 2006 Form of Owner’s Policy of Title Insurance (the “**Title Policy**”) in the amount of the Purchase Price insuring fee title to the Property subject only to the Permitted Encumbrances, deleting the so-called standard exceptions to coverage and including affirmative insurance regarding zoning, contiguity, appurtenant easements and such other matters as may be identified by Buyer. The Commitment shall be accompanied by true and correct copies of all instruments noted as encumbrances therein. The Title Commitment and the Survey shall collectively constitute the “**Title Evidence**”.

10.2 Buyer's Objections. If any matters or exceptions shown in the Title Commitment are unacceptable to Buyer, or if the coverage as set forth in the Title Commitment is in any way unacceptable to Buyer, Buyer shall, within twenty (20) days after receipt of the last



item of the Title Evidence (the “**Title Objection Date**”), notify Seller in writing (the “**Buyer’s Title Objection Notice**”) of such unacceptable matters and exceptions and the reasons that the same are unacceptable (the “**Buyer’s Title Objections**”), and if Buyer fails to deliver the Buyer’s Title Objections on or before the Title Objection Date, Buyer shall be deemed to have accepted all exceptions to title and all other matters shown in the Title Evidence, and all such exceptions and matters shall be deemed to be Permitted Encumbrances. Within twenty (20) days after delivery of Buyer’s Title Objection Notice (the “**Seller’s Notice Period**”), Seller shall notify Buyer in writing (the “**Seller’s Title Notice**”) stating: (a) if Seller will eliminate or cure Buyer’s Title Objections, in which case the elimination or curing of Buyer’s Title Objections shall be completed to Buyer’s reasonable satisfaction on or before the Closing Date or (b) that Seller is unable or unwilling to eliminate or cure Buyer’s Title Objections. If Seller states it is unable or unwilling to eliminate or cure Buyer’s Title Objections, or no Seller’s Title Notice is delivered to Buyer within the Seller’s Notice Period, Buyer may (i) terminate this Agreement by notice in writing to Seller within twenty (20) days following delivery of Seller’s Title Notice (or the expiration of Seller’s Notice Period if no Seller’s Title Notice has been delivered) or (ii) shall accept such title as Seller can deliver without any reduction in the Purchase Price, in which event such uncured Buyer’s Title Objections shall be deemed to be Permitted Encumbrances. If Buyer does not terminate this Agreement within the period described in the immediately preceding sentence, Buyer shall be deemed to have accepted all Buyer’s Title Objections that Seller stated it was unable or unwilling to eliminate or cure, and such exceptions and matters shall be deemed to be a Permitted Encumbrance. If Buyer terminates this Agreement pursuant to this Section, then the Earnest Money shall be paid to Buyer and the Parties shall have no further rights or obligations to the other hereunder, except that Buyer’s Inspection Obligations shall survive such termination. Notwithstanding any of the foregoing, if Buyer does not terminate this Agreement as allowed herein, Seller shall convey title to the Property at Closing free and clear of all monetary liens and mortgage liens created by or assumed by Seller.

11. Closing.

11.1 Closing Date. The closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall occur five (5) business days after the Approvals Date or such earlier date as Buyer may establish upon twenty (20) days written notice to Seller (the “**Closing Date**”), and if the Closing Date is on or before the Approvals Date then by so establishing such date Buyer shall be deemed to have waived the Approvals Contingency. The Closing shall take place at 10:00 a.m. Minneapolis time at the office of Title, or at such other place in Scott County or Hennepin County as the Parties may agree to. Seller shall deliver possession of the Property to Buyer on the Closing Date. The year in which the Closing Date occurs is referred to herein as the “**Closing Year**”.

11.2. Seller's Closing Documents. On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, the “**Seller's Closing Documents**”):

- a. Warranty Deed. A Limited Warranty Deed, in a form reasonably satisfactory to Buyer, conveying fee title to Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances (the

“**Deed**”). The Deed shall contain a certification that there are no wells on the Property within the meaning of Minn. Stat. Section 103I.

- b. Seller's Affidavit. Seller shall deliver to Title and Buyer one or more title affidavits/owners affidavits/indemnity in customary form certifying as to such customary matters as Title shall reasonably require in connection with the Closing and the issuance of the Title Policy, including, among other things, (1) no Seller bankruptcy exists, (2) there is no pending litigation against Seller or judgments or liens against Seller that constitute a lien against the Property, (3) Seller has no knowledge of any off-record instruments, including leases or contracts of sale or liens affecting the Property, (4) no third party is in possession of the Property, (5) Seller has not caused any unpaid labor, services or materials to be provided to the Property in the last twelve (12) months, and (6) Seller has no knowledge of, and has not created, any new encumbrances or liens against the Property since the effective date of the Title Commitment.
- c. FIRPTA Affidavit. A non-foreign affidavit, properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations.
- d. Bring-Down Certificate. The Bring Down Certificate provided for in Section 14.1 below executed by each person or entity comprising Seller.
- e. Restricted Activities Agreement. The Restricted Activities Agreement together with the written joinder by the holders of any mortgages or other liens encumbering the Canterbury Land consenting to the Restricted Activities Agreement and subjecting the lien of their mortgages thereto.
- f. Repurchase Option. The Repurchase Option.
- g. REOA. The REOA.
- h. Plaza Parcel License Agreement. The Plaza Parcel License Agreement.
- i. Closing Statement. A closing settlement statement (the “**Closing Statement**”) prepared by Title setting forth the credits and adjustments due Buyer and Seller hereunder.
- j. Other Documents. All other documents reasonably determined by Buyer or Title to be necessary to transfer the Property to Buyer free and clear of all encumbrances except the Permitted Encumbrances and to allow Title to issue the Title Policy.

11.3 Buyer's Closing Documents. On the Closing Date, Buyer shall execute and/or deliver to Seller the following (collectively, the “**Buyer's Closing Documents**”):

- a. Purchase Price. The Balance, by collected funds to be received in Title's trust account on the Closing Date.
- b. Repurchase Option. The Repurchase Option.
- c. Parking License Agreement. The Parking License Agreement.
- d. Plaza Parcel License Agreement. The Plaza Parcel License Agreement.
- e. Restricted Activities Agreement. The Restricted Activities Agreement.
- f. Closing Statement. The Closing Statement.
- g. Other Documents. Such Affidavits of Purchaser, Certificates of Value or other documents as may be reasonably required by Title in order to record the Seller's Closing Documents and allow Title to issue the Title Policy.

11.4 Entertainment Closing Documents. On the Closing Date, Seller shall cause Entertainment to execute and deliver to Buyer the following (collectively, the “**Entertainment Closing Documents**”):

- a. Restricted Activities Agreement. The Restricted Activities Agreement together with the written joinder by the holders of any mortgages or other liens encumbering the Racetrack Property consenting to the Restricted Activities Agreement and subjecting the lien of their mortgages thereto; and
- b. Parking License Agreement. The Parking License Agreement, together with the written joinder by the holders of any mortgages or other liens encumbering the Racetrack Property consenting to the Restricted Activities Agreement and subjecting the lien of their mortgages thereto.

11.5 Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

- a. Title Insurance and Closing Fee. Seller will pay all costs of the Title Evidence provided for in Section 10.1 Buyer will pay all premiums required for the issuance of the Title Policy. The closing fee or charge imposed by any closing agent designated by Title shall be allocated equally between Seller and Buyer.
- b. Deed Tax. Seller shall pay all state deed tax and conservation tax imposed by Minnesota law with respect to the Deed.
- c. Real Estate Taxes and Special Assessments. Seller shall pay, on or

before the Closing Date, all special assessments levied, pending or constituting a lien against the Property as of the Closing Date including without limitation any installments of special assessments including interest payable with general real estate taxes in the Closing Year and including any deferred taxes or assessments or so-called "Green Acres" taxes. General real estate taxes and installments of special assessments payable therewith ("Taxes") payable in the year previous to the Closing Year and all prior years will be paid by Seller. Subject to Seller's obligation with respect to special assessments, Taxes due and payable in the Closing Year shall be prorated between Seller and Buyer as of the Closing Date. Buyer shall pay Taxes due and payable the year subsequent to the Closing Year and thereafter. If the amount of Taxes cannot be determined on the Closing Date, Seller will deposit with Title, from the Purchase Price, an amount equal to 110% of the most current estimate of Taxes. Such deposit will be held in escrow and all interest earnings on such deposit will be paid to Seller. Title will retain such deposit to pay Seller's share of Taxes payable when due, paying any excess over to Seller. Seller will pay any deficiency when the amount of Taxes is known.

- d. Recording Costs. Seller will pay the cost of recording all documents necessary to place record title in the condition warranted and requested by Seller in this Agreement. Buyer will pay the cost of recording all other documents.
- e. Other Costs. All other operating costs of the Property will be allocated between Seller and Buyer as of the Closing Date so that Seller pays that part of such other operating costs payable before the Closing Date and Buyer pays that part of such operating costs payable from and after the Closing Date.
- f. Attorneys' Fees. Each of the parties will pay its own attorneys' fees, except that a party defaulting under this Agreement or any Closing Document will pay the reasonable attorneys' fees and court costs incurred by the non-defaulting party to enforce its rights regarding such default.

12. Operation Prior to Closing. During the period from the Effective Date to the Closing Date (the "**Executory Period**"), Seller shall maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. Seller shall execute no contracts, leases or other agreements regarding the Property during the Executory Period that are not terminable on or before the Closing Date, without the written consent of Buyer, which consent may be withheld by Buyer at its sole discretion. Seller shall not



construct any improvements on the Property or otherwise change the physical character of the Property during the Executory Period. During the Executory Period Seller shall not market the Property for sale or solicit offers to sell the Property and Seller shall post no "For Sale" signs on the Property. Notwithstanding anything contained in this Agreement to the contrary, and provided that Buyer has not theretofore terminated this Agreement as provided in Section 9 hereof, then upon the expiration of the Approvals Period Seller shall cause the barns and other structures located on the Holding Tract to be removed at Seller's sole cost and expense.

13. No TIF Modifications. During the Executory Period, Canterbury shall not modify or amend any existing TIF financing documents, Redevelopment Agreements or agreements with any governmental authority relating to the Property without Buyer's prior written consent.

14. Representations and Warranties.

14.1 Seller's Representations and Warranties. The parties comprising Seller each separately represent and warrant to Buyer as follows (the "**Seller's Representations**"):

- a. Corporate Entities; Authority. Development is duly organized as a limited liability company under the laws of the State of Minnesota and is currently in good standing to conduct business in the State of Minnesota. Holding is duly organized as a corporation under the laws of the State of Minnesota and is currently in good standing to conduct business in the State of Minnesota. Development and Holding each has the requisite corporate power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it. Such documents have been duly authorized by all necessary corporate action on the part of the Development and Holding and have been duly executed and delivered. Such execution, delivery and performance by Development and Holding of their respective obligations under such documents does not conflict with or result in a violation of either entities organizational or governing corporate documents or any judgment, order, or decree of any court or arbiter to which either Development or Holding is a party. Such documents are valid and binding obligations of Development and Holding and are enforceable against both entities in accordance with their terms.
- b. Title to Subject Property. Seller is fee owner of the Property, free and clear of all encumbrances and other interests except the encumbrances that will appear on the Title Commitment. .
- c. Assessments. Except as shown in the Records (i) Seller has received no notice of actual, pending or contemplated special assessments or reassessments of the Property and (ii) Seller has not within the past twelve (12) months agreed or consented to any special assessments or



other form of imposition to the Property.

- d. Parties in Possession. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers, and no party has been granted any license, lease, or other right relating to use or possession of the Property, except the rights of horsemen to use and occupy during the racing season for the Racetrack Property the horse barns located on the Canterbury Land ("**Barn Rights**"), provided that the Barn Rights shall not survive the Closing Date.
- e. No Default. Seller has not received written notice of any default (nor is there any default) under any note, mortgage or contract for deed or other obligation or liability related to the Property, and Seller covenants to take no action which may result in a default thereunder and to not grant any liens, leases, easements, options, rights of refusal or contracts with respect to the Property other than the Barn Rights during the Executory Period.
- f. Bankruptcy; Litigation. There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any applicable debtor relief laws, and here is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to Seller's actual knowledge, threatened against Seller or any portion of the Property.
- g. Environmental Laws. Except as disclosed in the Records, to Seller's actual knowledge, no toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, and any hazardous substance as defined in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C.'9601-9657, as amended, have been generated, treated, stored, released or disposed of, or otherwise placed, deposited in or located on the Property nor has any activity been undertaken on the Property that would cause or contribute to (i) the Property to become a treatment, storage or disposal facility within the meaning of, or otherwise bring the Property within the ambit of, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. 6901 et seq., or any similar state law or local ordinance, (ii) a release or threatened release of toxic or hazardous wastes or substances, pollutants or contaminants, from the Property within the meaning of, or otherwise bring the Property within the ambit of, CERCLA, or any similar state law or local ordinance, or (iii) the discharge of pollutants or effluents into any water source or system, the dredging or filling of any waters or the discharge into the air



of any emissions, that would require a permit under the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., or the Clean Air Act, 42 U.S.C.7401 et seq., or any similar state law or local ordinance. To Seller's actual knowledge, except as disclosed in the Records there are no substances or conditions in or on the Property that may support a claim or cause of action under RCRA, CERCLA or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements, including without limitation, the Minnesota Environmental Response and Liability Act, Minn. Stat. 115B ("MERLA") and the Minnesota Petroleum Tank Release Cleanup Act, Minn. Stat. 115C. Except as disclosed in the Records, to Seller's actual knowledge, no above ground or underground tanks, are located in or about the Property or have been located under, in or about the Property and have subsequently been removed or filled. To the extent storage tanks exist on or under the Property such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable Federal, state and local statutes, regulations, ordinances and other regulatory requirements.

- h. Wells. There are no known wells within the meaning of Minn. Stat. 103I.005 on the Property.
- i. Rights of Others to Purchase Property. Seller has not entered into any other contracts for the sale of the Property which remain in force as of this date, nor are there any rights of first refusal or options to purchase the Property or any other rights of others that might prevent the consummation of this Agreement.
- j. FIRPTA. No party comprising Seller is a "foreign person", "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.
- k. Governmental Notices and Violations. Except as disclosed in the Records, Seller has received no written notice from any governmental authority having jurisdiction over the Property (i) that the Property is presently the subject of any condemnation, assessment or similar proceeding or charge, and to Seller's knowledge, no such condemnation, assessment or similar proceeding or charge is currently threatened, or (ii) that the Property is in violation of any zoning, building or other similar law, ordinance, regulation, or statute of any governmental authority or agency pertaining to the Property.
- l. Title to Racetrack Property. Entertainment is fee owner of the Racetrack Property and has, or will have the on the effective date of the REOA, the consent and joinder to the REOA by all parties having an interest in the

Racetrack Property, including any mortgagees.

At Closing each entity and person comprising Seller shall deliver to Buyer a certificate restating the accuracy of the Seller's Representations as of the Closing Date in substantially the form attached hereto as Exhibit I (the "**Bring-Down Certificate**").

Seller shall indemnify and defend Buyer, its successors and assigns, and the Property against, and will hold Buyer, its successors and assigns and the Property, harmless from, any expenses or damages including reasonable attorneys' fees, that Buyer incurs because of the breach of any of the Seller's Representations, whether such breach is discovered before or after Closing. Consummation of this Agreement by Buyer with knowledge of any breach of Seller's Representations by Seller will not constitute a waiver or release by Buyer of any claims due to such breach. Each of the representations made in this Section 14.1 shall be deemed remade as of the Closing Date (with such changes thereto as Seller shall notify Buyer as of the Closing Date) and, as so remade, shall survive the Closing; provided that such representations shall lapse unless suit is brought with respect thereto within twelve (12) months after the Closing Date. Seller shall disclose to Buyer in writing any changes to the Seller's Representations promptly upon becoming aware of the same.

Except as expressly set forth herein, upon the Closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property from Seller "AS IS, WHERE IS, with all faults." Buyer hereby acknowledges that except for the express representations, warranties and covenants contained in this Agreement, there are no representations and/or warranties, express or implied, made by Seller in connection with the transaction contemplated in this Agreement. Buyer acknowledges and agrees that: (i) in addition to the representations and warranties of Seller set forth expressly in this Agreement, Buyer shall rely upon Buyer's own due diligence in determining whether the Property is suitable for purchase by Buyer; (ii) Buyer has been given a reasonable opportunity to inspect and investigate the Property, all improvements thereon, the financial information and all aspects relating thereto, either independently or through agents and experts of Buyer's choosing; and (iii) Buyer is acquiring the Property based upon Buyer's own investigations and inspections of the Property. The foregoing shall not be interpreted to waive any claim of Buyer with respect to any breach by Seller of any express representations and warranties made by Seller in this Agreement that expressly survive Closing, and in no event shall Buyer be deemed to assume any obligations or liabilities of Seller with respect to third party claims for any period prior to the Closing Date, and in no event shall the foregoing release apply to any claim brought by a third party unaffiliated with Buyer that accrued during Seller's period of ownership of the Property (and Buyer reserves the right to assert a cross-claim or bring a third-party complaint in the event Buyer is sued by any such third party who asserts a claim relating to a pre-closing period but does not include Seller as a defendant).

14.2 Buyer's Representations. Buyer represents and warrants to the other Parties that Buyer is duly organized as a limited liability company under the laws of the State of Minnesota and is currently in good standing to conduct business in the State of Minnesota. Buyer has the requisite corporate power and authority to enter into and perform this Agreement and

those Buyer's Closing Documents signed by it; such documents have been duly authorized by all necessary corporate action on the part of the Buyer and have been duly executed and delivered. Such execution, delivery and performance by Buyer of its obligations under such documents do not conflict with or result in a violation of any organizational or governing corporate documents or any judgment, order, or decree of any court or arbiter to which Buyer is a party. Such documents are valid and binding obligations of Buyer and are enforceable against Buyer in accordance with their terms.

15. Broker's Commission. If the transaction contemplated by this Agreement is consummated in the time and manner required by this Agreement, Seller shall pay any brokerage commission payable to or any broker or agent claiming under it. Seller and Buyer represent and warrant to each other that they have dealt with no other brokers, finders or the like in connection with this transaction, and agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys' fees.

16. 1031 Tax Deferred Exchange. Seller and Buyer shall cooperate with reasonable requests made by the other to effect the requesting party's like-kind exchange (whether simultaneous, deferred or reverse) of real property pursuant to Section 1031 of the United States Internal Revenue Code and similar provisions of applicable state law; provided that (i) the cooperating party shall not be required to incur any costs, expenses or liability in connection with the same, (ii) neither party shall be allowed to delay the Closing hereunder, (iii) neither party shall be obligated to execute any note, contract, deed or other document not otherwise expressly provided for in this Agreement providing for any personal liability, nor shall either party be obligated to take title to any property other than the Property as otherwise contemplated in this Agreement or incur additional expense for the benefit of the other party, (iv) the exchanging party shall not be released from any obligations or liabilities under this Agreement, (v) the exchanging party shall structure the transaction as an exchange agreement involving a "Qualified Intermediary" as defined in the regulations issued under Section 1031 of the Internal Revenue Code; (vi) the exchanging party shall send and the other party shall receive notice of the proposed structure of the transaction and identity of the Qualified Intermediary and a copy of any exchange agreement or other agreement pertinent to the transaction at least five (5) days prior to the Closing Date and (vi) nothing herein shall obligate the non-exchanging party to take any action which it reasonably believes adversely affects its tax position or does not have a reasonable basis in the law. Each party shall indemnify and hold the other harmless against any liability which arises or is claimed to have arisen on account of any exchange proceedings that is initiated on behalf of the indemnifying party.

17. Assignment. Either party may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement.

18. Survival. All of the terms of this Agreement will survive and be enforceable after the Closing subject to the limitations relating to the Seller's Representations set forth in Section 14.1 above.

19. Notices. Any notices required or permitted to be given hereunder shall be in writing and shall be effective (i) when delivered personally or via electronic mail, (ii) when received by overnight courier service, email or facsimile communications or (iii) three (3) days after being deposited in the United States Mail (sent certified or registered, return receipt requested), in each case addressed as follows (or to such other address as the parties hereto may designate in the manner set forth herein):

As to Seller:  
Canterbury Development LLC  
Attn: Randy Sampson  
1100 Canterbury Road South  
Shakopee MN 55379  
Email: [RSampson@canterburypark.com](mailto:RSampson@canterburypark.com)

As to Entertainment:  
Canterbury Park Entertainment LLC  
Attn: Randy Sampson  
1100 Canterbury Road South  
Shakopee MN 55379  
Email: [RSampson@canterburypark.com](mailto:RSampson@canterburypark.com)

As to Buyer:  
Swervo Development Corporation  
Attn: Ned Abdul  
510 1<sup>st</sup> Avenue Suite 600  
Minneapolis, MN 55403  
Email: [ned@swervo.com](mailto:ned@swervo.com)

or to such other address or to the attention of such other persons as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of telecopy upon receipt.

20. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

21. Entire Agreement; Modification. This Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the



parties regarding the Property or the Canterbury Park Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.

22. Binding Effect. This Agreement binds and benefits the Parties and their successors and assigns.

23. Controlling Law. This Agreement is made under the laws of the State of Minnesota, and such laws will control its interpretation.

24. Remedies. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer and canceling this Agreement pursuant to Minnesota Statutes Section 559.21 with a thirty (30) day cancellation period and upon such termination Seller will retain the Earnest Money as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Earnest Money will be the sole remedy available to Seller for such default by Buyer and Buyer will not be liable for damages or specific performance, except that Buyer's Due Diligence Obligations shall survive the cancellation of this Agreement. If Seller or Entertainment defaults under this Agreement, Buyer may seek such remedies as are available at law or equity, including the right to the specific performance of this Agreement provided any action for specific performance is commenced within six (6) months after the date Seller or Entertainment defaults. Buyer shall also be entitled to receive its costs and expenses, including reasonable attorneys' fees, if Buyer commences an action to enforce its rights hereunder.

25. Counterparts. This Agreement may be executed in multiple counterparts which, when taken together, shall constitute a single instrument.

26. Preparation of Contract. This Agreement shall not be more strictly construed against one Party than against the other by virtue of the fact that it may have been physically prepared by one Party or by its attorneys, all Parties and their respective attorneys having participated in the negotiation, drafting and preparation of this Agreement.

27. Memorandum of Purchase Agreement. At Buyer's request, Seller shall execute a Memorandum of this Agreement and Buyer may, at its expense, record such Memorandum of this Agreement against the title to the Property, provided that in the event that this Agreement is terminated for any reason permitted by its terms, Buyer shall promptly execute and deliver to Seller a Quit Claim Deed to the Property.

28. Approval of Minnesota Racing Commission. The Parties acknowledge that the use and occupancy of the Holding Tract is subject to regulation by the Minnesota Racing Commission ("MRC"), and that this Agreement is made expressly conditioned upon receipt of the approval of the MRC to (i) the transfer of title to the Holding Tract contemplated by this Agreement, and (ii) the terms and conditions of the Restricted Activities Agreement and the Parking License Agreement (the "MRC Approval"). As soon as reasonably possible after the



Effective Date of this Agreement, Seller shall apply for and expend commercially reasonable efforts and resources to obtain the MRC Approval.

29. Approval of Entertainment Lender. The Parties acknowledge that the Racetrack Property is subject to a mortgage in favor of Bremer Bank, National Association (“**Entertainment Lender**”), and that this Agreement is made expressly conditioned upon receipt of the approval of Entertainment Lender to the terms and conditions of the Restricted Activities Agreement and the Parking License Agreement (the “**Lender Approval**”). As soon as reasonably possible after the Effective Date of this Agreement, Seller shall cause Entertainment to apply for and expend commercially reasonable efforts and resources to obtain the Lender Approval.

The Parties, intending to be legally bound, have executed this Agreement as of the Effective Date.

*[Signatures appear on the following pages]*



*[Signature Page of Seller]*

**SELLER:**

Canterbury Development LLC

By: 

Its: President & CEO

Canterbury Park Holding Corporation

By: 

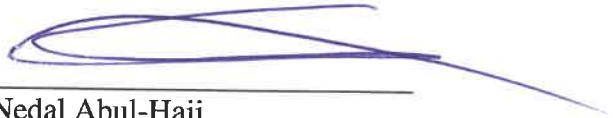
Its: President & CEO

*[Signature Page of Buyer]*

**BUYER:**

Swervo Development Corporation

By: \_\_\_\_\_

  
Nedal Abul-Hajj

Its: President



JOINDER BY TITLE

The undersigned (“**Title**”) hereby joins in the foregoing Purchase Agreement for the purposes of depositing, maintaining and disbursing the Earnest Money in the manner specified in the Purchase Agreement. The liability of Escrow Agent hereunder shall be limited to performing said duties in accordance with the terms and conditions of the Purchase Agreement.

Commercial Partners Title, LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A-1**

**Legal Description of the Development Tract**

Outlot B, Canterbury Unbridled Addition.

*e*

**EXHIBIT A-2**

**Legal Description of the Holding Tract**

Lot 2, Block 1, Canterbury Park Sixth Addition.

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**EXHIBIT A-3**

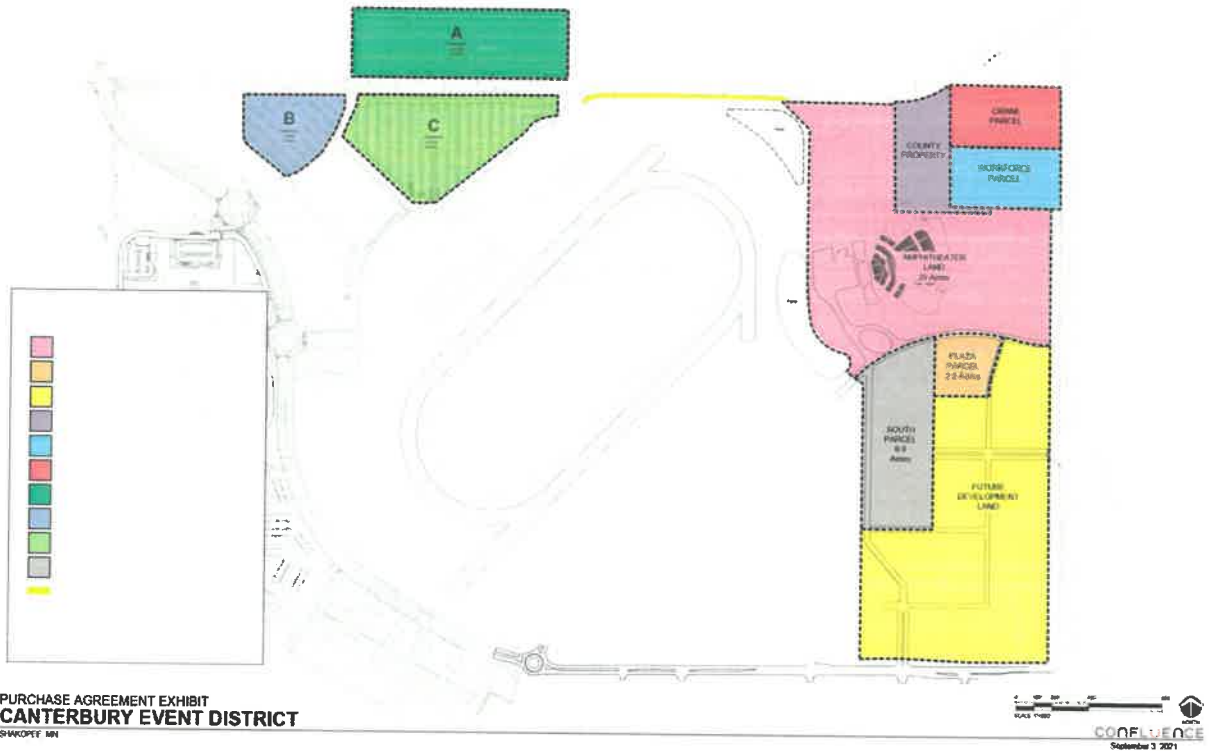
**Legal Description of the Racetrack Property**

Lot 1, Block 1, and Outlot A, Canterbury Unbridled Addition.

②

# EXHIBIT B

## The Amphitheater Development Plan



B

## EXHIBIT C

### Legal Description of the County Property

That part of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 4, Township 115, Range 22, described as follows:

Commencing at the Southeast corner of said quarter-quarter; thence North 00 degrees 42 minutes 52 seconds West a distance of 661.30; thence West along the South line of BEHRINGERS FIRST ADDITION a distance of 436.05 feet to the point of beginning; thence South 00 degrees 41 minutes 18 seconds a distance of 30 feet; thence North 89 degrees 18 minutes 42 seconds West a distance of 528.56 feet; thence North 00 degrees 54 minutes 14 seconds West a distance of 691.51 feet to the North line of said quarter-quarter; thence South 89 degrees 18 minutes 01 seconds East a distance of 305.40 feet to the Northwest corner of Lot 1, Block 1, BEHRINGERS FIRST ADDITION; thence South 00 degrees 54 minutes 14 seconds East a distance of 661.45 feet; thence South 89 degrees 18 minutes 42 seconds a distance of 224 feet to the point of beginning.

**EXHIBIT D**  
**Repurchase Option**

*[see attached document, consisting of ten (10) pages]*

A small, handwritten mark in blue ink, resembling a stylized letter 'D' or a similar symbol, located in the bottom right corner of the page.

OPTION AGREEMENT  
(Repurchase Option)

THIS OPTION AGREEMENT (“**this Agreement**”) is made as of this \_\_\_\_ day of \_\_\_\_\_, 202\_\_ (the “**Effective Date**”), by and between \_\_\_\_\_, a Minnesota limited liability company (“**Seller**”) and Canterbury Development LLC, a Minnesota limited liability company (“**Buyer**”).

IN CONSIDERATION of this Agreement, Seller and Buyer agree as follows:

1. Grant of Option. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller, as the fee owner of that certain real property located in the City of Shakopee (the “**City**”), Scott County, Minnesota legally described on Exhibit A attached hereto and made a part hereof (the “**Land**”), hereby grants to Buyer the limited option (the “**Option**”) to purchase from Seller, and Buyer hereby accepts the Option to purchase from Seller, the Land, together with all improvements and all easements and rights benefiting or appurtenant thereto (the “**Subject Property**”)

2. Limited Option. This is a limited option and Buyer may exercise the Option if and only if within two (2) years from the date hereof (the “**Required Date**”) Seller has not commenced construction of an amphitheater project with a capacity of approximately nineteen thousand five hundred (19,500) patrons, performers and staff for live performance events, and consisting of a permanent stage and back-of-the-house/greenroom building facilities, fixed outdoor seating, associated surface parking and other amenities determined by Seller (the “**Amphitheater Project**”). If Seller has not commenced construction of the Amphitheater Project by the Required Date, then Seller shall have a term (the “**Option Term**”) of thirty (30) days after the Required Date within which Seller may exercise the Option. For purposes of this Agreement construction shall be deemed to have commenced upon the commencement of visible improvements to the Subject Property for the Amphitheater Project.

3. Exercise of Option. If Buyer elects to exercise the Option, Buyer shall give notice of exercise to Seller (the “**Exercise Notice**”) prior to the expiration of the Option Term (the date of such notice being sometimes hereinafter referred to as the “**Exercise Date**”). If Buyer exercises the Option, Buyer must exercise the Option with respect to all of the Subject Property. Upon such timely exercise, Seller shall be obliged to sell and convey the Subject Property to Buyer, and Buyer shall be obliged to purchase and accept the Subject Property from Seller, upon the terms and subject to the conditions set forth in this Agreement. If Buyer does not exercise the Option in the manner set forth herein on or before the last day of the Option Term, then this Option shall automatically lapse and shall have no further force or effect.

4. Purchase Price. If the Option to purchase the Subject Property is exercised by Buyer is provided in Paragraph 3 above, the purchase price (the “**Purchase Price**”) to be paid by Buyer to Seller for the Subject Property shall be *[INSERT HERE THE AMOUNT OF THE GROSS PURCHASE PRICE THAT SWERVO PAID FOR THE PROPERTY]*, and shall be payable in cash, by wire transfer of U.S. funds, on the Closing Date (hereinafter defined).





5. Conditions of Closing. Notwithstanding Buyer's exercise of the Option, Buyer shall have no obligation to purchase the Subject Property if any of the following conditions are not satisfied as of the Closing Date: (a) all of Buyer's Objections (hereinafter defined) must have been cured or Buyer must be assured that, upon Closing, such Objections are cured; and (b) no material change shall have occurred in the environmental or physical condition of the Subject Property from the Effective Date to the Closing Date.

6. Closing. The closing of the purchase and sale of the Subject Property contemplated by this Agreement (the "**Closing**") shall occur on a date (the "**Closing Date**") which is sixty (60) days following the Exercise Date, or such earlier date as the parties may agree upon. Seller shall deliver possession of the Subject Property on the Closing Date, subject to the Permitted Encumbrances (hereinafter defined).

7. Seller's Closing Documents. On the Closing Date Seller shall execute and deliver to Buyer the following (collectively, "**Seller's Closing Documents**"), all in form and substance reasonably satisfactory to Buyer:

a. Deed. A Minnesota Statutory Form Limited Warranty Deed conveying the Subject Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances.

b. Seller's Affidavit. An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Subject Property; that there has been no skill, labor or material furnished to the Subject Property for which payment has not been made or for which mechanic' liens could be filed; and that there are no other unrecorded interests in the Subject Property, together with whatever standard owner's affidavit and/or indemnity (ALTA form) that may be required by Title (hereinafter defined) to issue an owner's policy of title insurance with standard exceptions deleted.

c. FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by the Internal Revenue Code Section 1445(b)(2) and its regulations.

d. IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

e. Well Certificate. A certificate warranting that there are no "Wells" on the Subject Property within the meaning of Minnesota Statutes Section 103I, or if there are "Wells", a Well Certificate in the form required by law.

f. Other Documents. All other documents reasonably determined by Title to be necessary to transfer title to the Subject Property to Buyer by the Limited Warranty Deed required by Subparagraph 7.a above.

8. Buyer's Closing Documents. On the Closing Date, Buyer will execute and deliver to Seller the following ("**Buyer's Closing Documents**"):

a. Purchase Price. The Purchase Price, by cash or wire transfer of U.S. Federal Funds to be received in Title's trust account.

b. IRS Form. A Designation Agreement designating the "reporting person" for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

c. Title Documents. Such affidavits of Purchaser, certificates of real estate value, or other documents as may be reasonably required by Title in order to disburse the Purchase Price to Seller.

9. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

a. Title Insurance and Closing Fee. Buyer will pay all premiums required for the issuance of any owner's or lender's title policy required by Buyer. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge for the Closing imposed by any closing agent designated by Title.

b. Deed Tax; Mortgage Registry Tax. Seller shall pay all State Deed Tax regarding the Limited Warranty Deed to be delivered by Seller under this Agreement. Buyer shall pay all Mortgage Registry Tax regarding the recording of any mortgage being granted by Buyer.

c. Real Estate Taxes and Special Assessments. Seller will pay, on or before the Closing Date, all special assessments levied, pending or constituting a line against the Subject Property as of the Closing Date, including, without limitation, any installments of special assessments including interest payable with the general real estate taxes in the year of Closing. General real estate taxes due and payable in all years prior to the year in which Closing occurs will be paid by Seller. General real estate taxes due and payable in the year in which Closing occurs shall be prorated between Seller and Buyer as of the Closing Date based upon a calendar fiscal year.

d. Recording Costs. Seller will pay the costs of recording all documents necessary to place record title in the condition warranted by Seller in this Agreement. Buyer will pay the costs of recording all other documents.

e. Title Evidence. Seller shall pay for the cost of producing the Title Commitment.

f. Other Costs. Any operating costs of the Subject Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such operating costs payable before the Closing Date, and Buyer pays that part of such operating costs payable before the Closing Date.

10. Title Examination. Examination of the title to the Subject Property shall be conducted as follows:

a. Title Evidence. As soon as possible after the Exercise Date Seller shall obtain and deliver to Buyer a current title insurance commitment (the "**Title Commitment**") covering the Subject Property issued by Commercial Partners Title, LLC ("**Title**"), together with clear and legible copies of all documents referred to therein, which shall commit Title to issue an ALTA Owner's Policy, with extended coverage, to Buyer in the amount of the Purchase Price (the "**Title Evidence**").

b. Buyer's Objections. Within twenty (20) days of its receipt of the Title Evidence Buyer will make written objections ("**Objections**") to the form and/or contents of the Title Evidence. Buyer's failure to make Objections within such period will constitute waiver of any Objections, and any matter shown on such Title Evidence and not objected to by Buyer shall be a matter that Buyer shall accept as a matter that affects title to the Subject Property (the "**Permitted Encumbrances**"). In the event that Buyer makes Objections, Seller shall use all reasonable efforts to correct such Objections. Seller shall have sixty (60) days after the receipt of such Objections to cure the same. In the event Buyer has made Objections, and Seller fails to cure the same within such 60-day period, then Buyer shall have the option to: (i) terminate this Agreement; or (ii) waive all uncured Objections, in which event this Agreement shall remain in full force and effect.

11. Operations Prior to Closing. During the period from the Exercise Date to the Closing Date or the earlier termination of this Agreement (the "**Executory Period**"), Seller shall operate and maintain the Subject Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance. Seller shall not execute any contracts, leases or other agreements regarding the Subject Property during the Executory Period without the prior written consent of Buyer.

12. Representations and Warranties by Seller. Seller represents and warrants to Buyer that the following are true now and will be true on the Closing Date except as provided for below:

a. Organization and Authority. Seller is a limited liability company duly created and is in good standing under the laws of the State of Minnesota; Seller is duly qualified to transact business in the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents



signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been duly executed and delivered; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of Seller's organizational documents, or any judgment, order or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.

b. Title to Subject Property. Seller owns fee simple title to the Subject Property.

c. Rights of Others to Purchase the Subject Property. Seller has not entered into any other contracts for the sale of the Subject Property, nor are there any rights of first refusal or options to purchase the Subject Property or any other rights of others that might prevent the consummation of the transaction contemplated by this Agreement (the "**Other Agreements**"), except as disclosed in writing by Seller to Buyer within ten (10) business days after the Exercise Date. If Buyer objects to the Other Agreements, Buyer may rescind the Exercise Notice by notice in writing delivered to Seller prior to the Closing Date. Thereupon, the Option shall terminate and neither party shall be further liable to the other hereunder.

d. Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best of Seller's actual knowledge, threatened against Seller or any portion of the Subject Property ("**Actions**"), except as disclosed in writing by Seller to Buyer within ten (10) business days after the Exercise Date. If Buyer objects to the Actions, Buyer may rescind the Exercise Notice by notice in writing delivered to Seller prior to the Closing Date. Thereupon, the Option shall terminate and neither party shall be further liable to the other hereunder.

e. Wells. Seller certifies and warrants that Seller does not know of any "Wells" on the Subject Property within the meaning of Minnesota Statutes Section 103I. This representation is intended to satisfy the requirements of that statute.

f. Storage Tanks. To the best of Seller's actual knowledge after due inquiry, no above ground or underground tanks are located in or about the Subject Property, or have been located under, in or about the Subject Property.

Seller's representations and warranties shall be true, accurate and complete as of the Effective Date and the Closing Date, and Seller shall certify the accuracy and completeness of the same at Closing. Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Except as herein expressly stated, Buyer is purchasing the Subject Property based upon its own investigations and inquiry and is not relying on any representation of Seller or other person and is agreeing to accept

and purchase the Subject Property “as is, where is” subject to the conditions of title examination herein set forth and the express warranties herein contained. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach.

13. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that Buyer is a limited liability company in good standing under the laws of the State of Minnesota; Buyer is duly qualified to transact business in the State of Minnesota; Buyer has the requisite power and authority to enter into and perform this Agreement and those Buyer’s Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered; such execution, delivery and performance by Buyer of such documents does not conflict with or result in a violation of Buyer’s organizational documents, or any judgment, order or decree of any court or arbiter to which Buyer is a party; such documents are valid and binding obligations of Buyer, and are enforceable in accordance with their terms. Buyer will indemnify Seller, its successors and assigns, against, and will hold Seller, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys’ fees, that Seller incurs because of breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach. Consummation of this Agreement by Seller with knowledge of any such breach by Buyer will not constitute a waiver or release by Seller of any claims due to such breach.

14. Condemnation. If, after the Effective Date, but prior to Closing, eminent domain proceedings are commenced against all or any part of the Subject Property, Seller shall notify Buyer immediately of such fact and at Buyer’s option (to be exercised by notice to Seller given with thirty [30] days after Seller’s notice) this Agreement shall terminate, in which event neither party will have any further obligations under this Agreement. If Buyer shall fail to give such notice then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing all of Seller’s right, title and interest in and to any award made or to be made in such proceedings. Prior to Closing, Seller shall not designate counsel, appear in, or otherwise act with respect to such proceedings without the prior written consent of Buyer.

15. Broker’s Commission. Seller and Buyer represent and warrant to each other that they have not dealt with any brokers, finders or the like in connection with this Agreement. Seller and Buyer agree to indemnify and hold harmless each other against claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorneys’ fees.

16. Assignment. Either party may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement.



17. Survival. All warranties, representations, covenants, indemnifications and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and any and all documents delivered in connection with this Agreement shall survive the Closing of the transaction contemplated by this Agreement, and any action thereon must be filed within one (1) year from the Closing Date.

18. Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall, in the case of a notice or demand, be in writing and sent via e-mail with a concurrent mailing of such notice, overnight courier service (such as Federal Express, UPS, or DHL), or by United States regular, registered, or certified mail, return receipt requested, with postage prepaid, addressed as follows:

As to Seller:

As to Buyer:

Canterbury Development LLC  
Attn: Randy Sampson  
1100 Canterbury Road South  
Shakopee MN 55379  
Email: [RSampson@canterburypark.com](mailto:RSampson@canterburypark.com)

Any party may designate a different address for itself by notice similarly given. Delivery may also be made in person. Unless otherwise provided herein, any such notice, demand or document so given, delivered or made by recognized overnight courier or by registered or certified mail shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given. Delivery via e-mail transmission shall be effective on the date of confirmed transmission if received before 5:00 p.m. (recipient's local time) on a business day or on the next business day if sent after 5:00 p.m. Notices received by a party's attorney shall be deemed notice to such party.

19. General.

a. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, whether written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

b. Binding Effect. This Agreement binds and benefits the parties hereto and their respective successors and assigns.



c. Time of Essence. Time is of the essence in the performance of each and every term, condition and covenant of this Agreement.

d. Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

e. Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.

f. Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of the suit.

g. Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or of any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provisions of this Agreement.

h. Time Computations. Unless otherwise provided herein, in computing a period of days for performance or payment as provided hereunder, the first day shall be excluded and the last day shall be included. If the last day of any such period is Saturday, Sunday or a legal holiday, the period shall extend to include the next day which is not a Saturday, Sunday, or legal holiday. Any performance or payment which must be taken or made under this Agreement must be taken or made prior to 5:00 p.m. on the last day of the applicable period provided hereunder for such action, unless another time is expressly specified. Except as otherwise provided, all references to time shall be local time in the State of Minnesota.

i. Governing Laws. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

j. No Recording. This Agreement shall not be recorded in the real property records, and any recording of this instrument shall be void.

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

**SELLER:**

\_\_\_\_\_

By: \_\_\_\_\_

Its:

**BUYER:**

Canterbury Development LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

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**EXHIBIT A**

**Legal Description of Subject Property**

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**EXHIBIT E**

**Park Plaza License Agreement**

[to be attached, as provided in Section 4.2]

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**EXHIBIT F**

**Restricted Activities Agreement**

*[see attached document, consisting of twelve (12) pages]*

[Restricted Activities Agreement is redacted.]

B

**EXHIBIT G**

**Parking License Agreement**

*[see attached document, consisting of twenty-three (23) pages]*



## Parking License Agreement

THIS AGREEMENT is made as of this \_\_\_ day of \_\_\_\_\_, 202\_\_ (the “**Effective Date**”) by and between Canterbury Park Entertainment, LLC, a Minnesota limited liability company (“**Entertainment**”) and \_\_\_\_\_ or its assigns (“**Operator**”).

### Preliminary Statement of Facts

Operator is the fee owner of real property (the “**Amphitheater Parcel**”) legally described on **Exhibit A** attached hereto and incorporated herein. Operator intends to develop, construct and operate on the Amphitheater Parcel an outdoor amphitheater and related improvements and facilities (collectively, the “**Amphitheater**”).

Entertainment is the fee owner of the real property (the “**Racetrack Parcel**”) legally described on **Exhibit B** attached hereto and incorporated herein by reference. Entertainment operates a racetrack and other entertainment facilities (the “**Racetrack**”) upon the Racetrack Parcel.

The Racetrack Parcel includes the parking areas (the “**Parking Areas**”) depicted and labeled as Parking Areas A-C on **Exhibit C** attached hereto and incorporated herein by reference. Parking Area A is also a parcel of land legally described as Outlot A, Canterbury Unbridled Addition.

Entertainment desires to grant to Operator, and Operator desire to accept, the right to use the Parking Areas and the right of access thereto over and across the sidewalks and walkways now or hereafter constructed on the Racetrack Parcel on certain of those dates (the “**Event Dates**”) the Operator is presenting performances or events (the “**Events**”) at the Amphitheater pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual covenants and agreements of the parties hereto set forth below, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above are an integral part of this Agreement and are incorporated into this Agreement by reference.
2. Entertainment Exclusive Use. Except for the limited right to use the Parking Areas granted to Operator under the Parking License (hereinafter defined), the use of the Parking Areas by Entertainment shall be exclusive on all days.

3. Parking License. Entertainment grants Operator a license (the “**Parking License**”) to use the Parking Areas for the temporary parking of vehicles for Events pursuant to the terms and conditions set forth below.

a. Blackout Dates. Exhibit D attached hereto sets forth certain specified dates on which none of the Parking Areas shall be available for use by Operator under the terms of this Agreement (the “**Blackout Dates**”), and certain specified dates on which none of the Parking Areas shall be available for use by Operator under the terms of this Agreement before 6 p.m. (the “**Limited Blackout Dates**”). Entertainment shall have the right at its option to change the Blackout Dates and the Limited Blackout Dates from time to time for any calendar year by giving Operator written notice thereof in advance of such changes becoming effective, provided that in no event shall the total number of Blackout Dates for any calendar year be more than (8) days and that in no event shall the total number of Limited Blackout Dates for any calendar year be more than three (3) days, and provided further that no day so added or changed shall be an Event Date shown on the Lot A Schedule, defined below, then established by Operator in accordance with the terms of this Paragraph 3.

b. Operator’s Rights to Parking Area A. Except for the Blackout Dates, Operator may use Parking Area A from and after 5 p.m. for any Event Dates during the period beginning May 1 and ending on October 15 in each calendar year, provided however that if such Event Date is a Limited Blackout Date then the use of Parking Area A shall be from and after 6 p.m. for such Event Date. On or before March 15 of each calendar year Operator shall deliver to Entertainment in writing a list of Event Dates for which Operator has committed an Event in such calendar year (the “**Lot A Schedule**”) and the date on which Operator delivers the Lot A Schedule to Entertainment is referred to as the “**Commitment Date**”. Notwithstanding the foregoing, Operator may include up to three Event Dates per calendar year on the Lot A Schedule with a start time of 12:00 pm (noon) (“**Early Start Dates**”).

c. Addition of Dates for Use of Parking Area A by Either Party During the First Period. Notwithstanding anything contained in this Agreement to the contrary, during the period starting the day after the Commitment Date and ending on May 15 of each calendar year (the “**First Period**”), Operator may, by notice in writing to Entertainment, add additional Event Dates to the Lot A Schedule, provided such additional Event Dates are not on Blackout Dates or Limited Blackout Dates, and provided further that such additional Event Dates have not been foreclosed from being added to the Lot A Schedule as provided below in this subparagraph (c). If Operator has not previously selected three (3) Early Start Dates on the Lot A Schedule pursuant to Section 3(b) above, then Operator may also request an Early Start Date as part of any notice for additional Lot A Schedule dates under this section, provided that the total



number of Early Start Dates on the Lot A Schedule for any calendar year, after such notice, does not exceed three (3) Event Dates. Additionally, during the First Period, Entertainment may request Operator in writing for the right to use Parking Area A on any date in such calendar year not then on the Lot A Schedule or which falls on any Blackout Dates or Limited Blackout Dates. Operator shall then have five (5) business days after receiving such request to notify Entertainment in writing whether or not such use on such date(s) will be permitted. If Operator responds that such use will be permitted on the requested dates, then Entertainment shall be allowed to use Parking Area A on the date(s) requested and thereafter Operator shall be foreclosed from requesting that such date(s) be added to the Lot A Schedule. If Operator responds that such use will not be permitted, then the date(s) requested by Entertainment will be added to the Lot A Schedule. If Operator does not respond to Entertainment's written request, then Operator shall be deemed to have approved such request.

d. Addition of Dates for Use of Parking Area A by Either Party During the Second Period. Notwithstanding anything contained in this Agreement to the contrary, at any time and from time to time on or after May 15 of each calendar year (the "**Second Period**"), either party hereto (the "**Requesting Party**") may notify the other party hereto in writing that it intends to use Parking Area A on any specified date(s) in such calendar year not then on the Lot A Schedule or which fall on Blackout Dates, Limited Blackout Dates or Hold Dates, defined below. If Entertainment is the Requesting Party, then after the date of such notification Operator shall be foreclosed from requesting that such date(s) be added to the Lot A Schedule or making such date a Hold Date. If the Requesting Party is the Operator then upon such notification the date(s) specified in the notice shall be added to the Lot A Schedule. If Operator has not previously selected three Early Start Dates on the Lot A Schedule pursuant to Section 3(b) or (c) above, then Operator may request an Early Start Date as part of any notice of additional Lot A Schedule dates under this section, provided that the total number of Early Start Dates on the Lot A Schedule for any calendar year does not, after such notice, exceed three Event Dates.

e. Operator May Request Other Early Start Dates for Parking Area A. In addition to the other provisions of this Paragraph 3, Operator may request Entertainment in writing for the right to designate Event Dates on the Lot A Schedule with a start time of 12:00 pm (noon) as Early Start Dates. Entertainment shall then have five (5) business days after receiving such request to approve or refuse the addition of the requested Early Start designation of such Event Dates and notify Operator of same in writing. If Entertainment fails to notify Operator of its decision as to such request in writing within said five (5) business day period, Entertainment shall be deemed to have consented to the designation of such Event Dates as Early Start Dates as requested.



f. Notice of Racetrack Events/Parking Areas B and C. On November 1 of each year during the Term of this Agreement Entertainment shall notify Operator in writing (the “**Annual Availability Notice**”) of those dates in the upcoming calendar year and the times during each such date when Entertainment has scheduled or intends to schedule events for the Racetrack which will require use of the Parking Areas B and/or C and specifying the Parking Areas it intends to use on those dates (the “**Reserved Dates**”).

g. Notice of Event Dates/Parking Areas B and C. Within one hundred twenty (120) days after November 1 of each calendar year Operator shall give Entertainment written notice of the Event Dates, other than the Blackout Dates and the Reserved Dates, for which Operator elects to use Parking Areas B and/or C (the “**Event Notice**”). For dates included in the Event Notice, Operator may use Parking Areas B and C from and after 5 p.m. for any Event Dates during the period beginning May 1 and ending on September 30 in each calendar year, provided however that if such Event Date is a Limited Blackout Date then the use of Parking Areas B and or C shall be from and after 6 p.m. for such Event Date

h. Operator May Request Additional Dates for Parking Areas B and/or C. In addition to the Event Notice provided for above, Operator may from time to time request from Entertainment the right to use Parking Areas B and/or C for an Event Date, provided that such Event Date is not a Blackout Date or Limited Blackout Date. Entertainment shall have five (5) days from receipt of such request to notify Operator whether or not such use the Parking Areas B and/or C will be permitted. If Entertainment does not respond to any such request within said five (5) day period, then Entertainment shall be deemed to have permitted such use on such requested date and such permitted dates shall be added to the Event Notice.

i. Operator’s Hold Dates. Notwithstanding any other term or condition of this Agreement to the contrary, Operator may reserve the use of any or all of the Parking Areas A, B, or C on up to eight (8) dates of its choosing during any calendar year, provided such dates are not Blackout Dates or have not been previously designated by Entertainment as Reserved Dates (the “**Hold Dates**”). Operator shall designate Hold Dates and the Parking Areas reserved on those dates from time to time by notice in writing to Entertainment (the “**Hold Date Notice**”). Once Operator designates a date as a Hold Date, then Entertainment may not designate the Parking Areas so reserved as a Reserved Date or otherwise use such Parking Areas. For each Hold Date that Operator elects, Operator shall be obligated to pay Entertainment \* \* \* (the “**Hold Fee**”), which Hold Fee shall be payable within thirty (30) days after the selected Hold Date. Notwithstanding the foregoing, if Operator uses any of the Parking Areas reserved in the Hold Date Notice for an Event, Operator shall pay to Entertainment



the Parking Fee, defined below, for all of the Parking Areas actually used, less the Hold Fee payable for such date.

j. Lot A Schedule and the Event Notice are Operator Commitments. Once Operator (i) includes or adds an Event Date on the Lot A Schedule or on the Event Notice or (ii) requests use of Parking Areas B and/or C on a specified date (exclusive of Hold Date Notices) and Entertainment agrees (or is deemed to have agreed) to such use as provided in subparagraph (f) above, thereby adding the Event Date to the Event Notice or (iii) uses a Parking Area pursuant to a Hold Date Notice, then Operator is committed to pay the Parking Fee for the Parking Areas Operator elects to use for such date.

k. Limit on Hours of Operator Use; Use Exclusive. The use of any of the Parking Areas subject to the terms of the Parking License shall be limited as set forth in Paragraph 5 below. The use granted in the Parking License shall be exclusive to Operator, provided however it is understood and agreed that, due to the nature of the operation of events at the Racetrack, the vehicles of some patrons of those Racetrack events may remain in the Parking Areas during some period of such use by Operator. Accordingly, if Operator has selected a Parking Area for an Event Date and, as of the starting time for the selected Parking Area on that date, the spaces in such Parking Area are occupied in whole or in part by patrons of the Racetrack (the “Unavailable Spaces”), then Operator may use a number of parking spaces equal to the number of the Unavailable Spaces in other available Parking Areas for the Operator’s “Parkers” (hereinafter defined) without additional charge.

4. Parking Fee: Operator’s Share of Capital Expenses. In consideration of the Parking License, for each Event Date for which Operator has added to the Event Notice and for any date Operator includes on the Lot A Schedule, Operator shall pay to Entertainment a parking fee (the “Parking Fee”) for each Parking Area designated in either in the Event Notice or the Lot A Schedule or as follows:

<u>Parking Area</u>	<u>Parking Fee</u>
* * *	

Operator shall pay the Parking Fee for an Event Date to Operator thirty (30) days after the Event for which the Parking Fee is payable, upon receipt of an invoice from Entertainment. The Parking Fee shall be increased by \* \* \* on each \* \* \* anniversary date of this Agreement. Notwithstanding any of the foregoing, the total Parking Fee paid for each calendar year shall not be less than \* \* \* (the “Minimum Parking Fee”). If the total amount of the Parking Fee earned as calculated above is less than the Minimum Parking

Fee, then Operator shall pay the difference to Entertainment within thirty (30) days after written notice from Entertainment of the amount due.

In addition to the Parking Fee, Operator shall be responsible for an equal share of any costs of repairing, restoring or replacing the parking surfaces and other improvements to Parking Area A which are capital in nature (the “**Capital Work**”), provided that Entertainment shall first give Operator written notice of any proposed Capital Work, together with a reasonably detailed description of the scope of the Capital Work and reasonable evidence of the proposed costs of the Capital Work. If the Capital Work is other than improvements required by any governmental or quasi-governmental entity having jurisdiction over Parking Area A, Operator shall have the right to consent to the same, by giving written notice to Entertainment of the same within ten (10) business days after its receipt such notice from Entertainment. If Operator consents to the Capital Work, or if the Capital Work is required by any such governmental or quasi-governmental entity, Operator shall pay to Entertainment its share of the cost of the Capital Work within thirty (30) days after its receipt of an invoice from Entertainment detailing the total amount of such costs and the calculation of such share (the “**Operator’s Capital Expense Share**”). If Operator elects not to consent to the Capital Work, and the Capital Work is subject to such consent, Entertainment may nonetheless complete the Capital Work at its expense provided that such work does not materially and adversely affect Operator’s use of the Parking Area A with respect to any Event Dates hereunder. Routine maintenance and repair of the parking surfaces and such other improvements that are not capital expenses shall be completed by Entertainment at its sole cost and expense as and when such work is reasonably needed to be completed. The costs of all repair, restoration, maintenance and replacement work, for Parking Areas B and , whether such costs are denominated as an expense or capital cost, shall be sole responsibility of Entertainment and Operator shall have no liability for such costs.

5. Use of Parking Areas. The Parking License shall be used solely to support Amphitheater Events and other activities related to the Amphitheater Parcel. The Parking License shall be used for parking by patrons, guests, invitees, staff and other personnel attending the Events and for providing services in conjunction with Events or otherwise using or servicing the Amphitheater Parcel during the Events (“**Parkers**”). Parking Area A, but not Parking Areas B or C may be used for tailgating but only if tailgating is permitted by the City of Shakopee and then only in accordance with the City’s ordinances and regulations. Parkers may use the selected Parking Areas for a period commencing at 5:00 p.m. on an Event Date (unless the Event Date for Parking Area A is an Early Start Date, in which case Parkers may start using the Parking Area A at 12:00 pm noon) and ending four (4) hours after the Event has ended, provided however that such use shall commence at 6 p.m. if the Event Date is on a Limited Blackout Date. Entertainment may, from time to time and upon thirty (30) days prior written notice to Operator, impose reasonable rules and regulations upon Parkers with the respect to their use of the Parking Areas, provided such rules and regulations are no different from those imposed on the patrons, guests and staff of the Racetrack using the Parking Areas. Operator shall use commercially reasonable efforts to notify Parkers of such rules and regulations, it being agreed that posting the rules and regulations on the website for the Amphitheater or for an Event shall constitute satisfactory notice of the rules and regulations to the Parkers. Operator shall be solely



responsible for providing, at its expense, any staffing and materials necessary for proper management and control of the use by Parkers of the Parking Areas. Furthermore, Operator shall at its expense cause the Parking Areas and all areas of the Racetrack Property providing access to the Event to be cleaned of all debris resulting from the presence by the Parkers therein for such Event.

6. Access Rights. Entertainment grants Operator for the benefit of the Operator (and Operator's guests, patrons, invitees and contractors) and Amphitheater Parcel and the Parkers, the nonexclusive right (the "**Access Right**") to use the sidewalks and walkways now or hereafter constructed upon the Racetrack Parcel for pedestrian access from and to the Parking Areas and Amphitheater Parcel. Nothing contained herein shall require the maintenance of any specific sidewalk or walkway, but Entertainment shall at all times maintain at least one sidewalk or walkway providing reasonable direct access from and to the Parking Areas and the Amphitheater Parcel, which sidewalk or walkway may include any sidewalk or walkway constructed within the right-of-way of the street connecting the Racetrack and the Amphitheater Parcel.

7. Term of Agreement. The Term of this Agreement (the "**Term**") shall be fifteen (15) years, commencing on the Effective Date, and the Term shall be automatically extended for periods of five (5) years each. Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall run for only so long as the Amphitheater Parcel is improved with an amphitheater or similar performance facilities and is used for Events and if such use shall cease this Agreement shall automatically terminate. The Amphitheater Parcel shall not be deemed to have ceased to be used as specified herein if its use or operations are temporarily suspended due to repair, restoration, remodeling or replacement of the amphitheater or similar performance facilities for a similar purpose, provided that such temporary suspension shall not exceed twenty-four (24) months, which date shall be extended as reasonably necessary due to a force majeure event.

8. Indemnification. Operator will indemnify and hold Entertainment, its officers, directors, partners, shareholders, employees, affiliates, successors and assigns harmless from and against any loss, damage or claim resulting from the use of the Parking Areas by Operator or its agents, employees, guests or invitees, and by Parkers, except to the extent the same results from the negligence or intentional act of Entertainment.

9. Insurance. During the term of this Agreement, Operator shall maintain in full force and effect, (i) commercial general liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 per the aggregate insuring against liability for loss, damage or injury to property or persons which might arise out of the use or occupancy of the Parking Areas by Operator, (ii) automobile insurance with a combined single limit \$1,000,000, (iii) workers' compensation insurance with limits at statutory benefits, and (iv) employer's liability at limits of \$500,000 each accident, \$500,000 disease policy limit, and \$500,000 disease—each employee. Entertainment will be named as an additional insured in such liability insurance (other than worker's compensation), and Entertainment shall be furnished a certificate evidencing such insurance which certificate shall provide that the insurer will endeavor to give

Entertainment thirty (30) days prior written notice of cancellation. Such liability policy shall be primary and non-contributory with any liability insurance carried by Entertainment with respect to any claims arising out of the performance or non-performance of Entertainment's duties and activities within the scope of this Agreement or arising from any action or activity on, or condition of, the Racetrack Parcel.

10. Default by Operator. Time is of the essence hereof. Operator shall be in default hereunder if Operator fails to pay or perform any obligation required of Operator hereunder as and when due and such failure to pay or perform continues for more than ten (10) business days after receiving a written notice of default from Entertainment. Upon such default, Entertainment shall have all rights and remedies allowed by law, except that Entertainment shall not have the right to terminate this Agreement. However, in the event of a default and upon delivery of a second default notice to Operator and Operator's failure to cure such default within ten (10) business days thereafter, Entertainment shall have the immediate right without further notice to suspend Operator's right to use the Parking Areas, or any of them, until the default is cured. Further, Entertainment shall have the right (but not the obligation), after such second written notice of default and an additional (10) business days cure period, to cure the default, whereupon Operator shall be obligated to pay to Entertainment upon written demand therefor the amounts directly expended by Entertainment to cure the default together with an administrative fee of ten percent (10%) of such costs. Notwithstanding the foregoing, if a nonmonetary default cannot reasonably be cured within the ten (10) business day periods provided for above, Operator shall have such additional period of time as is reasonably necessary, not to exceed an addition sixty (60) days, to cure the default.

11. Binding Agreement to Run with the Land. This Agreement shall be binding upon Entertainment and Operator and shall run with the title of the Racetrack Parcel for the benefit of Operator and its successors and assigns and for the benefit of the Amphitheater Parcel. A memorandum of this Agreement, identifying specifically only those portions of the Racetrack Parcel subject to this Agreement, shall be recorded in the real property records of Scott County, Minnesota

12. Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall, in the case of a notice or demand, be in writing and sent via e-mail with a concurrent mailing of such notice, overnight courier service (such as Federal Express, UPS, or DHL), or by United States regular, registered, or certified mail, return receipt requested, with postage prepaid, addressed as follows:

As to Entertainment                      Canterbury Park Entertainment, LLC  
Attn: Randy Sampson  
1100 Canterbury Road South  
Shakopee MN 55379  
Email: \* \* \*

As to Operator



Attn: Ned Abdul  
510 1<sup>st</sup> Avenue Suite 600  
Minneapolis, MN 55403  
Email: \* \* \*

Any party may designate a different address for itself by notice similarly given. Delivery may also be made in person. Unless otherwise provided herein, any such notice, demand or document so given, delivered or made by recognized overnight courier or by registered or certified mail shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given. Delivery via e-mail transmission shall be effective on the date of confirmed transmission if received before 5:00 p.m. (recipient's local time) on a business day or on the next business day if sent after 5:00 p.m. Notices received by a party's attorney shall be deemed notice to such party.

13. General Provisions.

a. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, whether written or oral, between the parties respecting such matters. Any amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

b. Time of Essence. Time is of the essence in the performance of each and every term, condition and covenant of this Agreement.

c. Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.

d. Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.

e. Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of the suit.

f. Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows

of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provisions of this Agreement.

g. Time Computations. Unless otherwise provided herein, in computing a period of days for performance or payment as provided hereunder, the first day shall be excluded and the last day shall be included. If the last day of any such period is Saturday, Sunday or a legal holiday, the period shall extend to include the next day which is not a Saturday, Sunday, or legal holiday. Any performance or payment which must be taken or made under this Agreement must be taken or made prior to 5:00 p.m. on the last day of the applicable period provided hereunder for such action, unless another time is expressly specified. Except as otherwise provided, all references to time shall be local time in the State of Minnesota.

h. Preparation of Contract. This Agreement shall not be more strictly construed against one Party than against the other by virtue of the fact that it may have been physically prepared by one Party or by its attorneys, all Parties and their respective attorneys having participated in the negotiation, drafting and preparation of this Agreement.

14. Governing Laws. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.

15. Approval of Minnesota Racing Commission. The Parties acknowledge that the Racetrack Parcel are subject to regulation by the Minnesota Racing Commission (“MRC”), and that this Agreement is made expressly conditioned upon receipt of the approval of the MRC to the terms and conditions of this Agreement.

16. Early Termination of License. Notwithstanding anything contained in this Agreement to the contrary, Entertainment shall have the right, at its option and in its sole discretion, to terminate this Agreement with respect to any of the Parking Areas B and C, effective as of the end of the then-current Term, by giving Operator written notice thereof at least one (1) calendar year prior to the end of the then-current Term, which notice shall specify the Parking Areas subject to such termination. Furthermore, and notwithstanding anything contained in this Agreement to the contrary, Entertainment shall have the right, at its option and in its sole discretion, to terminate this Agreement with respect to Parking Area A effective as of any time after the first ten (10) years of the Term by giving Operator at least one (1) calendar year prior written notice thereof; provided, however, that if such notice shall be given then Operator shall have the right, at its option, to purchase Parking Area A for a purchase price of \* \* \*

\* \* \* less any \* \* \*

\* \* \* In the event that Operator shall elect to purchase Parking Area A, then the parties shall



enter into a purchase agreement in the form attached hereto as **Exhibit E** and made a part hereof. As part of the Purchase Agreement the parties shall in good faith negotiate an agreement pursuant to which Operator will grant Entertainment a license to use Parking Area A for parking purposes on a nonexclusive basis with Operator in a manner that does not materially interfere with Operator's use of Parking Area A. The parking license shall provide for the payment of a license fee and other terms and conditions reasonably acceptable to Operator and Entertainment.

17. Reciprocal Parking Rights. In consideration of the grant of the License to Operator, as part of the Purchase Agreement the parties shall in good faith negotiate an agreement pursuant to which Operator will grant Entertainment a license to use the parking areas on the Amphitheater Parcel for parking purposes on a nonexclusive basis with Operator in a manner that does not materially interfere with Operator's use of the Amphitheater Parcel. The parking license shall provide for the payment of a license fee and other terms and conditions reasonably acceptable to Operator and Entertainment.

18. Workforce Parcel Restrictions. Operator is the owner of the parcel of land (the "**Workforce Parcel**") legally described on **Exhibit F** attached hereto and made a part hereof. At such time as the primary use of the Workforce Parcel permanently ceases be a parking lot, the Parking License granted herein with respect to Parking Areas B and C shall terminate. Such termination shall not affect or limit any other portions of the Parking License granted herein with respect to Parking Area A.

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



**ENTERTAINMENT:**

Canterbury Park Entertainment, LLC

By: \_\_\_\_\_

Its:

STATE OF MINNSOTA      )  
  ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2022, by \_\_\_\_\_, the \_\_\_\_\_ of  
Canterbury Park Entertainment, LLC, a Minnesota corporation, on behalf of the company.

\_\_\_\_\_  
Notary Public





**OPERATOR:**

\_\_\_\_\_

By: \_\_\_\_\_

Its:

STATE OF MINNSOTA )

) ss

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a Minnesota corporation, on behalf of the company.

\_\_\_\_\_  
Notary Public



Exhibit A

Legal Description of the Amphitheater Parcel



Exhibit B

Legal Description of the Racetrack Parcel



Exhibit C

Depiction of the Parking Areas



Exhibit D

Blackout Dates and Limited Blackout Dates

B

Exhibit E

Form of Purchase Agreement for Outlot Parcel

*[see attached document, consisting of eight (8) pages]*



## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (“**this Agreement**”) is made as of this \_\_\_ day of \_\_\_\_\_, 202\_\_ (the “**Effective Date**”), by and between Canterbury Park Entertainment LLC, a Minnesota limited liability company (“**Seller**”), and Swervo Development Corporation, a Minnesota corporation (“**Buyer**”).

IN CONSIDERATION of this Agreement, Seller and Buyer agree as follows:

1. Sale of Property. Seller shall sell the Property to Buyer, and Buyer shall buy that certain real property located in the City of Shakopee, Scott County, Minnesota, and legally described as Outlot A, Canterbury Unbridled Addition (the “**Property**”) from Seller, subject only to easements, restrictions and other matters affecting title specifically approved in writing by Buyer pursuant to Section 10 below (the “**Permitted Encumbrances**”)

2. Purchase Price. The purchase price (the “**Purchase Price**”) to be paid by Buyer to Seller for the Subject Property shall be an amount \_\_\_\_\_ and 00/100 Dollars (\$\_\_\_\_\_). The Purchase Price shall be payable in cash, by wire transfer of U.S. funds, on the Closing Date (hereinafter defined).

3. Closing. The closing of the purchase and sale of the Subject Property contemplated by this Agreement (the “**Closing**”) shall occur on a date (the “**Closing Date**”) which is 120 days following the Effective Date, or such earlier date as the parties may agree upon. Seller shall deliver possession of the Subject Property on the Closing Date, subject to the Permitted Encumbrances.

7. Seller’s Closing Documents. On the Closing Date Seller shall execute and deliver to Buyer the following (collectively, “**Seller’s Closing Documents**”), all in form and substance reasonably satisfactory to Buyer:

a. Deed. A Minnesota Statutory Form Limited Warranty Deed conveying the Subject Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances.

b. Seller’s Affidavit. An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Subject Property; that there has been no skill, labor or material furnished to the Subject Property for which payment has not been made or for which mechanic’ liens could be filed; and that there are no other unrecorded interests in the Subject Property, together with whatever standard owner’s affidavit and/or indemnity (ALTA form) that may be required by Title (hereinafter defined) to issue an owner’s policy of title insurance with standard exceptions deleted.

c. FIRPTA Affidavit. A non-foreign affidavit, properly executed, containing such information as is required by the Internal Revenue Code Section 1445(b)(2) and its regulations.

d. IRS Form. A Designation Agreement designating the “reporting person” for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

e. Well Certificate. A certificate warranting that there are no “Wells” on the Subject Property within the meaning of Minnesota Statutes Section 103I, or if there are “Wells”, a Well Certificate in the form required by law.

f. Other Documents. All other documents reasonably determined by Title to be necessary to transfer title to the Subject Property to Buyer by the Limited Warranty Deed required by Subparagraph 7.a above.

8. Buyer’s Closing Documents. On the Closing Date, Buyer will execute and deliver to Seller the following (“**Buyer’s Closing Documents**”):

a. Purchase Price. The Purchase Price, by cash or wire transfer of U.S. Federal Funds to be received in Title’s trust account.

b. IRS Form. A Designation Agreement designating the “reporting person” for purposes of completing Internal Revenue Form 1099 and, if applicable, Internal Revenue Form 8594.

c. Title Documents. Such affidavits of Purchaser, certificates of real estate value, or other documents as may be reasonably required by Title in order to disburse the Purchase Price to Seller.

9. Prorations. Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

a. Title Insurance and Closing Fee. Buyer will pay all premiums required for the issuance of any owner’s or lender’s title policy required by Buyer. Seller and Buyer will each pay one-half of any reasonable and customary closing fee or charge for the Closing imposed by any closing agent designated by Title.

b. Deed Tax; Mortgage Registry Tax. Seller shall pay all State Deed Tax regarding the Limited Warranty Deed to be delivered by Seller under this Agreement. Buyer shall pay all Mortgage Registry Tax regarding the recording of any mortgage being granted by Buyer.

c. Real Estate Taxes and Special Assessments. Seller will pay, on or before the Closing Date, all special assessments levied, pending or constituting a line against the Subject Property as of the Closing Date, including, without limitation, any installments of special assessments including interest payable with the general real



estate taxes in the year of Closing. General real estate taxes due and payable in all years prior to the year in which Closing occurs will be paid by Seller. General real estate taxes due and payable in the year in which Closing occurs shall be prorated between Seller and Buyer as of the Closing Date based upon a calendar fiscal year.

- d. Recording Costs. Seller will pay the costs of recording all documents necessary to place record title in the condition warranted by Seller in this Agreement. Buyer will pay the costs of recording all other documents.
- e. Title Evidence. Seller shall pay for the cost of producing the Title Commitment.
- f. Other Costs. Any operating costs of the Subject Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such operating costs payable before the Closing Date, and Buyer pays that part of such operating costs payable before the Closing Date.

10. Title Examination. Examination of the title to the Subject Property shall be conducted as follows:

- a. Title Evidence. As soon as possible after the Effective Date Seller shall obtain and deliver to Buyer a current title insurance commitment (the “**Title Commitment**”) covering the Subject Property issued by Commercial Partners Title, LLC (“**Title**”), together with clear and legible copies of all documents referred to therein, which shall commit Title to issue an ALTA Owner’s Policy, with extended coverage, to Buyer in the amount of the Purchase Price (the “**Title Evidence**”).
- b. Buyer’s Objections. Within twenty (20) days of its receipt of the Title Evidence Buyer will make written objections (“**Objections**”) to the form and/or contents of the Title Evidence. Buyer’s failure to make Objections within such period will constitute waiver of any Objections, and any matter shown on such Title Evidence and not objected to by Buyer shall be a matter that Buyer shall accept as a matter that affects title to the Subject Property (the “**Permitted Encumbrances**”). In the event that Buyer makes Objections, Seller shall use all reasonable efforts to correct such Objections. Seller shall have sixty (60) days after the receipt of such Objections to cure the same. In the event Buyer has made Objections, and Seller fails to cure the same within such 60-day period, then Buyer shall have the option to: (i) terminate this Agreement; or (ii) waive all uncured Objections, in which event this Agreement shall remain in full force and effect.

11. Operations Prior to Closing. During the period from the Effective Date to the Closing Date or the earlier termination of this Agreement (the “**Executory Period**”), Seller shall

operate and maintain the Subject Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance. Seller shall not execute any contracts, leases or other agreements regarding the Subject Property during the Executory Period without the prior written consent of Buyer.

12. Representations and Warranties by Seller. Seller represents and warrants to Buyer that the following re true now and will be true on the Closing Date:

- a. Organization and Authority. Seller is a limited liability company duly created and is in good standing under the laws of the State of Minnesota; Seller is duly qualified to transact business in the State of Minnesota; Seller has the requisite power and authority to enter into and perform this Agreement and those Seller's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Seller and have been duly executed and delivered; such execution, delivery and performance by Seller of such documents does not conflict with or result in a violation of Seller's organizational documents, or any judgment, order or decree of any court or arbiter to which Seller is a party; such documents are valid and binding obligations of Seller, and are enforceable in accordance with their terms.
- b. Title to Subject Property. Seller owns fee simple title to the Subject Property.
- c. Rights of Others to Purchase the Subject Property. Seller has not entered into any other contracts for the sale of the Subject Property, nor are there any rights of first refusal or options to purchase the Subject Property or any other rights of others that might prevent the consummation of the transaction contemplated by this Agreement.
- d. Proceedings. There is no action, litigation, investigation, condemnation or proceeding of any kind pending or, to the best of Seller's actual knowledge, threatened against Seller or any portion of the Subject Property.
- e. Wells. Seller certifies and warrants that Seller does not know of any "Wells" on the Subject Property within the meaning of Minnesota Statutes Section 103I. This representation is intended to satisfy the requirements of that statute.
- f. Storage Tanks. To the best of Seller's actual knowledge after due inquiry, no above ground or underground tanks are located in or about the Subject Property, or have been located under, in or about the Subject Property.

Seller's representations and warranties shall be true, accurate and complete as of the Effective Date and the Closing Date, and Seller shall certify the accuracy and completeness of the same at Closing. For a period of one (1) year from the Closing Date Seller will indemnify Buyer, its successors and assigns, against, and will hold Buyer, its successors and assigns,

harmless from, any expenses or damages, including reasonable attorneys' fees, that Buyer incurs because of breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Except as herein expressly stated, Buyer is purchasing the Subject Property based upon its own investigations and inquiry and is not relying on any representation of Seller or other person and is agreeing to accept and purchase the Subject Property "as is, where is" subject to the conditions of title examination herein set forth and the express warranties herein contained. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach.

13. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that Buyer is a corporation in good standing under the laws of the State of Minnesota; Buyer is duly qualified to transact business in the State of Minnesota; Buyer has the requisite power and authority to enter into and perform this Agreement and those Buyer's Closing Documents signed by it; such documents have been duly authorized by all necessary action on the part of Buyer and have been duly executed and delivered; such execution, delivery and performance by Buyer of such documents does not conflict with or result in a violation of Buyer's organizational documents, or any judgment, order or decree of any court or arbiter to which Buyer is a party; such documents are valid and binding obligations of Buyer, and are enforceable in accordance with their terms. Buyer will indemnify Seller, its successors and assigns, against, and will hold Seller, its successors and assigns, harmless from, any expenses or damages, including reasonable attorneys' fees, that Seller incurs because of breach of any of the above representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by Buyer with knowledge of any such breach by Seller will not constitute a waiver or release by Buyer of any claims due to such breach. Consummation of this Agreement by Seller with knowledge of any such breach by Buyer will not constitute a waiver or release by Seller of any claims due to such breach.

14. Condemnation. If, after the Effective Date, but prior to Closing, eminent domain proceedings are commenced against all or any part of the Subject Property, Seller shall notify Buyer immediately of such fact and at Buyer's option (to be exercised by notice to Seller given with thirty [30] days after Seller's notice) this Agreement shall terminate, in which event neither party will have any further obligations under this Agreement. If Buyer shall fail to give such notice then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing all of Seller's right, title and interest in and to any award made or to be made in such proceedings. Prior to Closing, Seller shall not designate counsel, appear in, or otherwise act with respect to such proceedings without the prior written consent of Buyer.

15. Broker's Commission. Seller and Buyer represent and warrant to each other that they have not dealt with any brokers, finders or the like in connection with this Agreement. Seller and Buyer agree to indemnify and hold harmless each other against claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Agreement, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by

B

the other party, including reasonable attorneys' fees.

16. Assignment. Either party may assign its rights under this Agreement before or after the Closing. Any such assignment will not relieve such assigning party of its obligations under this Agreement.

17. Survival. All warranties, representations, covenants, indemnifications and agreements contained in this Agreement shall survive the execution and delivery of this Agreement and any and all documents delivered in connection with this Agreement and shall survive the Closing of the transaction contemplated by this Agreement and any action thereon must be filed within one (1) year from the Closing Date.

18. Notices. Any notice, demand or document which any party is required or any party desires to give or deliver to or make upon any other party shall, in the case of a notice or demand, be in writing and sent via e-mail with a concurrent mailing of such notice, overnight courier service (such as Federal Express, UPS, or DHL), or by United States regular, registered, or certified mail, return receipt requested, with postage prepaid, addressed as follows:

As to Canterbury:

Canterbury Park Entertainment LLC  
Attn: Randy Sampson  
1100 Canterbury Road South  
Shakopee MN 55379  
Email: \* \* \*

As to Swervo:

Swervo Development Corporation  
Attn: Ned Abdul  
510 1<sup>st</sup> Avenue Suite 600  
Minneapolis, MN 55403  
Email: \* \* \*

Any party may designate a different address for itself by notice similarly given. Delivery may also be made in person. Unless otherwise provided herein, any such notice, demand or document so given, delivered or made by recognized overnight courier or by registered or certified mail shall be effective upon delivery of the same to the proper address of the party or parties to whom the same is to be given. Delivery via e-mail transmission shall be effective on the date of confirmed transmission if received before 5:00 p.m. (recipient's local time) on a business day or on the next business day if sent after 5:00 p.m. Notices received by a party's attorney shall be deemed notice to such party.

19. General.

- a. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements, whether written or oral, between the parties respecting such matters. Any

amendments or modifications hereto in order to be effective shall be in writing and executed by the parties hereto.

- b. Binding Effect. This Agreement binds and benefits the parties hereto and their respective successors and assigns.
- c. Time of Essence. Time is of the essence in the performance of each and every term, condition and covenant of this Agreement.
- d. Counterparts. This Agreement may be executed in any number of counterparts which together shall constitute the contract of the parties.
- e. Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.
- f. Attorneys' Fees. The prevailing party in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorneys' fees and costs. As used herein the term "prevailing party" means the party entitled to recover the costs in any suit, whether or not brought to judgment, and whether or not incurred before or after the filing of the suit.
- g. Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or of any warranty or representation under this Agreement by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not the same or similar nature) and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms of this Agreement or by law upon the default of another party, and no delay in the exercise of any such right by the first party at any time when such other party may be in default, shall operate as a waiver of any default, or as a modification in any respect of the provisions of this Agreement.
- h. Time Computations. Unless otherwise provided herein, in computing a period of days for performance or payment as provided hereunder, the first day shall be excluded and the last day shall be included. If the last day of any such period is Saturday, Sunday or a legal holiday, the period shall extend to include the next day which is not a Saturday, Sunday, or legal holiday. Any performance or payment which must be taken or made under this Agreement must be taken or made prior to 5:00 p.m. on the last day of the applicable period provided hereunder for such action, unless another time is expressly specified. Except as otherwise provided,

all references to time shall be local time in the State of Minnesota.

- i. Governing Laws. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota.
- j. No Recording. This Agreement shall not be recorded in the real property records, and any recording of this instrument shall be void.

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

**BUYER:**

Swervo Development Corporation

By: \_\_\_\_\_  
Nedal Abul-Hajj  
Its: President

**SELLER:**

Canterbury Park Entertainment LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_



Exhibit F

Legal Description of the Workforce Parcel

6

**EXHIBIT H**

**REOA**

6



**EXHIBIT I**  
**Bring-Down Certificate**

CERTIFICATE

1. The undersigned is the \_\_\_\_\_ of \_\_\_\_\_ (the **“Company”**)
  
2. Canterbury Development LLC and Canterbury Park Holding Company (“Seller”), as Seller, and Swervo Development Corporation (“Buyer”), as Buyer, are parties to the Purchase Agreement dated as of September\_\_\_\_, 2021, (the **“Purchase Agreement”**).
  
3. To the best of Seller’s actual knowledge, all of the Seller’s Representations set forth in Section 14.1 of the Purchase Agreement are true and correct in all material respects as of the date hereof.

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_



07 14 22

## FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AGREEMENT (“**this Amendment**”) is made as of July 1<sup>5</sup>, 2022, by and among Canterbury Development LLC, a Minnesota limited liability company (“**Development**”), Canterbury Park Holding Corporation, a Minnesota corporation (“**Holding**”; with Development, collectively “**Seller**”), and Swervo Development Corporation, a Minnesota corporation (“**Buyer**”), with respect to the following facts and circumstances:

A. Seller and Buyer (sometimes collectively referred to herein as the “**Parties**”) have entered into that certain Purchase Agreement dated as of September 8, 2021 (the “**Agreement**”) relating to certain real property situated in the City of Shakopee, Scott County, Minnesota, owned by Development and Holding described therein as the “**Canterbury Land**”.

B. Canterbury Park Entertainment, LLC, a Minnesota limited liability company (“**Entertainment**”), is the owner of the real property described in the Agreement as the “**Racetrack Property**”.

C. The Agreement requires a Subdivision of the Canterbury Land to create (i) the Land to be conveyed by Seller to Buyer at Closing, with the Land being that portion of the Canterbury Land depicted and identified as the Amphitheater Land and the South Parcel on the Amphitheater Development Plan attached to the Agreement as Exhibit B, and (ii) the Plaza Parcel being depicted and identified on said Exhibit B.

D. The Parties have agreed to a configuration for the Land other than as shown on the Amphitheater Development Plan, and to the elimination of the Plaza Parcel, and for purposes of the Subdivision have agreed to the replatting of the Canterbury Land and the Racetrack Property, together with the County Property and the Workforce Parcel, as depicted in the plat of Canterbury Amp Addition, a copy of which is attached hereto as Exhibit A and made a part hereof (the “**New Plat**”).

E. The Agreement contemplated that access to the Land from County Road 83 was to be provided to the South Parcel by Barendscheer Boulevard, but that such public right-of-way would not continue through the Land to provide traffic circulation back to County Road 83. The New Plat provides for such traffic circulation with the dedication of portions of the Land for the extension of Barendscheer Boulevard, as depicted thereon (“**Barendscheer**”), thereby reducing the Net Area of the Land and by so doing reducing the Purchase Price accordingly.

F. Buyer has received and reviewed the Title Evidence, and the Parties desire to confirm the same and amend the terms of the Agreement with respect thereto.



G. In exchange for such reduction in the Net Area and the Purchase Price, the Parties have agreed that a portion of the Land shall be conveyed subject to certain parking rights for the benefit of the remainder of the Future Development Land.

H. The Parties have agreed to modify the Closing Date so that the Closing occurs subsequent to the end of the 2022 Canterbury racing season, and to provide Seller the ability to remove the Barns from the Land after Closing.

I. The Parties have agreed to allocate a portion of the tax increment financing proceeds available to Seller to reimburse Buyer for certain stormwater infrastructure costs related to the construction of the parking lot on the Parking Parcel.

J. The Parties desire to evidence their agreements with respect to the foregoing matters, by amending certain terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree that the Agreement shall be amended as follows:

1. Recitals: Capitalized Terms. The foregoing recitals are true and correct and incorporated herein by reference. Capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in the Agreement.

2. Reference to Amphitheater Development Plan. With the sole exception of the reference to the Amphitheater Development Plan in Section 6 of the Agreement for purposes of identifying Parking Lots A, B and C, which shall remain in force and effect, all references to the Amphitheater Development Plan in the Agreement are of no further force and effect.

3. Definition of the Land. The Land, as identified in the Agreement with reference to the Amphitheater Development Plan as the Amphitheater Land and the South Parcel, shall be amended to be those portions of the land subject to the New Plat designated therein as Lot 1, Block 1, except for those portions thereof contained in the County Property and the Workforce Parcel (the "**Amp Parcel**"), and Lot 1, Block 2 (the "**Parking Parcel**"). The Amp Parcel and the Parking Parcel are further identified as the portions of the New Plat highlighted in light blue on the plan attached hereto as Exhibit B and made a part hereof (the "**New Parcel Plan**").

4. Net Area of the Land: Purchase Price. Notwithstanding anything contained in Section 2 ("Purchase Price") and Section 7 ("Seller's Delivery and Subdivision Obligations") of the Agreement to the contrary, Seller and Buyer agree that (i) the Net Area of the Land is 37.43 acres, consisting of 30.81 acres contained in the Amp Parcel and 6.62 acres in the Parking Parcel, (ii) based on that Net Area, the Purchase Price for the Land is \* \* \*

\* \* \*

5. Definition of the Future Development Land. The Future Development Land, as described in Section 3.4 of the Agreement, and as identified as such in the Agreement with reference to the Amphitheater Development Plan, shall be amended to be those portions of the land subject to the New Plat designated therein as Lot 2, Block 2, and Lot 3, Block 1, except that portion of said Lot 3 lying westerly of the line labelled "Future Public Road Extension" on the New Parcel Plan.

6. Plaza Project License. Section 4 ("Plaza Project License"), Section 11.2.h, Section 11.3.d and Exhibit E of the Agreement are deleted in their entirety. Furthermore, subsection b. of Section 9.2 ("Approvals Contingency") of the Agreement is amended in its entirety to read as follows:

"b. Canterbury shall collaborate with and assist Buyer in obtaining the Approvals provided that Buyer pays all third-party costs of so doing (including specifically the fees of consultants, engineers and attorneys), and the costs of producing any Environmental Assessment Worksheet required. Notwithstanding the foregoing, the cost of preparing the traffic management study supporting the Environmental Assessment Worksheet or otherwise required by the City as part of the Approvals shall be shared equally by Canterbury and Buyer. It is acknowledged and agreed by the Parties that existing Tax Increment Financing available to Seller from the City may be used for public improvements to be constructed by Seller in connection with the Amphitheater Project, but otherwise will not be available for the Amphitheater Project except as expressly provided for herein to the contrary with respect to stormwater infrastructure serving a portion of the Amphitheater Project. The foregoing does not restrict Buyer from receiving tax increment financing from the City for the Projects that the City has not otherwise made available to Seller."

7. REOA Contingency Date. Section 9.5 ("REOA Contingency") is amended by substituting "Approvals Date" for "Due Diligence Date" throughout, and by amending Section 9.5.b in its entirety to read as follows:

"b. Promenade: Boulevards and Medians. The costs of operating, maintaining and repairing the Promenade Area Improvements, the boulevards and medians of the portion of Unbridled Avenue lying between County Road 83 and the Promenade, Barensheer as dedicated in the New Plat, and the "Private Road" depicted and labelled as such on the New Parcel Plan (the "Shared Expense Areas"), shall be allocated between Canterbury and the owner of the Property as depicted, labeled and described in the plan attached hereto as Exhibit C and made a part hereof. The Shared Expense Areas are confined to the Promenade Area Improvements, boulevards and median areas and do not include any actual roadways or roadway areas."

8. Title Evidence Confirmed, Title Objection Date. Notwithstanding anything contained in the Agreement to the contrary, Buyer acknowledges that Buyer has received (i) Commitment No. 58998, issued by Commercial Partners Title, as agent for Chicago Title Insurance Company, dated September 15, 2021, as updated by First Supplemental issued March 30, 2022, and (ii) that certain ALTA survey of the Land, the County Property and the Workforce Parcel prepared by Stantec for Swervo as its Project No. 227704551, and Buyer agrees that the same shall be the Title Commitment and the Survey, respectively, and together shall be the Title Evidence, for purposes of the Agreement. Notwithstanding anything contained in Section 10 (“Title Examination”) to the contrary, the Parties agree that the Title Objection Date shall be July 30, 2022.

9. Parking Parcel Easement. The Parking Parcel shall be conveyed to Buyer subject to a non-exclusive easement for parking (the “**Parking Easement**”) for the benefit of the Future Development Land and for use by the owners of the Future Development Land (the “**Future Development Land Owners**”) and their tenants and their respective guests and invitees of the Future Development Land. Prior to the Due Diligence Date the Parties shall finalize the “Parking Parcel Easement Agreement” which Agreement shall incorporate the following terms and conditions:

(a) The use of the Parking Parcel by the Future Development Land Owners shall be limited to dates other than those dates (the “**Amphitheater Event Dates**”) on which the owner of the Amp Parcel or its operator are conducting Performance Events on the Amp Parcel and/or on the Parking Parcel.

(b) The costs and expenses of repairing and maintaining the Parking Parcel shall be borne by the owner of the Parking Parcel, except that all snow and ice removal shall be at the option of the Future Development Land Owners and at their sole cost and expense. The parties acknowledge that upon the development of the Future Development Land and the use of the Parking Parcel for parking purposes by the owner and users of the Future Development Land, the owner of the Future Development Land shall compensate the owner of the Parking Parcel for its use of the Parking Parcel. Accordingly, the parties agree that upon the development of the Future Development Land, the owner of the Parking Parcel and the owner of the Future Development Land shall negotiate in good faith with the result that owner of the Future Development Land will proportionately compensate the owner of the Parking Parcel for its use of the Parking Parcel either through an annual fee, a proportionate sharing of the operating and capital repair expenses of the Parking Parcel or some combination of the two. The parties further agree that the basis of such compensation will be based on the number of vehicles parked on the Parking Parcel by the owner and users of the Future Development Land compared to the number of vehicles parked on the Parking Parcel by the owner and operator of the Amphitheater.

(c) If the Amphitheater ceases to operate on a permanent basis or if the owner of the Parking Parcel elects to develop the Parking Parcel for another use, the owner of the



Parking Parcel shall have the right to terminate the Parking Parcel Easement Agreement upon six (6) months prior written notice to the Future Development Land Owners.

(d) If the owner of the Parking Parcel receives an offer to sell all or any part of the Parking Parcel to an unaffiliated third party, which offer the owner of the Parking Parcel desires to accept (an "Offer"), the Future Development Land Owners shall have a right of first refusal to purchase that portion of the Property covered by the Offer pursuant to the same terms and conditions contained within the Offer. The Parking Easement Agreement shall attach the form of the Right of First Refusal Agreement setting forth the operative terms of the right of first refusal.

10. Closing Date; Delayed Possession of Parking Parcel. The Closing Date shall be October 1, 2022. Seller shall deliver possession of the Land to Buyer on the Closing Date, except that Seller shall have until November 15, 2022 to have all barns and other structures fully demolished and removed from the Land (the "**Post-closing Seller Obligation**"), upon the express condition that Seller deposit \* \* \* in escrow with Title at Closing as security for the performance of the Post-closing Seller Obligation pursuant to an escrow agreement (the "**Post-closing Obligation Escrow Agreement**"), the terms and conditions of which the Parties shall finalize prior to the Approvals Date.

11. Tax Increment Financing Proceeds—Stormwater Improvements. The REOA shall provide that, subject to the prior approval of the City for the use of the tax increment financing proceeds Seller is receiving from the City for the public improvements to the Land required for the Amphitheater Project, Seller shall cause a portion thereof (the "**TIF Proceeds**") to be allocated and used to reimburse Buyer for stormwater infrastructure costs related to the construction of the parking lot on the Parking Parcel (the "**Stormwater TIF Allocation**"). The Stormwater TIF Allocation shall be the lesser of (i) \* \* \* and (ii) the amount determined by (A) calculating the percentage of impervious area of all improvements to be constructed on the Parking Parcel relative to the total impervious area of all improvements to be constructed on the Land (the "**Parking Percentage**"), and (B) multiplying the Parking Percentage by the TIF Proceeds received by Seller as reimbursement for the total cost of the stormwater infrastructure applicable to the parking lots constructed on the Amp Parcel and the Parking Parcel. The REOA shall provide that Buyer shall receive the Stormwater TIF Allocation as and when Seller receives TIF Proceeds.

12. Effective Date of Term of Parking License Agreement. Notwithstanding anything contained in the Agreement or the Parking License Agreement to the contrary, notwithstanding that Closing occurs in 2022, the Minimum Parking Fee due under the Parking License Agreement shall first apply for calendar year 2024, provided that the Amphitheater is not operating at any time to calendar year 2023.

13. Approval of Minnesota Racing Commission. Notwithstanding anything contained in Section 28 of the Purchase Agreement to the contrary:

a. If the MRC does not approve the conveyance of the Holding Tract then, notwithstanding such action, the Parties shall reform the Agreement, as amended by this Amendment, (i) to delete the Holding Tract from the definition of the "Land", (ii) to adjust the Purchase Price accordingly to the portion thereof allocated to the Amp Parcel pursuant to Paragraph 4 hereof, (iii) to delete in their entirety Paragraphs 9 and 11 hereof, and (iv) to amend Paragraph 10 hereof to require delivery of possession of the Land on the Closing Date and remove the provisions thereof relating to the Seller Post-Closing Obligation.

b. If the MRC does not approve the terms and conditions of the Restricted Activities Agreement and/or the Parking License Agreement, then the Parties shall in good faith negotiate the modification of such agreements to incorporate such terms and conditions as the MRC requires in order to obtain the MRC approval of both agreements."

14. Miscellaneous.

a. The Agreement shall remain in full force and effect as modified and amended in this Amendment.

b. This Amendment may be executed in counterparts, each of which shall be an original, but all of which when taken together shall constitute one and the same instrument.

c. This Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the day and year first above written.

**SELLER:**

**BUYER:**

Canterbury Development LLC

Swervo Development Corporation

By: *Randall AS*  
Its: CEO

By: *[Signature]*  
Nedal Abul-Hajj  
Its: President

Canterbury Park Holding Corporation

By: *Randall AS*  
Its: CEO



**EXHIBIT A**

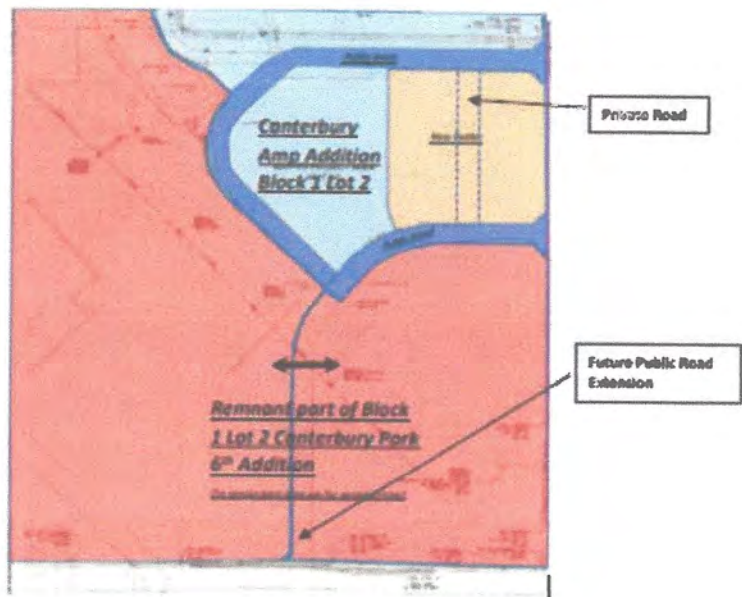
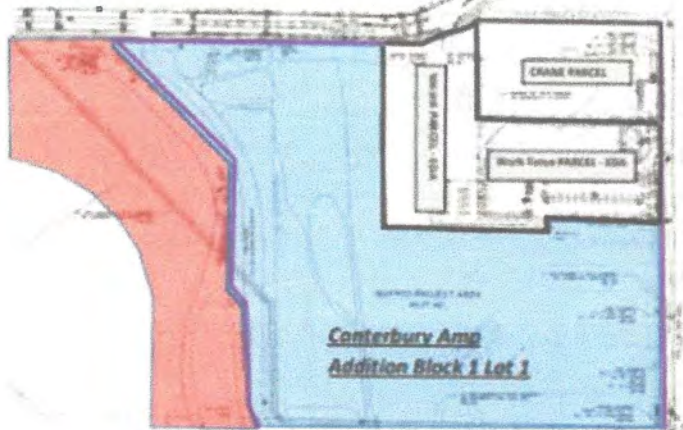
**The New Plat**

[copy of plat of Canterbury Amp Addition to be attached]

*e*

# EXHIBIT B

## Depiction of the Land



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**EXHIBIT C**

**Plan Depicting Allocation of Promenade, Boulevards and Medians Cost**

[copy of plan to be attached]



**PROPOSED AMPHITHEATER VENUE**



**General Expenses for Median and Boulevard Maintenance and Repairs: Mowing, Spraying, Water Usage for Irrigation, Snow Removal**  
**Future Repairs: Irrigation, Path Repair, Landscape Replacement**

REOA for District Parking - Amp remains subject to possible modification when future development occurs.  
 Snow removal by Canterbury or assigned to Future Development

- Swervo / Canterbury Expenses
- Canterbury Expenses
- Swervo Expenses
- Canterbury and/or Future Development Expenses

*(Handwritten mark)*

Item 7a -  
Staff Report –  
Chief Veterinarian

**Veterinarian's Report  
Canterbury Park**

**Medication Violations – 2 total through July 31, 2022**

- Racing - 2
  - **Confirmed**
    - NSAID (Phenylbutazone) x 2
    - CORTICOSTEROID
      - Dexamethasone
      - Betamethasone
      - Triamcinolone
      - Methylprednisolone
    - OTHER
  - **Split sample or appeal - 0**
- Workout - 0
- Other - 0

**DVM Violations - 0**

**Samples Submitted (through July 31, 2022)**

- Post-race testing
  - Blood and Urine - 654
  - Blood only - 76
- Deceased Horses
  - Hair and Blood - 6
  - Blood only - 0
  - Hair only - 0
- Out of Competition Testing - 32
- Research - 0
- Special (needles, syringes, bottles, etc.) - 0
- TCO2 - 413
- Workout - 38
- AQHA Challenge Hair- 21

**Current Veterinarian's List (on list July 27, 2022)**

- **Total - 101**
  - Bled - 0
  - Ill - 3
  - Injured - 23
  - Non-Ill - 2
  - Unsound - 56
  - Medication Problem - 1
  - Workout Needed - 16

**Restricted List Horses Examined - 230**

**Horses Working for DVM (through August 8, 2022)**

- **Total - 54**
  - Off greater than one year - 9

- 4-Year-old and greater first-time starters - 10
- On Vet's List (MN and other states) - 35
- Cornell collar - 0
- Steward's List - 0
- Other - 8 (included above but did not pass exam)

**Ambulance Use**

- **Total - 12**
  - Backside - 0
  - Detention Barn - 3
  - Racetrack - 8
    - Main - 6
    - Turf - 2
  - Paddock - 1
  - Training Track - 0
  -

**Deceased Horses**

- **Total - 5**
  - Racing -
    - Dirt Track - 3
    - Turf Track - 1
    - Starting Gate - 0
    - Paddock - 1
  - Training - 0
  - Illness/Other - 0

**Claims (Total) - 133 for \$1,393,000.**

**Claims Voided Due to Veterinary Reasons - 10**

**Veterinarian's Report  
Running Aces Harness Park**

**Medication Violations**

- Racing - 2
  - NSAIDS - 0
  - CORTICOSTEROIDS - 0
  - OTHER - 2
    - Furosemide x 1
    - Pregabalin x 1
  - Out for split sample or appeal - 0
- Workout - 0
- Other - 0

**DVM Violations - 0**

**Post-race Testing** (through July 24, 2022)

- Blood Only - 189 (157 race/32 qualifiers)
- Blood and Urine - 447 (417 race/30 qualifiers)

**Workout Samples - 1**

**Research Samples - 2**

**OCT - 50 blood, 11 hair**

**TCO2 tests - 173**

**Pre-Race Blood Only (Detention) - 41**

**Current Veterinarian's List – 18** (on list July 24, 2022)

- Bled - 0
- Ill - 10
- Injured - 2
- Non-Ill - 1
- Unsound - 5

**Horses Working for DVM**

- Off > year - 0
- On Vet's List - 3
- Cornell collar - 0

**Ambulance Use - 1**

- Backside - 0
- Racetrack - 0

**Deceased Horses - 0**

- Racing - 0
- Illness/Other - 0

**Claims - 5**



Item 7b -  
Staff Report –  
Chief Steward

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## Board of Stewards Report – Canterbury Park – July 2022

First, I would like to thank Eddie Arroyo and Vince Clark for their hard work while serving as substitute racing stewards in July. Eddie did an outstanding job while filling in for the final five weeks of the race meet last year after Stan Bowker had to step away, and we welcomed the opportunity to work with Eddie again this year. As it turns out, Eddie tested positive for COVID after just one week here, but before leaving to return home to the Chicago area, he recommended Vince Clark, who traveled to Minnesota from his home in Ohio on very short notice to work with Reuben and me as a substitute racing steward. Vince did an excellent job filling in for Greg Hosch while he was home recovering from major heart surgery, and we are very thankful for Greg's speedy recovery and return to Canterbury Park.

I would also like to acknowledge and thank Interim Executive Director, Charlene Briner. We admire her intellect and ability to manage such a complex agency as well as she has in such a short time. It has been a pleasure working with her, and we appreciate her encouragement and support.

Since the beginning of the race meet, the stewards have issued a total of 27 rulings, to include a few rider suspensions, and one HISA ruling.

The HISA safety rules went into effect on July 1, 2022, and HISA continues to be a source of angst for industry participants here in Minnesota and throughout the Nation as challenges are considered by Federal courts. Meanwhile, the new Federal agency continues to address questions and concerns raised by regulators and covered persons.

3 horses went down, and 4 riders were unseated in two separate incidents. 2 riders walked away from the incidents, but 2 riders, Ruben Fuentes and Luis Valenzuela, suffered significant injuries. Thankfully, both are recovering from their injuries, and we hope and pray for their full recoveries.

The volume of claiming continues at a brisk pace which demonstrates that there is a great deal of interest in racing here at Canterbury Park. We credit racetrack management for creating a high-quality race meet, which has again attracted outstanding horses, jockeys, and horse people, including some who moved their tack to Canterbury Park in July with no live thoroughbred horse racing in Illinois this summer.

Everyone enjoyed their well-deserved break during the Twin Cities Summer Jam.

As always, we encourage you to bring any questions that you may have to our attention, and we welcome you to visit us in the stewards' stand any time.

Randy Blaseg  
Chief Racing Steward

Item 7c -  
Staff Report –  
Presiding Judge

## **JUDGES REPORT – RUNNING ACES – JULY 2022**

As we pass the halfway mark in the 2022 harness racing meet at Running Aces, the judges are content with the racing action on the track and the participants involved.

A steady supply of entries in the box has allowed Running Aces to card 8 to 10 races nightly. The average races per program, and the average number of starters in each race are up slightly when compared to previous years.

The judges issued 20 rulings during the month bringing the meet total to 60. Most of the rulings were for interference (crowding, impeding, striking a wheel, changing course) during the race itself.

Utilizing the shorter modified whips continues to be a very positive step in the right direction for the overall good of the harness racing industry. Several other jurisdictions have contacted Judge Corey to inquire about them. Running Aces is currently the only harness track in the country that uses this type of whip. We speculate and hope that will change soon.

Here are the stats for the month of July (and the meet)

Avg. horses in the box – 78.2 (76.8)

Avg. races per night – 8.9 (8.9)

Avg. starters per race – 7.6 (7.5)

Avg. on-track handle - \$16,178 (\$14,394)

Avg. total handle - \$205,032 (\$211,103)

Total handle July - \$2,665,419 (\$7,177,521)

Item 8a –  
Status Report from  
Canterbury Park  
Entertainment, LLC-



## Canterbury Park - July 2022 Minnesota Racing Commission Status Report

### Summary of Canterbury Park Card Casino Operations

Business Segment	2022		2021		2020		% Comparison				
	July	Year-to-Date	July	Year-to-Date	July	Year-to-Date	July 2021	2021 Year-to-Date	July 2020	2020 Year-to-Date	Segment
Table Games	\$2,601,287	\$17,817,834	\$2,658,180	\$15,585,949	\$1,798,306	\$8,013,441	-2.14%	14.32%	44.65%	122.35%	Table Games
Poker	\$916,921	\$6,056,574	\$911,406	\$4,739,402	\$388,107	\$2,529,339	0.61%	27.79%	136.25%	139.45%	Poker
<b>Total Card Casino Revenue</b>	<b>\$3,518,208</b>	<b>\$23,874,408</b>	<b>\$3,569,586</b>	<b>\$20,325,351</b>	<b>\$2,186,413</b>	<b>\$10,542,780</b>	<b>-1.44%</b>	<b>17.46%</b>	<b>60.91%</b>	<b>126.45%</b>	<b>Total CC</b>

### Summary of Canterbury Park Player Pool

CPE Minimum Player Pool Balance	Jackpot Balances	\$387,802	25% MVP Balance	\$171,335	25% Trailing TG Revenue	\$72,112
				CPE Minimum Player Pool Balance 7/31/22	\$631,249	
CPE Maximum Player Pool Balance	Jackpot Balances	\$387,802	6% Trailing TG Revenue			\$1,730,695
				CPE Maximum Player Pool Balance 7/31/22	\$2,118,497	
CPE Actual Player Pool Balance				CPE Actual Player Pool Balance as of 7/31/2022		\$1,241,114

### Summary of Canterbury Park Pari-Mutuel Operations

Business Segment	2022		2021		2020		% Comparison				
	July	Year-to-Date	July	Year-to-Date	July	Year-to-Date	July 2021	2021 Year-to-Date	July 2020	2020 Year-to-Date	Segment
Live Racing Days	14	39	13	38	18	28	7.69%	2.63%	-22.22%	39.29%	Live Racing Days
Live Handle	\$2,556,918	\$6,118,704	\$1,919,932	\$4,849,287	\$1,263,089	\$1,898,112	33.18%	26.18%	102.43%	222.36%	Live Handle
Simulcast Handle	\$1,510,621	\$11,848,429	\$1,667,134	\$11,963,533	\$1,597,469	\$7,615,185	-9.39%	-0.96%	-5.44%	55.59%	Simulcast
<b>Total On-Track PM Handle</b>	<b>\$4,067,538</b>	<b>\$17,967,133</b>	<b>\$3,587,066</b>	<b>\$16,812,820</b>	<b>\$2,860,558</b>	<b>\$9,513,297</b>	<b>13.39%</b>	<b>6.87%</b>	<b>42.19%</b>	<b>88.86%</b>	<b>Total On-Track</b>
<b>Out-of-State Handle</b>	<b>\$22,648,628</b>	<b>\$55,500,388</b>	<b>\$15,643,117</b>	<b>\$48,669,598</b>	<b>\$22,450,357</b>	<b>\$35,841,307</b>	<b>44.78%</b>	<b>14.04%</b>	<b>0.88%</b>	<b>54.85%</b>	<b>Out-of-State</b>

### Summary of Canterbury Park & SMSC Purse Accounts

Beginning CPE TB Purse Balance	7/1/2022	\$3,540,978.73
Live Racing Purse Earnings	\$202,648.75	
CPE Simulcast Purse Earnings (85% During Mixed Meet)	\$66,867.26	
Running Aces Simulcast Purse Earnings	\$19,373.16	
Card Casino Purse Earnings (91%)	\$403,397.75	
Out-of-State Host Fee Purse Earnings	\$332,380.13	
ADW Purse Earnings from Prior Month (67% of 82%)	\$36,862.64	
Interest Earned (Service Charges)	\$67.25	
(Minnesota HBPA Admin Fees Paid)	(\$35,000.00)	
(Thoroughbred Purse Transfers)	(\$1,094,870.00)	
Ending CPE TB Purse Balance	7/31/2022	\$3,472,705.67
Ending CPE TB Purse Balance	7/31/2021	\$2,338,604.70
Ending CPE TB Purse Balance	7/31/2020	\$1,403,829.32
CPE TB Purse Balance Difference 2022 vs 2021		\$1,134,100.97
CPE TB Purse Balance Difference 2022 vs 2020		\$2,068,876.35

Beginning CPE QH Purse Balance	7/1/2022	\$565,573.38
Live Racing Purse Earnings	\$12,132.33	
CPE Simulcast Purse Earnings (15% During Mixed Meet)	\$11,800.10	
Running Aces Simulcast Purse Earnings	\$735.59	
Card Casino Purse Earnings (9%)	\$39,896.48	
Out-of-State Host Fee Purse Earnings	\$20,975.23	
ADW Purse Earnings from Prior Month (50% of 18%)	\$6,038.66	
Interest Earned (Service Charges)	\$0.00	
(MN Quarter Horse Racing Association Admin Fees Paid)	\$0.00	
(Quarter Horse Purse Transfers)	(\$127,400.00)	
Ending CPE QH Purse Balance	7/31/2022	\$529,751.76
Ending CPE QH Purse Balance	7/31/2021	\$405,607.21
Ending CPE QH Purse Balance	7/31/2020	\$201,307.08
CPE QH Purse Balance Difference 2022 vs 2021		\$124,144.55
CPE QH Purse Balance Difference 2022 vs 2020		\$328,444.68

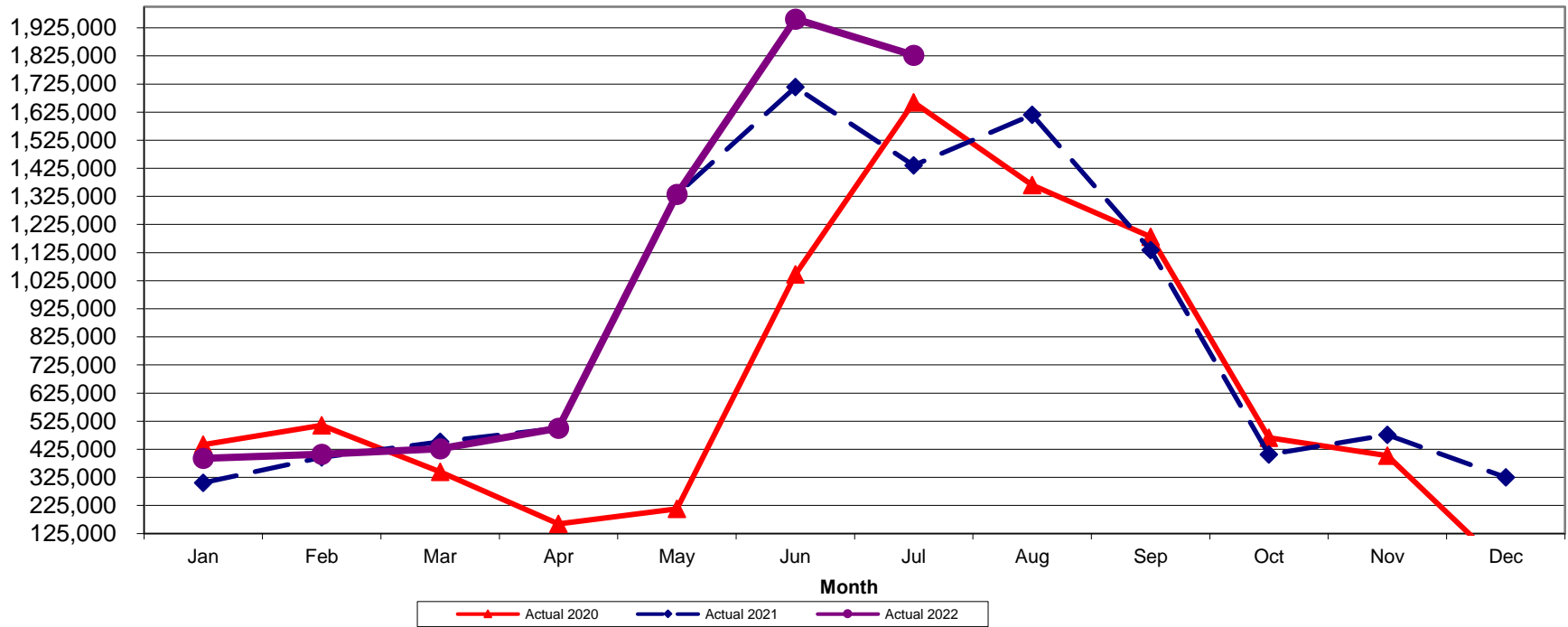
Beginning SMSC TB Purse Balance	7/1/2022	\$1,863,475.60
SMSC Contributions & Interest Earnings (89%)	\$890,102.84	
SMSC Thoroughbred Purse Paid	(\$1,354,120.00)	
Marketing Fund Transfers (89%)	(\$288,360.00)	
Ending SMSC TB Purse Balance	7/31/2022	\$1,111,098.44
Ending SMSC TB Purse Balance	7/31/2021	\$1,321,888.75
Ending SMSC TB Purse Balance	7/31/2020	\$803,025.82
SMSC TB Purse Balance Difference 2022 vs 2021		(\$210,790.31)
SMSC TB Purse Balance Difference 2022 vs 2020		\$308,072.62

Beginning SMSC QH Purse Balance	7/1/2022	\$359,870.63
SMSC Contributions & Interest Earnings (11%)	\$110,012.71	
SMSC Quarter Horse Purse Paid	(\$191,300.00)	
Marketing Fund Transfers (11%)	(\$35,640.00)	
Ending SMSC QH Purse Balance	7/31/2022	\$242,943.34
Ending SMSC QH Purse Balance	7/31/2021	\$97,818.77
Ending SMSC QH Purse Balance	7/31/2020	\$130,088.27
SMSC QH Purse Balance Difference 2022 vs 2021		\$145,124.57
SMSC QH Purse Balance Difference 2022 vs 2020		\$112,855.07

**CANTERBURY PARK - CPE**  
**Pari-Mutuel Revenue - Trend**

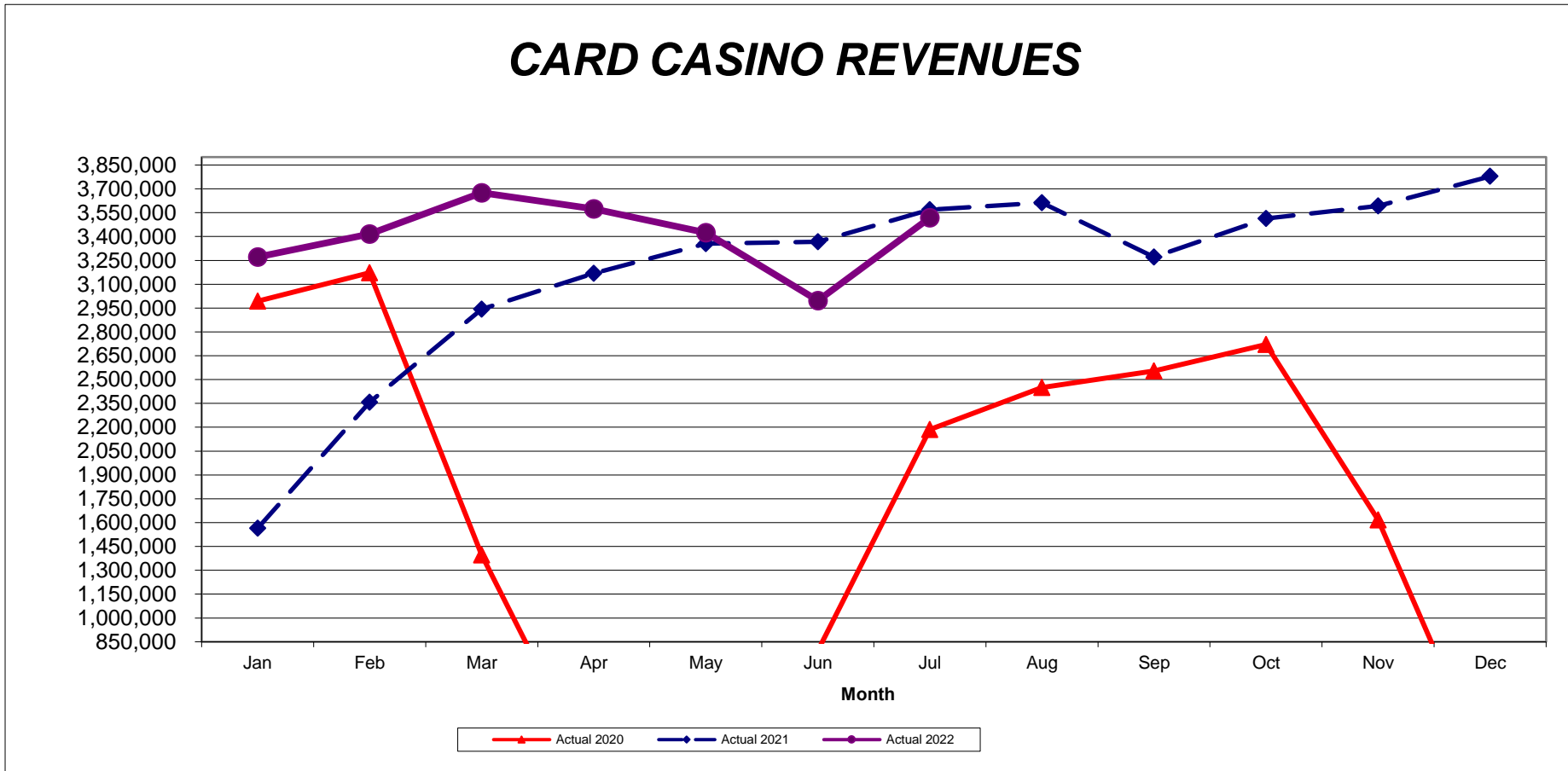
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD Total</u>
Actual - 2020	441,696	509,949	344,381	159,865	213,522	1,047,197	1,660,012	1,365,475	1,181,486	466,131	402,863	-	<u>4,376,622</u>
Actual - 2021	306,119	395,952	451,773	499,702	1,331,141	1,713,897	1,435,469	1,615,458	1,133,474	406,328	476,837	325,376	<u>6,134,053</u>
Actual - 2022	392,759	407,351	427,516	500,305	1,332,187	1,956,449	1,827,592						<u>6,844,159</u>

**PARI - MUTUEL REVENUES**



**CANTERBURY PARK - CPE**  
**Card Casino Revenue - Trend**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD Total</u>
Actual - 2020	2,992,752	3,172,174	1,396,246	-	-	795,194	2,186,413	2,450,255	2,554,940	2,721,436	1,616,452	-	<u>10,542,779</u>
Actual - 2021	1,564,531	2,356,944	2,943,218	3,168,717	3,354,977	3,366,893	3,569,586	3,612,728	3,270,867	3,513,735	3,592,718	3,778,557	<u>20,325,351</u>
Actual - 2022	3,270,587	3,415,147	3,675,582	3,573,730	3,424,229	2,996,925	3,518,208						<u>23,874,408</u>



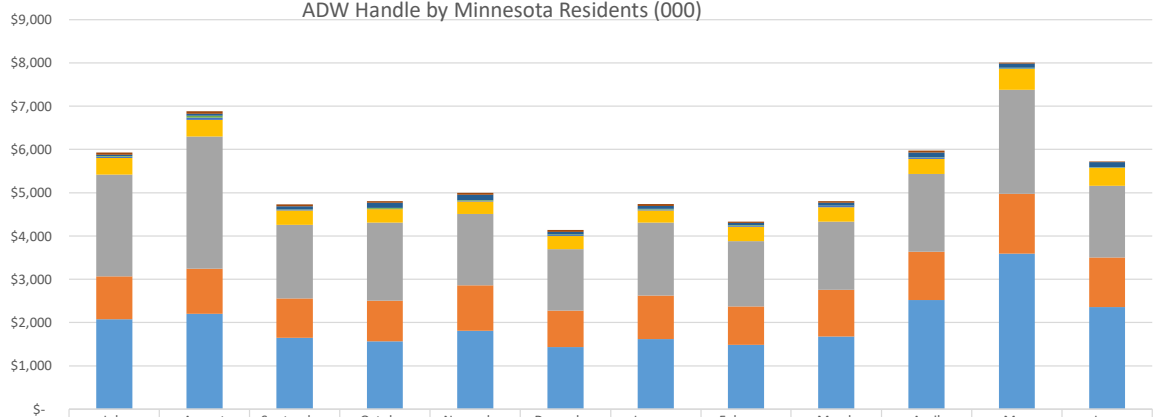


Item 8b –  
Status Report Running  
Aces Casino, Hotel, and  
Racetrack

Pages 112-115 have been  
omitted under 2020  
Minnesota Statutes Chapter  
13D.05

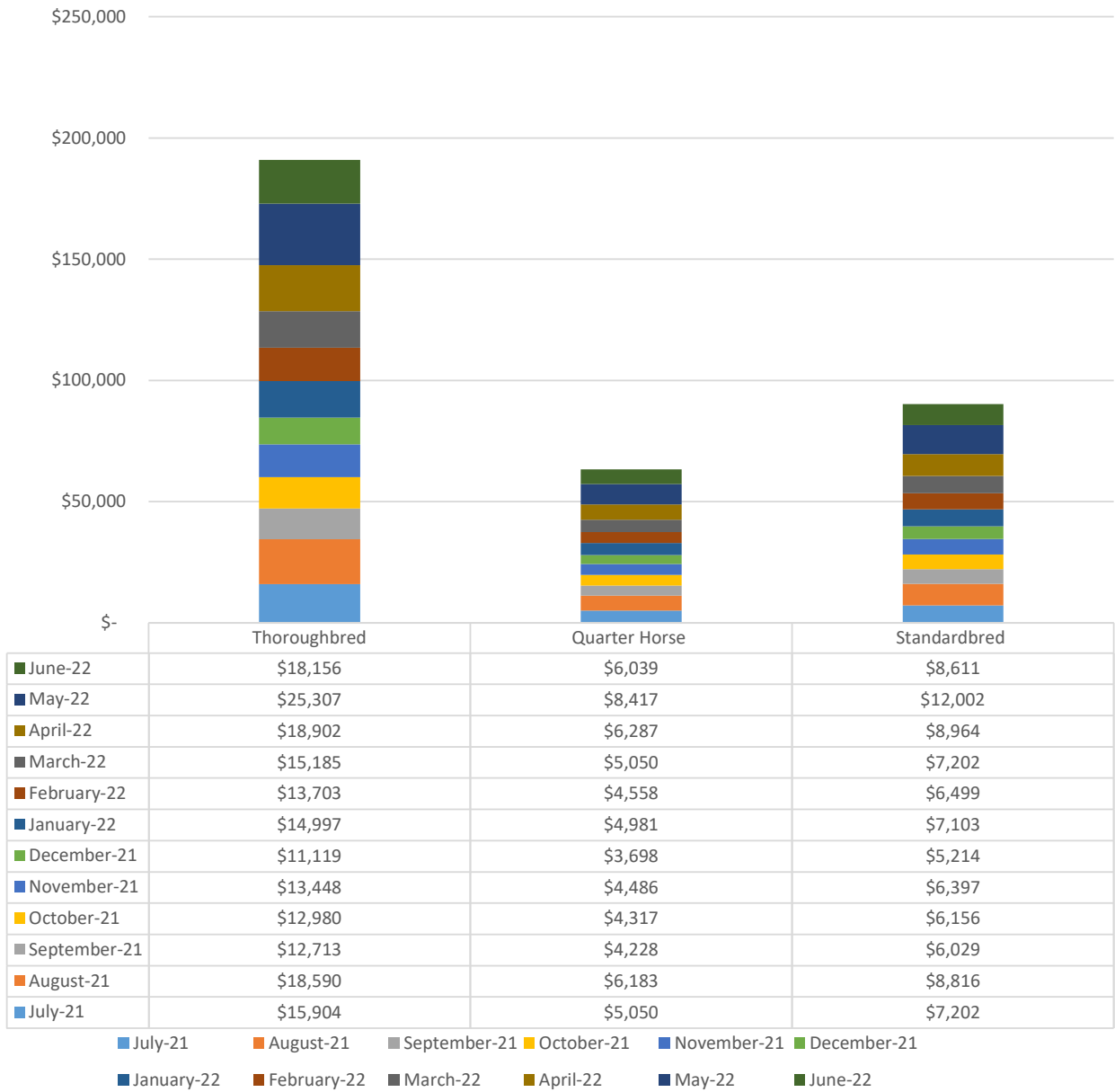
# Item 9 - Deputy Director's Report

ADW Handle by Minnesota Residents (000)



	July	August	September	October	November	December	January	February	March	April	May	June
Horse Tourneys	\$53	\$54	\$48	\$31	\$45	\$43	\$46	\$32	\$32	\$46	\$26	\$18
Lien Games	\$30	\$50	\$65	\$120	\$131	\$62	\$64	\$51	\$55	\$100	\$97	\$111
WatchandWager.com LLC	\$17	\$42	\$10	\$20	\$14	\$13	\$19	\$13	\$8	\$11	\$10	\$11
eBet Technologies	\$25	\$51	\$14	\$12	\$14	\$18	\$16	\$27	\$38	\$33	\$19	\$9
NYRA Bets (NewCo Ventures)	\$388	\$384	\$334	\$313	\$287	\$302	\$284	\$331	\$339	\$346	\$478	\$411
TVG (ODS Tech)	\$2,352	\$3,054	\$1,699	\$1,803	\$1,643	\$1,421	\$1,683	\$1,507	\$1,568	\$1,801	\$2,400	\$1,654
Xpressbet, LLC	\$987	\$1,045	\$913	\$931	\$1,050	\$846	\$1,008	\$889	\$1,083	\$1,119	\$1,385	\$1,148
Twinspires.com	\$2,081	\$2,203	\$1,648	\$1,573	\$1,816	\$1,435	\$1,620	\$1,484	\$1,678	\$2,519	\$3,594	\$2,361

### Incremental Breeders Awards via ADW



Item 10b-

Executive Director's  
Report - Licensing

## Minnesota Racing Commission

### July 2022 Licensing Report

Class C Applications Processed at Canterbury Park: **197**

Class C Applications Processed at Running Aces: 44

Class C Large Racing/Gaming Vendors: 0

Class C Small Racing/Gaming Vendors: 3

Class C Licensing Fees for July: **\$ 9,905**

Fingerprint Fees for July: **\$ \$2,350**

(Fingerprint fees are forwarded to Public Safety for processing reports)

Fines Collected during FY22: **\$ 18,850**

CP Ruling #	Name	Susp Start	Susp End	Violation Date	Ruling Date	Fine Amount	Paymt Due Date	Pd YES or NO	Pd Date	Violation Description
C22001	Marco Crespo			5/19/2022	5/26/2022	\$ 100.00	5/30/2022	y	5/26/2022	Conduct Detrimental to Racing
C22002	Ruben Fuentes	6/5/2022	6/9/2022	5/26/2022	5/28/2022					Careless Riding
C22003	Harry Hernandez	6/5/2022	6/9/2022	5/26/2022	5/28/2022					Careless Riding
C22004	Liandro Morfin	6/3/2022	6/8/2022	5/26/2022	6/3/2022					Conduct Detrimental to Racing
C22005	Harry Hernandez			5/29/2022	6/1/2022	\$ 200.00	6/4/2022	y	6/19/2022	Misuse of Whip
C22006	Fernando Fonseca-Soto			6/2/2022	6/7/2022	\$ 200.00	6/12/2022	Y	7/2/2022	Misuse of Whip
C22007	Bonifacio Quiroz			6/2/2022	6/7/2022	\$ 200.00	6/12/2022	y	6/16/2022	Misuse of Whip
C22008	Roimes Chirinos			6/5/2022	6/7/2022	\$ 200.00	6/12/2022	y	6/17/2022	Misuse of Whip
C22009	Luis Negron	6/15/2022	6/18/2022	6/4/2022	6/5/2022					Careless Riding
C22010	Liandro Morfin			5/26/2022	6/11/2022	\$ 500.00	6/15/2022	y	6/15/2022	Conduct Detrimental to Racing
C22011	Michael Bolinger			5/26/2022	6/11/2022	\$ 500.00	6/16/2022	y	6/16/2022	Conduct Detrimental to Racing
C22012	Guadalupe Mata			5/26/2022	6/11/2022	\$ 200.00	6/16/2022	y	6/15/2022	Conduct Detrimental to Racing
C22013	Lindey Wade			6/12/2022	6/15/2022	\$ 200.00	6/20/2022	n		Misuse of Whip
C22014	Jonathan Wong			5/29/2022	6/18/2022	\$ 1,000.00	6/23/2022	n		Medication/Drug Violation - Animal
C22015	Luis Fuentes			6/18/2022	6/18/2022	\$ 200.00	6/23/2022	y	6/25/2022	Misuse of Whip
C22016	Daniel Adams			6/25/2022	6/26/2022					Violation of Rule 7897.0110 subpart 1; Use of Drugs or Alcohol
C22017	Jerry Livingston			7/3/2022	7/21/2022	\$ 1,000.00	7/26/2022	y	7/28/2022	Medication/Drug Violation - Animal
C22018	Alonso Quinonez	7/27/2022	7/30/2022	7/16/2022	7/26/2022					Careless Riding
C22019	Harry Hernandez			7/10/2022	7/25/2022	\$ 500.00	7/27/2022	y	7/30/2022	Careless Riding
C22020	Harry Hernandez	8/4/2022	8/7/2022	7/17/2022	8/28/2022					Careless Riding
C22021	Luis Negron			7/16/22 & 7/17/22	7/30/2022	\$ 400.00	8/2/2022			Failure to fulfill riding engagements



C22022	Miguel Silva			7/13/2022	7/30/2022	\$ 500.00	8/2/2022	y	7/31/2022	Failure to declare a sex change on Shaqs My Daddy
C22023	Ry Eikleberry			7/31/2022	8/3/2022	\$ 200.00	8/5/2022	y	8/3/2022	Prohibited Use of Riding Crop
C22024	Chel-C Bailey				8/3/2022					Apprenticeship Extension
C22025	Niki Goodwin	8/6/2022	8/10/2022	7/30/2022	8/3/2022					Careless Riding
C22026	Kelsi Harr			7/30/2022	8/3/2022	\$ 500.00	8/6/2022			Careless Riding
<b>Unpaid Fines</b>	<b>\$ 800.00</b>	<b>Total CBY Fines to Date</b>	<b>\$ 6,600.00</b>							

RA Ruling #	Name	Susp Start	Susp End	Violation Date	Ruling Date	Fine Amount	Paymt Due Date	Pd YES or NO	Pd Date	Violation Description
R220002	Lackey, James			5/17/2022	5/18/2022	\$200.	5/23/2022	\$200	5/26/2022	Careless/Unsafe/Improper Riding or Driving
R220003	Magee, Richard			5/24/2022	5/25/2022	\$100.	5/30/2022	\$100	5/29/2022	Careless/Unsafe/Improper Riding or Driving
R220004	Gould, Justin			5/22/2022	5/29/2022	\$100.	6/3/2022	\$100	5/29/2022	General/Miscellaneous Rulings
R220005	Roland, Nick			5/26/2022	5/29/2022	\$100.	6/3/2022	\$100	6/2/2022	Careless/Unsafe/Improper Riding or Driving
R220006	Roland, Nick			5/31/2022	5/31/2022	\$100.	6/5/2022	\$100	6/2/2022	General/Miscellaneous Rulings
R220009	Magee, Dean			6/2/2022	6/3/2022	\$100.	6/6/2022	\$150	6/5/2022	Careless/Unsafe/Improper Riding or Driving
R220010	Roland, Nick			6/2/2022	6/6/2022	\$100.	6/7/2022	\$500	6/5/2022	Careless/Unsafe/Improper Riding or Driving
R220011	Lancaster, Richard			6/2/2022	6/5/2022	\$200.	6/8/2022	\$100	6/16/2022	Misuse of Whip
R220012	Jenson, Brandon			6/7/2022	6/8/2022	\$100.	6/11/2022	\$100	6/16/2022	Careless/Unsafe/Improper Riding or Driving
R220013	Magee, Richard			6/7/2022	6/8/2022	\$100.	6/10/2022	\$200	6/12/2022	General/Miscellaneous Rulings
R220014	Svendsen, Lemoyne			6/7/2022	6/8/2022	\$100.	6/13/2022	\$100	6/13/2022	Careless/Unsafe/Improper Riding or Driving
R220015	Magee, Dean			6/12/2022	6/13/2022	\$100.	6/13/2022	\$100	6/14/2022	Careless/Unsafe/Improper Riding or Driving
R220016	Plano, Luke			6/14/2022	6/15/2022	\$200.	6/13/2022	\$100	6/13/2022	Misuse of Whip
R220017	Hernandez, Williams			6/14/2022	6/15/2022	\$200.	6/18/2022	\$100	6/16/2022	Misuse of Whip
R220018	Magee, Richard			6/14/2022	6/15/2022	\$250.	6/20/2022	\$200	6/21/2022	Conduct Detrimental to Racing
R220019	LONGO, GERALD			6/14/2022	6/19/2022	\$200.	6/20/2022	\$200	6/21/2022	Trainer Responsibility
R220020	Jenson, Brady			6/19/2022	6/20/2022	\$100.	6/20/2022	\$250	6/21/2022	Careless/Unsafe/Improper Riding or Driving
R220021	Jenson, Brady			6/19/2022	6/20/2022	\$100.	6/24/2022	\$200	6/21/2022	Careless/Unsafe/Improper Riding or Driving
R220022	Svendsen, Chad			6/19/2022	6/20/2022	\$100.	6/25/2022	\$100	6/29/2022	Careless/Unsafe/Improper Riding or Driving
R220023	Lackey, James			6/19/2022	6/20/2022	\$100.	6/25/2022	\$100	6/29/2022	Careless/Unsafe/Improper Riding or Driving
R220025	Roland, Daniel			6/19/2022	6/20/2022	\$100.	6/25/2022	\$100	6/28/2022	Careless/Unsafe/Improper Riding or Driving
R22007	KING, JENNI			5/31/2022	6/1/2022	\$150.	6/25/2022	\$100	6/21/2022	Trainer Responsibility
R22008	Lagerquist, Dale			5/29/2022	6/2/2022	\$500.	6/25/2022	\$100	6/28/2022	Trainer Responsibility
R220024	Plano, Luke			6/19/2022	6/20/2022	\$100.00	6/25/2022	\$100	6/21/2022	Careless/Unsafe/Improper Riding or Driving
R220026	Magee, Richard			6/19/2022	6/20/2022	\$100.00	6/26/2022	\$100	6/29/2022	Careless/Unsafe/Improper Riding or Driving
R220027	Plano, Luke			6/21/2022	6/21/2022	\$100.00	6/27/2022	\$100	6/28/2022	Careless/Unsafe/Improper Riding or Driving
R220028	Plano, Luke			6/21/2022	6/22/2022	\$100.00	6/27/2022	\$100	6/28/2022	General/Miscellaneous Rulings
R220029	Plano, Luke			6/21/2022	6/22/2022	\$200.00	6/29/2022	\$200	6/28/2022	Careless/Unsafe/Improper Riding or Driving

R220030	Jenson, Brady			6/23/2022	6/24/2022	\$750.00	7/2/2022	\$750	6/29/2022	Conduct Detrimental to Racing
R220031	Lackey, James			6/21/2022	6/27/2022	\$100.00	7/2/2022	\$100	6/27/2022	Careless/Unsafe/Improper Riding or Driving
R220032	Magee, Gary			6/26/2022	6/27/2022	\$200.00	7/2/2022	\$200		Careless/Unsafe/Improper Riding or Driving
R220033	Zimmerman, Elvin			6/26/2022	6/27/2022	\$100.00	7/2/2022	\$100	6/30/2022	Careless/Unsafe/Improper Riding or Driving
R220034	Zimmerman, Elvin			6/26/2022	6/27/2022	\$200.00	7/2/2022	\$200	6/30/2022	Misuse of Whip
R220035	Magee, Dean			6/26/2022	6/27/2022	\$100.00	7/2/2022	\$100	7/6/2022	Careless/Unsafe/Improper Riding or Driving
R220036	Detgen, Brian			6/23/2022	6/27/2022	\$100.00	7/4/2022	\$100	7/3/2022	Careless/Unsafe/Improper Riding or Driving
R220037	Roland, Nick			6/28/2022	6/29/2022	\$200.00	7/4/2022	\$200	7/5/2022	Careless/Unsafe/Improper Riding or Driving
R220038	Roland, Nick			6/28/2022	6/29/2022	\$300.00	7/4/2022	\$300	7/5/2022	Careless/Unsafe/Improper Riding or Driving
R220039	Plano, Luke			6/30/2022	7/1/2022	\$250.00	7/6/2022		7/10/2022	Careless/Unsafe/Improper Riding or Driving
R220040	Svendsen, Lemoyne			7/3/2022	7/4/2022	\$300.00	7/9/2022		7/10/2022	Careless/Unsafe/Improper Riding or Driving
R220041	Campbell, Michael			7/3/2022	7/4/2022	\$100.00	7/9/2022		7/13/2022	Careless/Unsafe/Improper Riding or Driving
R220042	LONGO, GERALD			7/5/2022	7/6/2022	\$200.00	7/11/2022		7/10/2022	Careless/Unsafe/Improper Riding or Driving
R220043	Roland, Nick			7/6/2022	7/8/2022	\$500.00	7/13/2022		7/14/2022	Trainer Responsibility
R220044	LONGO, GERALD			7/7/2022	7/8/2022	\$300.00	7/13/2022		7/10/2022	Careless/Unsafe/Improper Riding or Driving
R220045	Campbell, Michael			7/10/2022	7/10/2022	\$500.00	7/15/2022		7/19/2022	Conduct Detrimental to Racing
R220046	Magee, Richard			7/10/2022	7/11/2022	\$300.00	7/16/2022		17/19/22	Careless/Unsafe/Improper Riding or Driving
R220047	Roland, Nick	7/20/2022	7/20/2022	7/14/2022	7/17/2022	\$500.00	7/22/2022		7/25/2022	Misuse of Whip
R220048	Roland, Nick	7/23/2022	7/28/2022	7/14/2022	7/14/2022	\$1,000.00	7/19/2022		7/25/2022	Misuse of Whip
R220049	Kerwood, Anthony			7/17/2022	7/18/2022	\$100.00	7/23/2022		7/24/2022	Careless/Unsafe/Improper Riding or Driving
R220050	Plano, Luke			7/17/2022	7/18/2022	\$400.00	7/23/2022		7/25/2022	Misuse of Whip
R220051	Plano, Luke			6/26/2022	7/18/2022	\$750.00	7/23/2022		7/1/2022	Medication/Drug Violation - Animal
R220053	Plano, Luke	7/31/2022	8/2/2022	7/21/2022	7/25/2022	\$500.00	7/30/2022			Improper or Inhumane Treatment of Animal
R220054	Plano, Luke			7/28/2022	7/30/2022	\$300.00	8/4/2022			Careless/Unsafe/Improper Riding or Driving
R220055	Lackey, James			7/28/2022	7/30/2022	\$100.00	8/4/2022			Careless/Unsafe/Improper Riding or Driving
R220057	Kerwood, Anthony			7/31/2022	8/1/2022	\$100.00	8/6/2022		7/8/2022	Careless/Unsafe/Improper Riding or Driving
R220058	Hernandez, Williams	8/5/2022	8/7/2022	7/31/2022	8/1/2022		8/6/2022			Misuse of Whip
R220059	Hernandez, Williams	8/8/2022	8/10/2022	7/31/2022	8/1/2022		8/6/2022			Careless/Unsafe/Improper Riding or Driving
Unpaid Fines	\$	-	Total RA Fines to Date	\$	12,250.00					