

## SETTLEMENT AGREEMENT AND RELEASE

The City of Saint Paul (the "City"), Department of Safety and Inspections ("DSI") and Maryland Tobacco, Inc., d/b/a Maryland Tobacco ("444 Maryland") enter into this Settlement Agreement as outlined below.

WHEREAS, Maryland Tobacco holds a Cigarette/Tobacco Product Shop License (#20180003636) for the premises located at 444 Maryland Avenue in Saint Paul ("Licensed Premises"); and,

WHEREAS, Ali Alfureedy, is an owner and licensee of Maryland Tobacco; and

WHEREAS, pursuant to Saint Paul Legislative Code 310.04 (b) states:

"The terms "licensee" or "applicant" for the purposes of this section shall mean and include any person who has any interest, whether as a holder of more than five (5) percent of the stock of a corporation, as a partner, or otherwise, in the premises or in the business or activity which are licensed or proposed to be licensed."

WHEREAS, on November 9, 2020, the City Attorney Office and DSI learned that there was a zoning issue that needed to be investigated; and,

WHEREAS, based on the January 15, 2021 Notice of Violation letter, DSI examined the licensed premises of 444 Maryland and determined that the Cigarette/Tobacco Product Shop License was issued in error based on an errant zoning determination; and,

WHEREAS, based on the January 15, 2021 Notice of Violation letter, DSI zoning administrator determined that the Licensee's shop is within a B1 zoning district. Saint Paul Legislative Code prohibits Tobacco Product Shops within B1 zoning districts. The Notice of Violation letter also explained how the current use is not permitted in the space; and,

WHEREAS, on March 4, 2021, Licensee drafted a letter in an attempt to request for continuance of the public hearing before the zoning committee; and,

WHEREAS, on March 25, 2021, Licensee applied for rezoning of the licensed premises from a B1 zoning district to a T2 zoning district; and,

WHEREAS, on April 22, 2021, the zoning committee approved of the rezoning from B1 to T2 for 444 Maryland, while allowing DSI to impose conditions on the license; and,

WHEREAS, based on the June 16, 2021 Notice of Violation letter, which indicated the proposed rezoning failed and how 444 Maryland had to cease use; and,

WHEREAS, there has been a longstanding litigation of this zoning issue, dating back to Saint Paul City Council denying the rezoning from B1 to T2 and even through the District Court, Minnesota Court of Appeals, and the administrative appeal process; and,

WHEREAS, Saint Paul Legislative Code 61.801(a) states, "The council may, from time to time, amend, supplement or change the district boundaries or the regulations herein, or subsequently established herein pursuant to the provisions of Minnesota Statutes section 462.357 and amendments thereto as may be made from time to time," and,

WHEREAS, Saint Paul Legislative Code 310.03(m)(3) states, "Penalties for convictions or violations are presumed to be appropriate for every case; however, the council may deviate therefrom in an individual case where the council finds and determines that there exist substantial and compelling reasons making it more appropriate to do so;" and,

WHEREAS, the Parties agree that this Settlement Agreement will provide certainty regarding the zoning violation and accompanying penalties;<sup>1</sup> and,

WHEREAS, the Parties agree revocation of license to be effective April 30, 2025, while foregoing an Administrative Hearing; and,

WHEREAS, the Parties agree that settling this matter as described below is beneficial to all Parties; and,

WHEREAS, Licensee releases, acquits and forever discharges the City and DSI and their agents, servants, successors, heirs, executors, administrators and all other persons, firms, corporations, associations or partnerships of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, attorneys' fees and compensation whatsoever, which Licensee now has or which he may accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen damages from the revocation of the Tobacco Product Shop license; and,

WHEREAS, Licensee understands and acknowledges that the City and DSI do not admit to any wrongdoing, improper action, or liability for any of Licensee's alleged damages. Licensee agrees to defend and hold the City and DSI harmless from the same; and,

WHEREAS, Licensee further declares and represents that no promise, inducement, or agreement not expressed in this document has been made to him and that this release contains the entire agreement between the parties and that the terms of this release are contractual and not a mere recital; and

WHEREAS, the Parties wish to settle and resolve all outstanding disputes and claims between them to avoid the uncertainties and costs associated with continued litigation; and,

WHEREAS, the Parties knowingly and voluntarily enter into this Settlement Agreement; and,

NOW THEREFORE, in consideration of the mutual promises established in this Settlement Agreement and release, the Parties agree to the terms herein set forth:

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<sup>1</sup> The City, DSI, and Maryland Tobacco are at times jointly referred to as "the Parties."

1. The City agrees to the requested revocation of the Cigarette/Tobacco Product Shop License from Maryland Tobacco, pursuant to section 310.04(b)(3) of the Saint Paul Legislative Code, i.e., because it was issued in violation of the zoning code, and to not pursue any other alleged violation except as set forth below for violation of any conditions in paragraph 2 below;
2. Maryland Tobacco agrees to sign the License Conditions and agrees to the imposition of the following license condition upon its Cigarette/Tobacco Product Shop License:
  - a. No further subsequent violations, this includes but not limited to:
    - i. No late-night deliveries between the hours of 11:00pm- 6:00am,
    - ii. License is issued for a retail use only, and the Licensee shall conduct retail cigarette/tobacco business in compliance with the "Minnesota Clean Indoor Air Act" (MN Stat. 144.411-144.417),
    - iii. Licensee acknowledges per the Ramsey County Clean Indoor Air Ordinance resolution B2015-302 sec 5.02 prohibits the use of electronic cigarettes (or e-cigarettes) in public spaces where cigarette smoking is currently prohibited under the Minnesota Clean Indoor Act, as well as prohibiting vaping or smoking within 25 feet of public building entrances,
    - iv. Licensee agrees to operate the business in a manner that is consistent with the Business Summary submitted by the Licensee dated 10/05/2018 and floor plans submitted with DSI. Licensee agrees to obtain prior written approval from DSI before making any substantive changes to their approved method of operation,
    - v. No sampling of tobacco products is permitted unless the space is made compliant with applicable code discipline requirements including the mechanical ventilation code,
    - vi. Licensee agrees to provide a detailed breakdown of all items sold, including total dollar amounts for individual items by category, at the time of license renewal if requested by DSI,
    - vii. Licensee agrees to take appropriate measurements to ensure that no person under eighteen (18) years of age is permitted to enter, compliance with age limitations in accordance with the City of St. Paul legislative code chapter 324 tobacco, which include age restrictions of who may enter the establishment,
    - viii. Temporary window signs placed between the height of four (4) to seven (7) feet above grade shall not cover more than thirty (30) percent of this window space area, and cannot block views into the clerk or cashier station,
    - ix. Licensee acknowledges that the interior door between the Tobacco Product Shop and other adjoining retail space (currently grocery store) shall remain locked at all times. The clerk/cashier of the

Tobacco Product Shop shall have a key with the ability to unlock the door only to allow customers/patrons of the Tobacco Product Shop access to use of the restroom in the adjoining retail space at all times the Tobacco Product Shop is open for business,

- x. Maintain landscaping on licensed premises,
  - xi. Maintain the property clean from trash on a daily basis,
  - xii. The sale of blunts and single cigarettes is not permitted. Tobacco products must be sold in the original packaging,
  - xiii. Licensee must comply with all federal, state and local laws,
  - xiv. No sale or possession of unauthorized THC products, including edible marijuana products in the licensed premises, or
  - xv. No sell of tobacco products to a person under the age of twenty-one (21) years.
3. Failure to comply with any conditions listed in paragraph 2 above, at any time after this Settlement Agreement is executed will result in an immediate revocation of Cigarette/Tobacco Product Shop License prior to the April 30, 2025 revocation.
4. The Parties agree any further violation will be considered a subsequent violation, which warrants a revocation of license under the Saint Paul Legislative Code Chapter 310.03(3) penalty matrix.
5. By executing this agreement, Licensee acknowledges that this Settlement Agreement and Release has been read by him, and his attorney, which he understands and fully agrees to each and every provision within this document.

Date: 11-20-24



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Ali Alfureedy, Licensee of Maryland Tobacco

Date: \_\_\_\_\_

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Benjamin P. Loetscher, Attorney for Licensee

Date: 11-20-2024



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Eric Hudak, Licensing Manager, City of Saint Paul

Date: 11-21-2024



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Sly Onyia, Attorney for City of Saint Paul and DSI


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Ali Alfureedy, Licensee of Maryland Tobacco


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Eric Hudak, Licensing Manager, City of Saint Paul

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Sly Onyia, Attorney for City of Saint Paul and DSI