

## PURCHASE AGREEMENT

**THIS PURCHASE AGREEMENT** (“**Agreement**”) is made this \_\_\_\_ day of \_\_\_\_\_, 2024 (“**Effective Date**”), by and between the City of Northfield, a municipal corporation under the laws of the State of Minnesota, Northfield City Hall, 801 Washington Street, Northfield, Minnesota 55057 (“**Seller**” or “**City**”), and Loon Liquors LLC, a limited liability company under the laws of the State of Minnesota, 1325 Armstrong Road, Suite 165, Northfield, Minnesota 55057 (“**Buyer**”); (collectively the “**Parties**”).

In consideration of the covenants and agreements of the Parties hereto, Seller and Buyer agree as follows:

1. **SALE OF PROPERTY.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following:

- a. **Real Property.** The real property located at 115 5th Street W. in the City of Northfield, Rice County, Minnesota (PID No. 22.01.1.00.013); legally described as follows:

The East 75 feet of all the following:

Lots 6 and 7 and the North Two-Thirds (2/3) of Lot 8 in Block 47 of the Town (now City) of Northfield according to the plat thereof on file and of record in the Office of the County Recorder, Rice County, Minnesota,

(the “**Land**”), together with (i) all buildings and improvements constructed or located on the Land, and (ii) all easements and rights benefiting or appurtenant to the Land and improvements, including any right, title or interest in the bed of any street, road, highway or alley adjoining the Land (collectively the “**Real Property**”); and

- b. **Personal Property:** Except for personal property removed by Seller prior to the Closing Date, all of the fixtures, if any, situated in or about the Real Property owned by Seller and relating to the use and operation of the Real Property (the “**Personal Property**”; together with the Real Property, the “**Property**”).

2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price (“**Purchase Price**”) to be paid by Buyer to Seller for the Property is Nine Hundred Sixty Thousand and No/100ths Dollars (\$960,000.00), which amount shall be paid as follows:

- a. Within five (5) days of the Effective Date, \$10,000.00 as earnest money (the “**Earnest Money**”) by the Buyer paid to and to be held by the Title Company until Closing; and
- b. The balance of the Purchase Price, less the Earnest Money, will be paid on the

Closing Date by Buyer, subject to the credits and prorations set forth in Section 8 below.

3. **CLOSING AND POSSESSION.** The closing of the purchase and sale contemplated by this Agreement shall occur on a date mutually acceptable to Seller and Buyer, but no later than October 31, 2024 (the “**Closing Date**”). The Seller agrees to deliver possession not later than the Closing Date provided that all the contingencies and other terms and conditions contained in this Agreement have been complied with and satisfied. Closing shall take place at Northfield City Hall or the Title Company, as hereinafter defined, or at such other place as may be agreed to mutually by the Parties.

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

- i. Limited Warranty Deed. Attached hereto and made a part hereof as Exhibit A is the required Limited Warranty Deed (“**Deed**”) containing the terms, covenants, and conditions upon which the sale of the Real Property is based and which will be subject only to the Permitted Exceptions (as defined in Section 9 below).
- ii. Well Certificate. If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 103I.235.
- iii. Other Affidavits. Any other affidavits or certificates that may be required (A) under Minn. Stat. § 116.48, Subd. 6, or Minn. Stat. § 115B.16 or other applicable provisions of law, and (B) by the Title Company to issue the final owner’s title insurance policy, including any endorsements desired by Buyer, in accordance with the Title Commitment under Section 9 and subject only to the Permitted Exceptions (as defined in Section 9).
- iv. Other. Such other documents as may reasonably be required to transfer fee title to the Property to Buyer subject only to the Permitted Exceptions.

b. **Buyer’s Closing Documents.** On the Closing Date, Buyer will execute and/or deliver, as applicable, to Seller the following (collectively, “**Buyer’s Closing Documents**”):

- i. Purchase Price. The Purchase Price, minus the Earnest Money and adjusted by the credits and prorations in Section 8 below, by certified check or wire transfer.
- ii. Certificate of Real Estate Value. A Certificate of Real Estate Value.

4. **CONDITIONS PRECEDENT.** The obligations of the Parties to perform under this Purchase Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions within the specified time period below, and review and

acceptance or waiver of each of the Buyer contingencies described below (collectively, “**Buyer’s Contingencies**”), which may be determined by Buyer in its sole discretion, during the “**Due Diligence Period**”, which shall begin on the date Seller obtains City Council approval pursuant to subparagraph (d) below, and shall expire one hundred twenty (120) days thereafter subject to Buyer’s options to extend the Due Diligence Period for two (2) consecutive periods of thirty (30) days each by notice to Seller given no later than 5:00 p.m. Central time on the date the Due Diligence Period would otherwise expire.

- a. **Due Diligence Documents.** Within ten (10) days of the Effective Date, Seller shall deliver to Buyer true, correct, and complete copies of prior surveys, roof reports, environmental reports, property condition reports, or any other essential data, documents, agreements, or other similar records related to the Property which are in the Seller’s possession.
- b. **Title Review.** On the Closing Date, title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 9 regarding title examination.
- c. **Seller’s Representations and Warranties.** The representations and warranties of Seller shall be true and correct in all material respects up through and including the Closing Date.
- d. **Financing Contingency.** Buyer obtaining financing necessary for Buyer’s purchase and renovation of the Real Property for Buyer’s intended use which may include, but will not be limited to, institutional lender financing, tax abatement, tax incremental financing or other governmental loans and incentives, and has provided to Seller a document signed by the Buyer’s bank or other financial institution demonstrating that Buyer has obtained financing to construct and complete the renovation of the Real Property. Any financing, government incentives, grants and/or loans referenced herein are subject to separate processes pursuant to law, rules, policies, and approvals as applicable thereto, and the Seller makes no representations with respect to Buyer’s eligibility for or approvals of the same. In addition, Buyer or its institutional lender have obtained an appraisal of the Property (“Buyer’s Appraisal”). The Seller shall reimburse Buyer one-half (½) the cost of Buyer’s Appraisal, credited against the Purchase Price at Closing or, if Buyer elects to terminate this Agreement, other than for Buyer breach or default, during the Due Diligence Period, within ten (10) days of Buyer’s request to the Seller (including a copy of the appraisal invoice).
- e. **Government Approvals Contingency.** Buyer obtaining such governmental and quasi-governmental approvals, permits, licenses and entitlements that Buyer deems necessary or desirable for Buyer's intended development, renovation, use, and occupancy of the Property including, but not limited to, zoning, conditional or special use permits, , development agreements, access and curb cuts,. Any government approvals referenced herein are subject to separate processes

pursuant to law, rules, polices, City Code, and approvals, as applicable thereto, and Seller makes no representations with respect to the same. Seller and Buyer will cooperate to pursue those government approvals under the jurisdiction of the City of Northfield, subject to applicable law and City Code, which can be considered for approval by the City prior to the Closing Date and do not otherwise require Seller to own the Property as a prerequisite to City approval. Buyer acknowledges and understands that liquor licenses and building permits for the Property and Buyer's uses thereof are subject to applicable law, processes, and subsequent issuance following Buyer's closing on the purchase of the Property, and therefore are not a contingency to Closing.

- f. **Inspection Contingency.** Buyer shall have reasonable access to the Property from the Effective Date and for the entire Due Diligence Period to inspect and conduct testing of the Property including, but not limited to, physical walk-throughs of the entire Property, structural and other engineering and architectural studies, infrastructure inspection, and environmental testing and studies (such as Phase I and Phase II environmental site assessments and asbestos testing). In the event that Buyer's activities hereunder cause damage to the Property, Buyer shall immediately restore the Property, at Buyer's sole cost and expense, to the condition existing immediately prior to Buyer's entry, inspection and testing. Buyer agrees to indemnify and hold Seller harmless from all injury, death, or property damage or claims of any kind whatsoever arising out of or in any way incidental to Buyer's presence on the Property for the purposes aforesaid, provided, however, that with respect to the filling in test boring holes (if any), Buyer shall comply with industry standards and best practices and the foregoing indemnification and hold harmless shall not apply to the extent of any: (i) claims, liabilities, losses, costs, damages or expenses arising out of negligence or willful acts on the part of Seller, its successors or assigns, or its employees, agents, contractors or invitees; (ii) special, consequential or indirect damages including, but not limited to, loss of profit or revenue or diminution in value; or (iii) Claims arising under or related to Environmental Laws or Hazardous Substances (as those terms are defined in Section 6 below) which are not directly caused or negligently exacerbated by Buyer. Buyer's indemnity and hold harmless obligation hereunder shall survive termination of this Agreement for any reason.
- g. **Cooperation.** The conditions precedent and contingencies are solely for the benefit of, and may at any time be waived in writing by, the applicable Party so benefitted. If any approval, condition or contingency as provided above is not obtained, satisfied or waived by the Closing Date, the applicable Party may terminate this Agreement by notice to the other Party, and this Agreement shall be null and void and the Earnest Money refunded to Buyer.

## 5. POST-CLOSING OBLIGATIONS.

- a. The City will evaluate a parklet near the Property based on, among other considerations, publicly owned land and funding available for such purposes.

- b. The City and Buyer will work cooperatively to prepare and execute a non-exclusive license agreement for City Council consideration permitting Buyer to use a portion of the City owned public sidewalk right-of-way, for a portion of a calendar year, for the location of tables and chairs within the licensed premises on the public sidewalk for purposes of outdoor food and beverage service by Buyer for Buyer's customers, subject to liquor licensing requirements and City Code, using the City's standard right-of-way license use agreement form.
6. **PURCHASE, AS-IS.** The Real Property described in this Purchase Agreement is being sold in an "as-is" and with "all faults" condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. Buyer's acceptance of title to the Real Property shall represent Buyer's acknowledgment and agreement that, except as expressly set forth in this Agreement and in the Deed: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer's intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity, or under a federal, state, or local statute, rule, or regulation) whether past, present, or future, existing or contingent, known or unknown, contemplated or un contemplated, suspected or unsuspected, arising out of, resulting from, or relating to the condition of the Real Property, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.
- a. For purposes of this Section, the following terms have the following meanings:
    - i. "**Environmental Law**" means the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 9601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1201 et seq., the Clean Water Act, 33 U.S.C. § 1321 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 33 U.S.C. § 1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and
    - ii. "**Hazardous Substance**" means any pollutant, contaminant, hazardous

substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

- iii. **“Claim” or “Claims”** means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

7. **WELLS AND INDIVIDUAL SEWAGE TREATMENT SYSTEMS.** The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.

8. **PRORATIONS.** Seller and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

- a. **Deed Tax.** Buyer shall pay all state deed tax regarding the Deed to be delivered by Seller under this Agreement.
- b. **Real Estate Taxes and Special Assessments.** Real estate taxes and any special assessments payable in the year 2024 shall be prorated between Seller and Buyer to the Closing Date. The Buyer shall pay real estate taxes and any special assessments payable from the day after the Closing Date and thereafter.
- c. **Recording Costs.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title.
- d. **Other Costs.** Pursuant to Section 4, the Seller will give Buyer a credit for one-half the cost of Buyer’s Appraisal. All other operating costs of the Real Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs accruing on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date.
- e. **Attorneys’ Fees.** Each of the parties will pay its own attorneys’, accountants’ and consultants’ fees.

9. **TITLE EXAMINATION AND SURVEY.**

- a. **The Delivery of the Title Commitment.** Buyer may obtain, at its option and expense, a commitment for an ALTA owner’s policy of title insurance (hereinafter the “Title Commitment”), and an ALTA survey of the Real Property (“Survey”). Buyer shall pay all costs associated with obtaining title insurance and

the Survey including, but not limited to, updating of the abstract, if any, or obtaining a new abstract of title for the Real Property or a title insurance commitment, title insurance premiums and title examination fees, issued by First American Title Insurance Company – National Commercial Services (hereinafter the “Title Company”). The Title Commitment and Survey shall be based upon the description of the Real Property provided herein and shall show fee title in the Seller, including adequate access easements serving the Real Property, subject only to those encumbrances or conditions shown in the Title Commitment or Survey waived in writing by Buyer (the “Permitted Exceptions”), and shall provide for extended coverage risks and include special endorsements for access, zoning, contiguity and such other matters as Buyer may request.

- b. **The Making and Curing of Title or Survey Objections.** Buyer shall be allowed fifteen (15) days after receipt of the Title Commitment and Survey (if Buyer elects to obtain one) in which to make objections to the content of the Title Commitment or Survey, said objections to be made in writing. If there are any objections to the Title Commitment or Survey which are not remedied by the Closing Date, the Seller shall have sixty (60) days from the date of receipt of said written objections in which to remedy said objections.
  - c. **The Consequences of Failing to Cure Title or Survey Objections.** If any Buyer objections to the Title Commitment or Survey are not remedied within sixty (60) days from the date of Seller's receipt of Buyer's objections, then Buyer shall have the following two alternatives:
    - i. Buyer may accept title to said Real Property subject to said objections; or
    - ii. Buyer may declare this Agreement and the entire transaction to be null and void, in which case, the Earnest Money shall immediately be returned to Buyer and Seller shall reimburse Buyer for one-half (½) the cost of the Buyer's Appraisal as provided in Section 4.
10. **ENTIRE AGREEMENT; MODIFICATION.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the 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.
11. **BINDING EFFECT.** This Agreement binds and benefits the Parties and their successors and assigns.
12. **CONTROLLING LAW.** The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement. The Parties have equal bargaining power and intend the plain meaning of the provisions of this Agreement. In the event of an

ambiguity in or dispute regarding the interpretation of this Agreement, the ambiguity or dispute shall not be resolved by application of any rule that provides for interpretation against the drafter of the Agreement. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

13. **DATES AND TIME PERIODS.** Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.
14. **NOTICES.** Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering to a partner of Buyer; or if mailed by United States registered or certified mail; return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Buyer: Mark Schiller, Manager  
Loon Liquors LLC  
1325 Armstrong Road, Suite 165  
Northfield, MN 55057

With copy to: Angie Black  
Carlson Black O'Callaghan & Battenberg LLP  
222 W. Washington Ave., Suite 360  
Madison, WI 53703-2745  
[Angie.black@carlsonblack.com](mailto:Angie.black@carlsonblack.com)  
Phone: 608.888.1683

If to Seller: Ben Martig, City Administrator  
City of Northfield  
Northfield City Hall  
801 Washington Street  
Northfield, MN 55057

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other party shall commence to run two (2) business days after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

15. **REMEDIES.** If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within thirty (30) days after receipt of such written notice, this Agreement will terminate, and upon such termination Seller will retain any Earnest Money as liquidated damages, time being of the essence of this Agreement. The termination of this



Agreement and retention of the Earnest Money, if any, will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement, Buyer may terminate the Agreement upon thirty (30) days' written notice to Seller (Seller having cure rights during the 30-day period), and upon such termination, the Earnest Money, if any, shall be refunded to Buyer and thereafter, neither Party shall have any further rights or obligations hereunder.

## 16. MISCELLANEOUS PROVISIONS.

- a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- b. **Authorized Signatories.** The parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- c. **Data Practices.** The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.
- d. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other party provided, however, that Buyer may assign this Agreement to any related entity created to own the Property so long as such entity has common ownership with the original Buyer.
- e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.
- f. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect after the Closing and shall not be deemed to have merged into any of the Closing Documents.
- g. **Other Documents.** Each party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other party in order to complete the transactions contemplated by this Agreement.
- h. **Recitals.** The recitals hereto are made a part hereof.

- i. **Counterparts.** This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

*Remainder of this page intentionally left blank.*

**IN WITNESS WHEREOF**, Seller and Buyer have caused this Agreement to be executed effective as of the day and year first set forth above.

**SELLER:**

**CITY OF NORTHFIELD, MINNESOTA**

By: \_\_\_\_\_  
Rhonda Pownell, Its Mayor

By: \_\_\_\_\_  
Lynette Peterson, Its City Clerk

STATE OF MINNESOTA     )  
  ) ss.  
COUNTY OF RICE         )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024, by Rhonda Pownell, as Mayor, and Lynette Peterson, as City Clerk, for the City of Northfield, a municipal corporation under the laws of the state of Minnesota, Seller.

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

**BUYER:**

**LOON LIQUORS LLC**

By: \_\_\_\_\_  
Mark Schiller, Its Manager

STATE OF MINNESOTA        )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024, by Mark Schiller, as Manager, for Loon Liquors LLC, a limited liability company under the laws of the State of Minnesota, Seller.

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

THIS INSTRUMENT DRAFTED BY:

FLAHERTY & HOOD, P.A.  
525 Park Street, Suite 470  
St. Paul, MN 55103  
(651) 225-8840

**EXHIBIT A**

(Top 3 inches reserved for recording data)

**LIMITED WARRANTY DEED**  
**Business Entity to Business Entity**

**Minnesota Uniform Conveyancing Blanks**  
**Form 10.2.9 (2013)**

eCRV Number: \_\_\_\_\_

DEED TAX DUE: \$ \_\_\_\_\_

DATE: \_\_\_\_\_  
(month/day/year)

FOR VALUABLE CONSIDERATION, \_\_\_\_\_  
(insert name of Grantor)

a \_\_\_\_\_ under the laws of \_\_\_\_\_ ("Grantor"),  
hereby conveys and quitclaims to \_\_\_\_\_  
(insert name of Grantee)

a \_\_\_\_\_ under the laws of \_\_\_\_\_ ("Grantee"),  
real property in \_\_\_\_\_ County, Minnesota, legally described as follows:

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances belonging thereto.

This Deed conveys after-acquired title. Grantor warrants that Grantor has not done or suffered anything to encumber the property, EXCEPT:

*Check applicable box:*

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: \_\_\_\_\_.)
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

