

Announcement of Meeting
Economic Development Authority
Regular Meeting Agenda

Monday, August 11, 2025

8:00 AM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Mayor or Presider will call the meeting to order, state the time, and take roll call.

PUBLIC HEARING

1. Dikun Properties MN, LLC Proposal to Purchase Lot 1 in Mayes Fourth Addition

Dikun Properties MN, LLC is proposing to purchase Lot 1 in Mayes Fourth Addition to construct a 70' x 170' wood frame building for the purposes of operating a cannabis grow facility.

Attachments: [Dikun Properties MN Proposal to Purchase Lot](#)
[Dikun Properties MN Notice of Public Hearing](#)
[Mayes Fourth Addition](#)
[OCM Licensing Pathway](#)

B. APPROVAL OF MINUTES OF PRECEDING MEETING

1. Approval of LEDA Regular Meeting Minutes - 07 14 2025

Attachments: [07 14 2025 LEDA Minutes](#)

C. BILLS AND COMMUNICATIONS

1. Approval of Regular Department Payment Report - 07 2025

Attachments: [Dept Payment Report - 07 2025](#)

2. Approval of Financial Report - 07 2025

Attachments: [Financial Report - 07 2025](#)

D. DIRECTOR'S REPORTS & DISCUSSION

E. BUSINESS

1. Motion to Approve the Sale of Lot 1 in Mayes Fourth Addition to Dikun Properties MN LLC and Authorize President and Secretary to Sign the Development Agreement & Purchase Agreement.

Dikun Properties MN, LLC is proposing to purchase Lot 1 in Mayes Fourth Addition to construct a 70' x 170' wood frame building for the purposes of

operating a cannabis grow facility. The terms of the deal are included in the attached Development Agreement.

Attachments: [FINAL Development Agreement Dikun Properties MN](#)
[Purchase Agreement Dikun Properties MN LLC](#)

2. Motion to Approve RBEG Revolving Loan Fund Application for Rock River Apothecary LLC.

Rock River Apothecary LLC is applying for the \$5000 Rural Business Assistance Loan for remodeling project at 203 E. Main St. The project includes creating a functional kitchen in her store which will allow her to create more products and enhance/diversify her product line. The scope of work includes plumbing work to relocate a water line; installing cabinets, countertop, and trim; painting and installing wallpaper; and purchase and installation of new ice maker machine.

LOAN PROPOSAL:

- 1) \$5000 loan at 0% interest
- 2) Five (5) year loan term
- 3) Monthly payments, first payment due 10/15/2025
- 4) Loan to be secured by personal guarantee

Rock River Apothecary has submitted the proper paperwork and meets all of the requirements for this loan.

F. ADJOURNMENT

A motion to adjourn would be in order.

Staff Report

File #: 2025-220

Agenda Date: 8/11/2025

Agenda #: 1.

Dikun Properties MN, LLC Proposal to Purchase Lot 1 in Mayes Fourth Addition

Dikun Properties MN, LLC is proposing to purchase Lot 1 in Mayes Fourth Addition to construct a 70' x 170' wood frame building for the purposes of operating a cannabis grow facility.



DATE: 6/25/2025

Luverne Economic Development Authority
305 E. Luverne St.
Luverne, MN 56156

Re: Lot Acquisition

Dear Mrs. Sammons,

Please accept this letter as a formal proposal to purchase a lot from the Luverne Economic Development Authority, known as Lot 1 Mayes Fourth Addition, Luverne, MN, 56156. For \$30,056 dollars, of .50c per square foot. We would like to purchase the aforementioned lot in order to build a cannabis grow facility.

We are proposing to purchase lot known as Lot 1 Mayes Fourth Addition, Luverne, MN and intend to construct 70x170x16' wood frame building with metal siding. The new facility will include interior build out, 4 flower rooms, veg, mother, dry room, vault, manufacturing room, employee area and office. It will also include all necessary equipment to grow cannabis including HVAC and lighting system. Construction costs are estimated to be 1.5 million. Approximate cost of the building being \$800,000 and interior build out necessary for growing cannabis approximately \$700,000. It is our hope that we would be able start construction September and be operational by January.

This project is expected to retain 9 jobs and contribute to the tax base, it would have positive economic impact on the local community, it would create new jobs, providing stable employment opportunities and potentially attracting skilled workers to the area. The business would increase local tax revenue and stimulate growth in related industries such as construction, security and retail contributing to the overall economic vitality of Luverne. We are excited for this opportunity and look forward to many years of business in Luverne. If you have any further questions, please do not hesitate to contact me.

Sincerely,

Peter Dikun
605-988-7798

NOTICE OF PUBLIC HEARING
LUVERNE ECONOMIC DEVELOPMENT AUTHORITY

NOTICE IS HEREBY GIVEN, that a public hearing has been called and will be held for the Luverne Economic Development Authority, on Monday, the 11th of August, 2025, at 8:00 a.m. in the Council Chambers in the City Office Building at 305 East Luverne Street, Luverne, Minnesota, to consider public input regarding the sale of the Lot 1 in Mayes Fourth Addition in the City of Luverne, Minnesota to Dikun Properties MN , LLC.

Citizens are encouraged to attend the hearing, ask questions, and/or give comments. Any citizen may also submit written questions or comments prior to the hearing by addressing them to the Economic Development Director, PO Box 659, Luverne, MN 56156-0659.

Anyone needing reasonable accommodations or an interpreter should contact the Economic Development Director, PO Box 659, Luverne, MN (507-449-5033).

BY ORDER OF THE LUVERNE ECONOMIC DEVELOPMENT AUTHORITY

Patrick Baustian, President
Luverne Economic Development Authority
305 E. Luverne St.
Luverne, MN 56156
Phone: 507-449-2388

Published: July 31, 2024

COPY
MAYES FOURTH ADDITION
CITY OF LUVERNE
ROCK COUNTY, MINNESOTA

KNOW ALL MEN BY THESE PRESENTS: That the Luverne Economic Development Authority, owners of the following described property:

That part of Lot 1 of Block 1 of Mayes Addition to the City of Luverne, Rock County, Minnesota, described as follows:

Beginning at the Northeast Corner of said Lot 1; thence South 01°04'31" West on the east line of said Lot 1 for a distance of 76.19 feet to the beginning of a tangent curve, concave Northeast, having a radius of 240.00 feet; thence Southeasterly on said east line and on the arc of said curve to the left for an arc distance of 234.14 feet (said curve subtended by a chord which bears South 26°52'24" East with a chord distance of 224.97 feet) to an angle point of said Lot 1; thence South 35°10'40" West on the perimeter of said Lot 1 for a distance of 69.60 feet to an angle point of said Lot 1 and to the Northwest Corner of Lot 4 of said Block 1; thence North 39°13'58" West on the northwesterly extension of the Southwest line of said Lot 4 for a distance of 42.68 feet to a point 300 feet southerly (measured perpendicularly) of the north line of said Lot 1; thence North 88°55'28" West parallel with said north line for a distance of 888.81 feet; thence North 01°04'32" East perpendicular with said north line for a distance of 300.00 feet to said north line; thence South 88°55'28" East on said north line for a distance of 850.00 feet to the Point of Beginning, containing 6.07 acres.

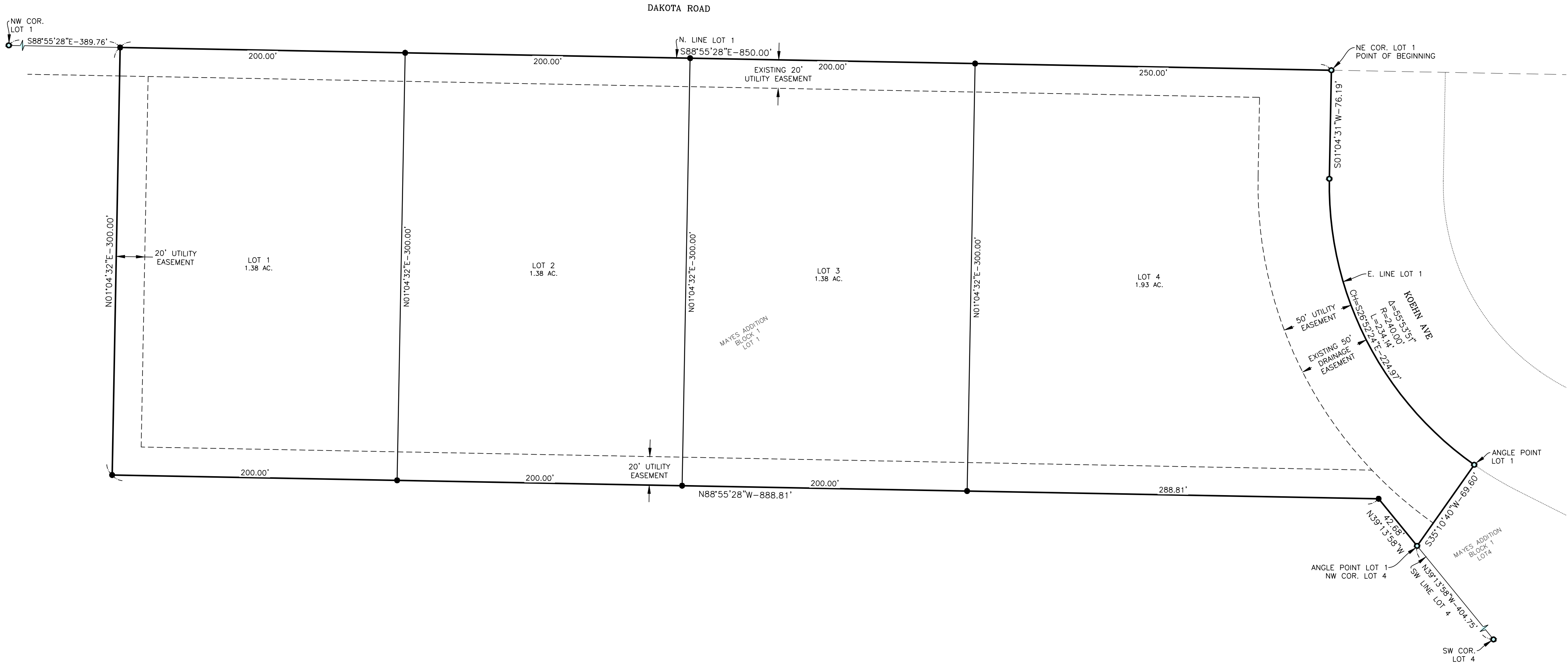
Have caused the same to be surveyed and platted as the MAYES FOURTH ADDITION, and do hereby dedicate to the public for public use the utility easements as created by this plat.

In witness whereof, said Luverne Economic Development Authority, have caused these presents to be signed by its proper officers this ____ day of _____, 20____

By _____ Patrick T. Baustian, President By _____ Jill Wolf, Secretary

ACKNOWLEDGEMENT:
STATE OF _____
COUNTY OF _____
This instrument was acknowledged before me this ____ day of _____, 20____
by Patrick T. Baustian, President, and Jill Wolf, Secretary, on behalf of the Luverne Economic Development Authority.

Signature _____
Title (or Rank) _____
My commission expires _____



CITY COUNCIL, CITY OF LUVERNE
This plat of MAYES FOURTH ADDITION was approved and accepted by the City Council of Luverne, Minnesota at a regular meeting thereof held this ____ day of _____, 20____, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

City Council, City of Luverne, Minnesota
By: _____ Patrick T. Baustian, Mayor By: _____ Jill Wolf, City Administrator

COUNTY AUDITOR/TREASURER, ROCK COUNTY, MINNESOTA
Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable for the year 20____ on the land hereinbefore described have been paid. Also, pursuant to Section 272.12, there are no delinquent taxes and transfer entered this ____ day of _____, 20____

_____, Auditor/Treasurer By _____, Deputy

ROCK COUNTY LAND RECORDS OFFICE, MINNESOTA
I hereby certify that this plat of MAYES FOURTH ADDITION was filed in the office of the County Recorder for public record on this ____ day of _____, 20____ at ____ o'clock ____ M. and was duly filed as Document Number _____

_____, Director Land Records Office By _____, Deputy

SURVEYOR'S CERTIFICATE AND ACKNOWLEDGEMENT
I, Adam N. Wiersma, do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year as indicated on this plat; that all water boundaries and wet lands as of the date of this certificate are shown and labeled on this plat; and that all public ways are shown and labeled on this plat.

Dated this ____ day of _____, 20____

Adam N. Wiersma, Licensed Land Surveyor
Minnesota License No. 51727



ACKNOWLEDGEMENT:
STATE OF _____
COUNTY OF _____
This instrument was acknowledged before me this ____ day of _____, 20____ by Adam N. Wiersma.

Signature _____
Title (or Rank) _____
My commission expires _____

0 50
SCALE IN FEET

BASIS OF BEARINGS:
NAD 1983 (2011) EPOCH 2010.00
US STATE PLANE, MINNESOTA SOUTH ZONE
US SURVEY FOOT

LEGEND:
● SET 1/2" X 24" REBAR WITH RED SURVEYOR'S I.D. CAP NO. 51727
● FOUND 1/2" DIA. REBAR WITH RED SURVEYOR'S I.D. CAP NO. 51727

From Start to License: Your Path to Cannabis Licensing in Minnesota



Before you begin:

1. Were you verified as a social equity applicant? If so, decide if you will apply for a social equity-classified license.
2. What license type will you apply for? What endorsement(s) will you need to obtain?
3. Talk to your local government about zoning requirements and local retail registration availability (if applicable).

Start here!

Step 1.
Complete your application

Create your account in Accela, OCM's business licensing system.

Review the *Cannabis Business License Application Review and Qualifications Guidance*.

Prepare your required application documents.

Begin your application. Fill in all required information and attach required documentation when prompted.

Pay your application fee.

Step 3.
Final submissions, site registration, local government approval

Applicants have 18 months to complete Steps 3-5.

You are now a **preliminarily approved applicant**.

Complete required background check(s) and submit your *labor peace agreement** to OCM.

Your application passes! You are now a **qualified applicant**.

Step 2a.
Uncapped license approval

OCM reviews your application for minimum qualifications.

OCM sends your application to your local government for zoning compliance approval.**

Submit final application documents to OCM including site information.

Secure your business location.
Be sure to communicate with your local government during this process!

Your application is chosen in the lottery! You are now a **qualified applicant**.

Your application passes! You are now entered into a randomized lottery selection.

Step 2b.
Capped license approval

Your local government confirms that your business location meets all zoning regulations and other local rules and ordinances.

Step 4.
Pre-licensure inspection

Your business undergoes a full pre-licensure inspection by OCM and partner agencies.

You pass the inspection! You are now a **pending licensee**.

Step 5.
License issuance

Pay the initial license fee.

OCM issues your cannabis business license.

You are now a **licensee** and may begin operations.***



* Microbusinesses with fewer than 10 employees do not need to provide a labor peace agreement.

** Your application cannot proceed and your business cannot open until your local government certifies that your business meets zoning compliance!

*** For those seeking to conduct retail activities, you must get retail registration from your local government directly (in addition to your license) before beginning cannabis sales.

Learn more about the licensing process at
mn.gov/ocm/businesses/licensing



Staff Report

File #: 2025-189

Agenda Date: 8/11/2025

Agenda #: 1.

Approval of LEDA Regular Meeting Minutes - 07 14 2025

Announcement of Meeting
Economic Development Authority
Regular Meeting Minutes

Monday, July 14, 2025

8:00 AM

Council Chambers

A. CALL TO ORDER - ROLL CALL

Present Patrick Baustian, Ryan DeBates, Tara Zewiske, and Kevin Aaker

Excused Sherri Thompson

A Regular Meeting of the Luverne Economic Development Authority was held in the Council Chambers, commencing at 8:00 AM.

Additional attendees include: City Administrator Jill Wolf, EDA Director Holly Sammons, Star Herald Editor Jason Berghorst.

B. APPROVAL OF MINUTES OF PRECEDING MEETING

1. Approval of LEDA Regular Meeting Minutes - 06 09 2025

A motion was made by Zewiske, seconded by Aaker, that these LEDA Minutes be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Aaker

C. BILLS AND COMMUNICATIONS

1. Approval of Regular Department Payment Report - 06 2025

A motion was made by DeBates, seconded by Baustian, that this LEDA Regular Department Payment Report be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Aaker

2. Approval of Financial Report - 06 2025

A motion was made by Aaker, seconded by Zewiske, that this LEDA Financial Report be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Aaker

D. DIRECTOR'S REPORTS & DISCUSSION

1. Industrial Park

Four new lots have been created in the Industrial Park on the south side of Dakota Road. The Mayes Fourth Addition plat was approved last month and the lots are ready to hit the market. Each lot is over an acre in size with utilities readily available.

E. BUSINESS**1. Motion to Approve Resolution #6-2025 "A RESOLUTION ESTABLISHING THE MINIMUM SALE PRICE FOR LOTS IN MAYES FOURTH ADDITION".**

A motion was made by DeBates, seconded by Zewiske, that this LEDA Resolution be approved. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Aaker

F. ADJOURNMENT

A motion was made by Aaker, seconded by DeBates, that this LEDA meeting be adjourned. The motion carried by the following vote:

Aye: Baustian, DeBates, Zewiske, and Aaker

SIGNATURES

Patrick T. Baustian, President

Holly J. Sammons, EDA Director

Staff Report

File #: 2025-190

Agenda Date: 8/11/2025

Agenda #: 1.

Approval of Regular Department Payment Report - 07 2025

Payment Dates 7/10/2025 - 8/6/2025

Vendor Name	Payment Date	Post Date	Description (Item)	Account Number	Amount
Fund: 650 - EDA GENERAL OPERATIONS					
Luverne Building Center Inc	07/23/2025	06/02/2025	Lumber/Screws - Community ...	650-46515-3447	164.15
Luverne Building Center Inc	07/23/2025	06/03/2025	Lumber - Community Garden ...	650-46515-3447	63.54
Elan Financial Services	07/17/2025	06/15/2025	Hireclick - Monthly Jobs Subscr..	650-46515-3349	99.00
Blue Cross Blue Shield of Min...	07/31/2025	07/03/2025	Employee Health Insurance	650-21226	319.70
Madison National Life Ins Co	07/28/2025	07/03/2025	Long-Term Disability Insurance	650-21231	15.27
Luverne Area Chamber	07/23/2025	07/09/2025	1/2 Pg Etc Mag July Ed	650-46515-3349	450.00
Verizon	07/16/2025	07/10/2025	Holly Sammons	650-46515-3321	50.46
Luverne City of	07/23/2025	07/14/2025	Interdept Bills - June Usage	650-46515-3386	69.92
Luverne City of	07/23/2025	07/14/2025	Interdept Bills - June Usage	650-46515-3386	31.30
Luverne City of	07/23/2025	07/14/2025	Interdept Bills - June Usage	650-46515-3389	37.50
Luverne City of	07/23/2025	07/14/2025	Interdept Bills - June Usage	650-46515-3389	47.25
Delta Dental of Minnesota	07/18/2025	07/18/2025	Pediatric Dental Insurance	650-21226	57.31
Blue Cross Blue Shield of Min...	07/31/2025	07/18/2025	Employee Health Insurance	650-21226	319.70
Blue Cross Blue Shield of Min...	07/31/2025	07/18/2025	Employee Health Insurance	650-21226	1,783.37
HealthEquity	07/18/2025	07/18/2025	Employee HSA Contribution	650-21250	184.62
MissionSquare Retirement - 4...	07/18/2025	07/18/2025	Deferred Comp Contributions	650-21225	397.06
Madison National Life Ins Co	07/28/2025	07/18/2025	Long-Term Disability Insurance	650-21231	15.27
Madison National Life Ins Co	07/28/2025	07/18/2025	Employee Life Insurance	650-21227	2.57
Public Employees Retirement	07/18/2025	07/18/2025	PERA Contributions	650-21224	505.35
MissionSquare Retirement - 4...	07/18/2025	07/18/2025	ROTH Percent Contributions	650-21225	108.29
Blue Cross Blue Shield of Min...	07/18/2025	07/18/2025	Vision Insurance	650-21220	16.91
EFTPS-Federal	07/18/2025	07/18/2025	FICA WITHHOLDING	650-21223	375.82
EFTPS-State	07/18/2025	07/18/2025	STATE WITHHOLDING	650-21222	133.07
EFTPS-Federal	07/18/2025	07/18/2025	MEDICARE WITHHOLDING	650-21223	87.90
EFTPS-Federal	07/18/2025	07/18/2025	FED WITHHOLDING	650-21221	278.02
HealthEquity	08/01/2025	08/01/2025	Employee HSA Contribution	650-21250	184.62
MissionSquare Retirement - 4...	08/01/2025	08/01/2025	Deferred Comp Contributions	650-21225	397.06
Public Employees Retirement	08/01/2025	08/01/2025	PERA Contributions	650-21224	505.35
MissionSquare Retirement - 4...	08/01/2025	08/01/2025	ROTH Percent Contributions	650-21225	108.29
EFTPS-Federal	08/01/2025	08/01/2025	FICA WITHHOLDING	650-21223	377.90
EFTPS-State	08/01/2025	08/01/2025	STATE WITHHOLDING	650-21222	134.22
EFTPS-Federal	08/01/2025	08/01/2025	MEDICARE WITHHOLDING	650-21223	88.38
EFTPS-Federal	08/01/2025	08/01/2025	FED WITHHOLDING	650-21221	281.74
Fund 650 - EDA GENERAL OPERATIONS Total:					7,690.91
Grand Total:					7,690.91

Report Summary**Fund Summary**

Fund	Payment Amount
650 - EDA GENERAL OPERATIONS	<u>7,690.91</u>
Grand Total:	7,690.91

Account Summary

Account Number	Account Name	Payment Amount
650-21220	EDA Vision Plan Payable	16.91
650-21221	EDA Federal Withholding	559.76
650-21222	EDA State Withholding	267.29
650-21223	EDA FICA Withholding	930.00
650-21224	EDA Pera Withholding	1,010.70
650-21225	EDA Icmarc Withholding	1,010.70
650-21226	EDA Health Insurance	2,480.08
650-21227	EDA Life Insurance	2.57
650-21231	EDA Long Term Disability...	30.54
650-21250	HSA Payable	369.24
650-46515-3321	Telephone Charges	50.46
650-46515-3349	Advertising	549.00
650-46515-3386	Storm Sewer Utilities	101.22
650-46515-3389	Miscellaneous Utilities	84.75
650-46515-3447	Community Garden Exp...	<u>227.69</u>
Grand Total:		7,690.91

Project Account Summary

Project Account Key	Payment Amount
None	<u>7,690.91</u>
Grand Total:	7,690.91

Staff Report

File #: 2025-191

Agenda Date: 8/11/2025

Agenda #: 2.

Approval of Financial Report - 07 2025

EDA Financial Summary for:
July 31, 2025

Preliminary

Account Number:	General Operation 650 2025	General Operations 650	Veterans & Evergreen Addn Lots 653	Sybesma Subd Lots 654	Industrial Park 656	Manfred Heights Subd 657	Uithoven Lots 658	CWG/TCI Bldg Operating 663	Minnwest TIF #17 670	Econ Dev Revolv Loan 680	Downtown SCDP Grant 681	RBEG Revolving Loan 683	SCDP Local Income 685	CDAP 13-0112-0-FY14 686	TOTAL ALL EDA OPERATIONS
11110 Cash in Bank		234,299.42	53,213.77	13,854.26	236,754.40	68,353.37	191,701.10	227,499.18	3,572.46	67,786.68	-	167,888.32	230,882.52	5,225.00	1,501,030.48
11111 Cash-Replacement Reserve		-	-	-	-	-	-	6,758.36	-	-	-	-	-	-	6,758.36
11801 Lease Receivables		-	-	-	-	-	-	40,062.00	-	-	-	-	-	-	40,062.00
12320 Investment Interest Receivable		234.85	24.92	4.10	390.66	44.39	18.06	425.02	4.31	40.00	-	172.34	201.45	-	1,560.10
12322 Loan Interest Receivable		(19.52)	-	-	-	-	-	-	-	(20.44)	-	-	-	-	(39.96)
12611 Accounts Receivable		922.88	-	-	-	-	-	-	-	827.23	-	416.65	-	-	2,166.76
12687 Program Income Loan-Rock Manor		-	-	-	-	-	-	-	-	-	10,000.00	-	-	-	10,000.00
12743 Luverne Counseling RBEG Loan		-	-	-	-	-	-	-	-	-	-	416.85	-	-	416.85
12744 Big Top Tent RBEG Loan		-	-	-	-	-	-	-	-	-	-	833.50	-	-	833.50
12745 Optiz RBEG		-	-	-	-	-	-	-	-	-	-	1,083.49	-	-	1,083.49
12746 V & D Properties RBEG Loan		-	-	-	-	-	-	-	-	-	-	1,750.13	-	-	1,750.13
12747 Novo Aesthetics RBEG Loan		-	-	-	-	-	-	-	-	-	-	1,750.13	-	-	1,750.13
12748 Swenson Scrapping RBEG Loan		-	-	-	-	-	-	-	-	-	-	2,083.45	-	-	2,083.45
12756 Optiz Prop Gap Loan		6,292.65	-	-	-	-	-	-	-	-	-	-	-	-	6,292.65
12762 Schomacker GAP Loan		15,037.65	-	-	-	-	-	-	-	-	-	-	-	-	15,037.65
12763 ATLAS GAP Loan		15,037.65	-	-	-	-	-	-	-	-	-	-	-	-	15,037.65
12764 Big Top Tent GAP Loan		15,037.65	-	-	-	-	-	-	-	-	-	-	-	-	15,037.65
12834 Ben Franklin Lodge Façade Loan		-	-	-	-	-	-	-	-	3,205.73	-	-	-	-	3,205.73
12836 Prairie Water Solutions LLC Façade Loan		-	-	-	-	-	-	-	-	16,379.41	-	-	-	-	16,379.41
12854 Mike Cox Façade Impr Loan		-	-	-	-	-	-	-	-	11,060.00	-	-	-	-	11,060.00
12856 Luverne Counseling Façade Loan		-	-	-	-	-	-	-	-	7,557.53	-	-	-	-	7,557.53
16110 Land		-	27,055.54	6,624.45	476,045.32	93,750.00	92,954.00	20,680.00	-	-	-	-	-	-	717,109.31
16210 Buildings		-	-	-	-	-	-	2,502,564.71	-	-	-	-	-	-	2,502,564.71
16290 Accum Deprec - Bldgs		-	-	-	-	-	-	(1,775,735.13)	-	-	-	-	-	-	(1,775,735.13)
16310 Improvements		-	-	-	-	-	-	21,891.11	-	-	-	-	-	-	21,891.11
16390 Accum Deprec - Impr		-	-	-	-	-	-	(21,891.11)	-	-	-	-	-	-	(21,891.11)
16410 Machinery & Equipment		-	-	-	-	-	-	5,835.38	-	-	-	-	-	-	5,835.38
16490 Accum Deprec - Mach & Eq		-	-	-	-	-	-	(5,835.38)	-	-	-	-	-	-	(5,835.38)
Total Assets:		286,843.23	80,294.23	20,482.81	713,190.38	162,147.76	284,673.16	1,022,254.14	3,576.77	106,836.14	10,000.00	176,394.86	231,083.97	5,225.00	3,103,002.45
21120 Accounts Payable		230.12	-	-	-	-	-	-	-	-	-	-	-	-	230.12
Equity:															
26130 Contributions from Rock County		-	-	-	-	-	-	10,680.00	-	-	-	-	-	-	10,680.00
26150 Contributions from Others		-	-	-	-	377,852.51	-	500,000.00	-	-	-	-	-	-	877,852.51
26503 Reserved for Debt Service		-	62,294.23	20,532.01	-	(246,979.95)	-	486,404.41	3,575.34	122,917.01	-	-	-	-	448,743.05
26508 Reserved for Econ Devel		174,887.82	-	-	444,037.38	-	-	-	-	-	10,000.00	176,394.86	231,083.97	5,225.00	1,041,829.03
26609 Committed for Lot Development		-	-	-	-	-	277,173.16	-	-	-	-	-	-	-	277,173.16
26711 Revenue Control		216,982.21	18,000.00	70.80	269,573.00	31,275.20	7,500.00	70,000.00	1.43	981.63	-	-	-	-	614,384.27
26721 Expense Control		(105,257.53)	-	(120.00)	(420.00)	-	-	(44,830.27)	-	(17,062.50)	-	-	-	-	(167,690.30)
Total Liabilities & Equity		286,843.23	80,294.23	20,482.81	713,190.38	162,147.76	284,673.16	1,022,254.14	3,576.77	106,836.14	10,000.00	176,394.86	231,083.97	5,225.00	3,103,002.45

EDA Financial Summary for:
July 31, 2025

Preliminary

Account Number:	General Operation 650 2025	General Operations 650	Veterans & Evergreen Addn Lots 653	Sybesma Subd Lots 654	Industrial Park 656	Manfred Heights Subd 657	Uithoven Lots 658	CWG/TCI Bldg Operating 663	Minnwest TIF #17 670	Econ Dev Revolv Loan 680	Downtown SCDP Grant 681	RBEG Revolving Loan 683	SCDP Local Income 685	CDAP 13-0112-0-FY14 686	TOTAL ALL EDA OPERATIONS
31110 Current Ad Valorem Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31120 Delinquent Ad Valorem Taxes	-	-	-	-	-	-	-	-	1.43	-	-	-	-	-	1.43
31166 Tax Increments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32213 Historic Facade Application Fee	-	100.00	-	-	-	-	-	-	-	-	-	-	-	-	100.00
34403 Community Garden Revenue	-	705.00	-	-	-	-	-	-	-	-	-	-	-	-	705.00
36211 Interest Earnings - Regular	3,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36212 Interest on RBEG Loans	-	88.57	-	-	-	-	-	-	-	981.63	-	-	-	-	1,070.20
36217 Interest on Loans	1,206.00	638.64	-	-	-	-	-	-	-	-	-	-	-	-	638.64
36305 Rental Income	-	-	-	-	-	-	-	70,000.00	-	-	-	-	-	-	70,000.00
36599 Miscellaneous Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37810 Lot Sales	-	-	18,000.00	-	-	31,046.00	7,500.00	-	-	-	-	-	-	-	56,546.00
38300 Property Rental	-	-	-	70.80	-	229.20	-	-	-	-	-	-	-	-	300.00
39304 Contribution from Primary Government	215,450.00	215,450.00	-	-	-	-	-	-	-	-	-	-	-	-	215,450.00
39997 Contribution from Primary Government	-	-	-	-	269,573.00	-	-	-	-	-	-	-	-	-	269,573.00
Total Revenue	219,656.00	216,982.21	18,000.00	70.80	269,573.00	31,275.20	7,500.00	70,000.00	1.43	981.63	-	-	-	-	614,384.27
1101 Full-Time Employees	93,969.00	51,227.44	-	-	-	-	-	-	-	-	-	-	-	-	51,227.44
1112 Longevity Pay	250.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1121 PERA	7,048.00	3,790.08	-	-	-	-	-	-	-	-	-	-	-	-	3,790.08
1122 FICA	7,189.00	3,279.47	-	-	-	-	-	-	-	-	-	-	-	-	3,279.47
1131 Health Insurance	21,830.00	13,251.19	-	-	-	-	-	-	-	-	-	-	-	-	13,251.19
1133 Health Insurance - H S A	4,000.00	3,750.00	-	-	-	-	-	-	-	-	-	-	-	-	3,750.00
1135 Life Insurance	50.00	15.44	-	-	-	-	-	-	-	-	-	-	-	-	15.44
1151 Worker's Comp Insurance Premium	300.00	219.17	-	-	-	-	-	-	-	-	-	-	-	-	219.17
2209 Misc Office Supplies	400.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2223 Building Maintenance	-	-	-	-	-	-	-	1,721.03	-	-	-	-	-	-	1,721.03
2261 General Supplies	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3303 Engineering Fees	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3304 Legal Fees	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3307 Management/Reporting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3312 Contractual Services	25,000.00	2,900.00	-	-	-	-	-	-	-	-	-	-	-	-	2,900.00
3321 Telephone	1,000.00	315.00	-	-	-	-	-	-	-	-	-	-	-	-	315.00
3322 Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3331 Travel, Meals, Lodging & Training	3,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3349 Miscellaneous Advertising	20,000.00	3,725.45	-	-	-	-	-	-	-	-	-	-	-	-	3,725.45
3351 Publishing & Printing	3,500.00	3,396.76	-	-	-	-	-	-	-	-	-	-	-	-	3,396.76
3361 General Liability Insurance	500.00	670.00	-	-	-	-	-	-	-	-	-	-	-	-	670.00
3381 Electric Utilities	-	433.39	-	-	-	-	-	-	-	-	-	-	-	-	433.39
3386 Storm Sewer Utilities	714.00	777.58	-	-	-	-	-	-	-	-	-	-	-	-	777.58
3389 Miscellaneous Utilities	306.00	702.56	-	-	-	-	-	-	-	-	-	-	-	-	702.56
3421 Depreciation Expense	-	-	-	-	-	-	-	43,109.24	-	-	-	-	-	-	43,109.24
3447 Community Garden Expense	-	284.21	-	-	-	-	-	-	-	-	-	-	-	-	284.21
3471 Abstracts, Deed Tax, Etc	3,000.00	1,475.29	-	-	-	-	-	-	-	-	-	-	-	-	1,475.29
3484 Demolition - Commercial	-	5,000.00	-	-	-	-	-	-	-	-	-	-	-	-	5,000.00
3486 Demolition - Residential	2,000.00	2,250.00	-	-	-	-	-	-	-	-	-	-	-	-	2,250.00
3491 Dues & Subscriptions	1,500.00	425.00	-	-	-	-	-	-	-	-	-	-	-	-	425.00
3493 Books & Pamphlets	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3497 Licenses & Taxes	1,500.00	369.50	-	120.00	420.00	-	-	-	-	-	-	-	-	-	909.50
3499 Misc Expenditures/Expenses	500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3506 LIFT Comm Devel Assistance	7,000.00	7,000.00	-	-	-	-	-	-	-	-	-	-	-	-	7,000.00
5636 Industrial Park Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6612 Other Long-Term Oblig Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7214 Façade Improvement Grant	-	-	-	-	-	-	-	-	-	17,062.50	-	-	-	-	17,062.50
7768 Transfer to Local Income 685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7769 Transfer to EDA RLF 680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	219,656.00	105,257.53	-	120.00	420.00	-	-	44,830.27	-	17,062.50	-	-	-	-	167,690.30
Revenue over Expense	-	111,724.68	18,000.00	(49.20)	269,153.00	31,275.20	7,500.00	25,169.73	1.43	(16,080.87)	-	-	-	-	446,693.97

Staff Report

File #: 2025-221

Agenda Date: 8/11/2025

Agenda #: 1.

Motion to Approve the Sale of Lot 1 in Mayes Fourth Addition to Dikun Properties MN LLC and Authorize President and Secretary to Sign the Development Agreement & Purchase Agreement. Dikun Properties MN, LLC is proposing to purchase Lot 1 in Mayes Fourth Addition to construct a 70' x 170' wood frame building for the purposes of operating a cannabis grow facility. The terms of the deal are included in the attached Development Agreement.

DEVELOPMENT AGREEMENT

By and Between the Luverne Economic Development Authority and Dikun Properties MN LLC

This **Development Agreement** (the "Agreement") is made and entered into this **11th day of August, 2025**, by and between the **City of Luverne Economic Development Authority**, a public body corporate and politic under the laws of the State of Minnesota (the "EDA"), **Dikun Properties MN LLC**, a South Dakota limited liability company (the "Purchaser"), and **The Flower Shop MN LLC**, a member-managed Minnesota limited liability company (the "Company").

RECITALS

- A. The EDA is authorized under Minnesota Statutes Section 469.105 to sell and convey property it owns within the City of Luverne, Minnesota, when such sale furthers the EDA's general economic development plan and is in the best interest of the City.
- B. The EDA owns certain real property located in the City of Luverne, described as **Lot 1, Mayes Fourth Addition, City of Luverne, Rock County, Minnesota** (the "Property").
- C. The Purchaser desires to purchase the Property for construction of a **170' x 70' wood frame building** (the "Project") at an estimated cost of **\$1,500,000**, for the purposes of **operating a cannabis cultivation and cannabis manufacturing business**.
- D. The Purchaser intends to lease the completed building to The Flower Shop MN LLC, a Minnesota limited liability company, operating under the business name Minnesota Cannabis Company.
- E. The Project is anticipated to create at least **nine (9) full-time jobs** within the City of Luverne.
- F. The EDA has determined that the Project will further the City's economic development goals and objectives by increasing the local tax base and creating employment opportunities.
- G. The Property is fully improved with water and sewer hook-ups available to the property line.
- H. The EDA has held a public hearing on the sale of the Property, as required by Minnesota Statutes Section 469.105.

AGREEMENT

1. Sale of Property

- a. **Agreement to Sell.** The EDA agrees to sell, and the Purchaser agrees to purchase, the Property subject to the terms and conditions set forth in this Agreement.

2. Purchase Price

- a. The total purchase price for the Property shall be **Thirty Thousand Fifty-Six Dollars (\$30,056)** (the "Purchase Price").
- b. The Purchase Price shall be paid as follows:
 - i. **Earnest Money:** \$2,500 upon scheduling of the public hearing.
 - ii. **Balance:** The remaining balance shall be paid in cash or certified funds at the Closing (as defined in Section 5).

3. Development Requirements

- a. **Intended Use.** Purchaser shall construct a **170' x 70' wood frame building** on the Property for the purposes of **cannabis cultivation and cannabis manufacturing**. All costs related to development, construction, permitting, licensing, and operation shall be the sole responsibility of the Purchaser.
- b. **Job Creation.** Purchaser intends to lease the facility to The Flower Shop MN LLC. The Project shall result in the creation of **at least nine (9)** permanent full-time equivalent jobs within twelve (12) months of operational commencement. The Company shall provide a job creation report to the EDA for a period of one (1) year following occupancy.
- c. **Licensing & Endorsements.** Purchaser (or its lessee) shall obtain a cannabis license with a cultivation endorsement and a manufacturing endorsement from the Minnesota Office of Cannabis Management prior to operating.
- d. **Conditional Use Permit.** Cannabis businesses are permitted as a Conditional Use in the I-2 Zoning District. Purchaser must apply for and receive a Conditional Use Permit (CUP) from the City of Luverne prior to operating.
- e. **Commencement of Construction.** Purchaser shall begin construction within one (1) year of the Closing date (the "Development Period"). Construction shall be deemed commenced upon receipt of permits and initiation of substantial on-site work. The EDA may extend this period upon written request and good cause.
- f. **Failure to Develop.** If Purchaser fails to comply with Sections 3a. through 3e., the EDA may terminate this Agreement. The Property shall revert to the EDA, and Purchaser shall re-convey the Property to the EDA. This remedy is in addition to any other available legal or equitable relief.
- g. **Transfer Restriction.** Purchaser may not transfer title to the Property within one (1) year of Closing without prior written consent from the EDA.

4. Conditions Precedent

- a. The EDA's obligation to sell is subject to confirmation of Purchaser's financial capability to complete the Project.

- b. Purchaser shall provide documentation of financing, such as a bank pre-approval letter, prior to the public hearing.

5. Closing

- a. The closing of the sale of the Property (the “Closing”) shall occur on a date mutually agreed upon by the parties, which shall coincide with the closing of Purchaser’s bank financing. The parties shall cooperate in good faith to schedule the Closing so that it occurs simultaneously with the completion of said financing.
- b. At Closing:
 - i. The EDA shall deliver a Warranty Deed for the Property, subject to restrictions of record and this Agreement.
 - ii. Purchaser shall pay the remaining balance of the Purchase Price.
 - iii. Purchaser shall pay the \$46.00 recording fee.
 - iv. Seller shall pay the Deed Tax due.

6. Utilities

- a. Luverne Municipal Utilities hereby agrees to provide and install the required transformer for the project at no cost to the Purchaser.
- b. Purchaser is responsible for all costs associated to extend private utility service lines from the property line to the constructed building and hookup fees.

7. Default

- a. **Purchaser’s Default.** If Purchaser fails to perform, the EDA may terminate this Agreement and retain the Earnest Money as liquidated damages, in addition to other available remedies.
- b. **EDA’s Default.** If the EDA fails to perform, Purchaser may terminate this Agreement and recover the Earnest Money, in addition to any other legal or equitable relief.

8. Miscellaneous

- a. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties.
- b. **Amendments.** Any modification must be in writing and signed by both parties.
- c. **Governing Law.** This Agreement shall be governed by the laws of the State of Minnesota.
- d. **Notices.** All notices shall be in writing and sent by certified mail or hand-delivered to:

i. EDA:

Luverne Economic Development Authority
305 E. Luverne St.
Luverne, MN 56156

ii. Purchaser:

Dikun Properties MN LLC
Attn: Peter Dikun
24668 South Garfield Avenue
Dell Rapids, SD 57022

- e. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

**LUVERNE ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____

Patrick T. Baustian, President

By: _____

Jill Wolf, Secretary

DIKUN PROPERTIES MN LLC

By: _____

Peter Dikun, Owner

THE FLOWER SHOP MN LLC

By: _____

Peter Dikun, Member

STANDARD PURCHASE AGREEMENT

This Purchase Agreement is entered into on 8/11/2025 by and between
Luverne Economic Development Authority (LEDA), a MN Municipal Corporation
("Seller") at 305 E Luverne Street, PO Box 659, Luverne, MN 56156
_____ and Dikun Properites MN LLC, a SD Limited Liability Company
_____ ("Buyer") at 24668 S Garfield Ave, Dell Rapids, SD 57022
_____ as ☐ joint tenants ☐ tenants in
common.

1. **The Sale.** Seller agrees to sell and Buyer agrees to purchase the property legally described as:

Lot One (1) of Mayes Fourth Addition to the City of Luverne, County of Rock, State of Minnesota

The parties understand that this tract of land is vacant, so there are no warranties given by Seller except the Warranty of good title.

The parties further understand that this Purchase Agreement is subject to a Development Agreement signed by the parties which is attached hereto and made a part hereof.

(the "Property") located at (Street Address) _____
City of Luverne, County of ROCK, State of Minnesota, including
all plants, garden bulbs, shrubs and trees,

***** BARELAND *****

IF ANY, located on the
Property which are the property of Seller; and also that personal property, if any (described in
that agreement attached hereto as Exhibit _____ and made a part hereof), all of which
property Seller has this day sold to Buyer for the sum of: Thirty thousand fifty six dollars and
NO/100-----(\$30,056.00)----- Dollars which Buyer agrees to pay in the following
manner: Earnest money of \$2,500.00 (in the form of ☐ cash ☐ note ☒ check) and
\$27,556.00 cash on or before 9/1/2025 and the balance of \$0.00
which shall be financed in the manner shown on the financing addendum attached for:

☐ Conventional ☐ FHA ☐ DVA ☐ Assumption ☐ Contract for Deed ☐ Other _____
_____.

2. **Addenda.** Attached are three (3) addenda which are made a part of this Agreement.
3. **Deed/Title.** Subject to performance by Buyer, Seller hereby agrees to execute and deliver to Buyer, a Warranty Deed, to be joined in by spouse, if any, and any other necessary joint owners conveying marketable title to the Property subject only to the following exceptions: (1) Building and zoning laws, ordinances, state and federal regulations; (2) Restrictions relating to use or improvement of the Property without effective forfeiture provision; (3) Reservation of any minerals or mineral rights to the State of Minnesota; (4) Utility and drainage easements which do not interfere with present improvements; (5) Rights of tenants, if any (must be specified on addendum); (6) Others (must be specified on addendum).

4. **Real Estate Taxes.** On 9/1/2025, the date of closing (the "Closing"):

- a. Current Year. Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of taxes due and payable in the year 2025.

Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of the annual installment of special assessments due and payable in the year 2025.

☒ Buyer shall assume ☐ Seller agrees to pay all municipal special assessments levied and pending.

- b. Previous Years.

☒ All ☒ real estate taxes ☒ assessments from previous years have been paid in full.

☐ Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of taxes unpaid for the year(s) 2024.

☐ Seller agrees to pay 100% (insert percentage or amount) and Buyer agrees to pay 0% (insert percentage or amount) of the annual installment of special assessments unpaid for the year 2024.

☒ Buyer shall assume ☐ Seller agrees to pay all municipal special assessments levied and pending for previous years.

c. Subsequent Years. Buyer shall assume payment for all taxes due and payable commencing in the year 2026 and thereafter.

d. Deferred Taxes. Any deferred real estate taxes (e.g., Green Acres) or other special assessments, the payment of which becomes mandatory as a result of this sale, shall be paid 100 % by Seller and 0 % by Buyer.

e. Pending Assessments. As of the date of this Agreement, Seller has / has not received a notice for any new project from assessing authorities, the costs of which may be assessed against the Property. If Seller receives any such notice after the date of this Agreement, and before Closing, Seller will provide such notice to Buyer immediately. If such notice is issued after the date of this Agreement but before closing, Buyer shall assume payment of 0% of any such assessments, and Seller shall provide for payment on the closing date of 100% of such assessments. If such assessments exceed N/A, then either party may agree in writing to assume, pay, or provide for such amounts by the date of closing. In the absence of such agreement, either party may declare this Agreement null and void; the parties shall immediately sign a Cancellation of Purchase Agreement in confirmation and direct all earnest money paid be refunded to Buyer.

f. Homestead Status. Seller warrants that taxes due and payable in the year 2025 will be ☐ full ☐ part ☒ non-homestead classification. If not fully homesteaded, Seller agrees to pay Buyer \$ N/A at Closing toward non-homestead real estate taxes. Neither Seller nor Seller's Agent make representations concerning the amount of future real estate taxes.

5. **Warranties.** Seller warrants that buildings, if any, are entirely within the boundary line of the Property. Seller warrants that there is a right of access to the Property from a public right-of-way. These warranties shall survive the delivery of deed or Contract for Deed. Seller warrants that the Property is directly connected to: ☐ city sewer ☐ city water to provide water quality testing results if required by a governing authority and/or lender.

Seller warrants that Seller has not received any notice from any governmental authority as to condemnation proceedings, or violations of any law, ordinance, or regulation. If the Property is subject to restrictive covenants, Seller warrants that Seller has not received any notice from any person or authority about a breach of these covenants. Any such notices received by Seller shall be provided immediately to Buyer.

Seller warrants that before the Closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools furnished within the 120 days immediately before the closing in connection with construction, alteration, or repair of any structure on, or improvement to, the Property.

6. **Inspections.** Buyer is aware of the option of having an inspection of the property performed. Buyer ☐elects ☒declines to have such an inspection performed at Buyer's expense. If Buyer does elect, Seller agrees to allow reasonable access to the Property for any surveys or inspections agreed to herein.

☐If checked, this Purchase Agreement is subject to the attached Inspection Contingency Addendum.

Buyer has the right to a walk-through inspection prior to closing to establish that the Property is in substantially the same condition as it was on the date of this Agreement. Seller agrees to notify Buyer in writing immediately if any substantive changes from any prior representations or after the date of this Agreement occur, regarding the Property's condition.

Buyer has received any inspection reports required by the municipality.

7. **Subsurface Sewage Treatment System; Private Well(s).** As required by law, Buyer has received:

- ☒ a separate well disclosure statement or a statement that no well exists on the Property, and
☒ a separate septic system disclosure or a statement that no septic system exists on or serves the Property.

If the property includes a subsurface sewage treatment system, Seller agrees to provide a licensed inspector's Subsurface Sewage Treatment System report or notice that the system complies with applicable regulations if required by a governing authority and/or lender. **NOTICE:** A valid certificate of compliance for the Septic System may satisfy the obligation. Seller is not obligated to upgrade, repair, or replace the septic system, notwithstanding its condition, unless otherwise agreed to in this Agreement.

☐ If checked, this Agreement is subject to a Subsurface Sewage Treatment System and Well Inspection Contingency Addendum.

8. **Possession.** Seller agrees to deliver possession not later than ☒ Closing ☐ 9/1/2025 (the "Possession Date"). All interest, city water and sewer charges, electricity and natural gas charges, homeowners association dues, fuel oil and liquid petroleum gas shall be pro-rated between the parties as of N/A. Seller agrees to remove all debris and all personal property not included herein from the Property before Possession Date.

9. **Title & Examination.** Seller shall, within a reasonable time after acceptance of this Agreement, surrender any Abstract of Title or Registered Property Abstract (the "Abstract") together with copies of any owner's title insurance policy for the Property in Seller's possession to Buyer or Buyer's agent. The parties agree to split equally the cost of a Title Insurance Policy for the property.

Buyer shall have ten business days following the receipt of the Abstract to examine or retain the services of a third party to examine the title and provide Seller with written Title Objections or, at Buyer's own expense, to make an application for a title insurance policy and notify Seller of said application. Following receipt of the Commitment for Title Insurance (the "Title Commitment"), Buyer shall have ten (10) days to provide the Seller with a copy of the Title Commitment together with the insurer's Title Objections. Any Title Objections not delivered to Seller within the ten days will be deemed waived. Such waiver shall not, however, be deemed to be a waiver of Seller's covenant to deliver a statutory Warranty Deed unless delivery of a

Warranty Deed is not specified in this Agreement. Further, Buyer's purchase of title insurance is not to be deemed a waiver of the right to demand delivery of good and marketable title of record from Seller at Closing.

Seller shall use Seller's best efforts to provide marketable title by the closing date. If Seller has not provided marketable title by Closing:

- a. Seller shall have an additional 30 days to make title marketable; or
- b. Buyer may waive title defects by written notice to Seller.

The parties may thereafter agree to extend the date of closing an additional 30 days to accommodate such efforts by Seller.

If the closing date is not extended, either party may declare this Agreement null and void, the parties shall immediately sign a cancellation of purchase agreement in confirmation, and earnest money will be refunded to Buyer. If this Agreement is voided for Seller's failure to provide marketable title, neither party shall be liable for damages.

Should Buyer wish to have the Abstract of Title updated, such cost shall be

☒ paid by Buyer.

☐ paid by Seller.

☐ prorated _____% by Buyer and _____% by Seller.

The parties understand that this agreement for the allocation of these costs is subject to requirements of Buyer's Lender and RESPA.

10. **Default.** If title is marketable or is corrected within said time, and Buyer defaults in any of the agreements herein, Seller may terminate this Agreement, and on such termination all payments made hereunder shall be retained by Seller and Agent, as their respective interests may appear, as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this Agreement, provided this Agreement is not terminated and action to enforce specific performance is commenced within six months after such right of action arises. In the event Buyer defaults in his performance of the terms of this Agreement, and Notice of Cancellation is served upon the Buyer pursuant to Minn. Stat. § 559.21, the termination period shall be thirty (30) days as permitted by Minn. Stat. § 559.21, subd. 4.

11. **Risk of Loss.** If there is any loss or damage to the Property before the closing date for any reason, all risk of loss shall be on Seller. If the Property is substantially damaged or destroyed before Closing, Buyer may cancel this Purchase Agreement by providing written notice to Seller or Seller's agent. If Buyer cancels the Purchase Agreement, the parties shall immediately sign a cancellation of Purchase Agreement in confirmation, and earnest money will be refunded to Buyer.
12. **NOTICE REGARDING PREDATORY OFFENDER INFORMATION:** Information about the predatory offender registry and persons registered in it under Minn. Stat. § 243.166 can be obtained by contacting the local law enforcement offices in the community where the property is located, or the Minnesota Department of Corrections at (651) 642-0200 or at its website, www.corr.state.mn.us.
13. **Acceptance.** Buyer understands and agrees that this sale is subject to acceptance by Seller in writing. Agent is not liable or responsible on account of this Agreement, except to return or account for the earnest money.
14. **Dual Agency Disclosure.** If applicable, see attached Addendum. ☐
15. **Lead Paint Disclosure.** (Check one of the following:) ***** BARELAND *****
☐ Seller represents that the dwelling was constructed on the Property in 1978 or later.
☐ Seller represents that the dwelling was constructed on the Property before 1978. (If such housing is located on the Property, attached and made a part of this Agreement is "LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978".)
16. **Airport Zoning Disclosure.** If airport zoning regulations affect this real property, a copy of these adopted regulations can be reviewed or obtained at the office of the county recorder where the zoned area is located.
17. **Radon Disclosure.** As required by Minnesota law, the Seller has previously provided Buyer with the Radon Disclosure Statement in accordance with Minn. Stat. § 144.496.
18. **Subdivision of Land.** If this sale involves a subdivision of land owned by Seller, Seller shall pay all expenses and obtain the required government approvals. Seller warrants that the legal description of the real property to be conveyed has been or shall be approved by the date of Closing.

19. **Entire Agreement.** This Purchase Agreement, and any attached exhibits, addenda, or amendments signed by the parties, constitute the entire agreement between Buyer and Seller. This Agreement can only be modified in writing signed by Buyer and Seller. Buyer or Seller may be required to pay certain closing costs which effectively reduce the proceeds from sale or increase cash outlay at closing.

20. **Other.**

☐ If checked, this Purchase Agreement is subject to the attached Counteroffer Addendum

I, the owner of the Property, accept this Agreement and the sale hereby made.
LUVERNE ECONOMIC DEVELOPMENT AUTHORITY:

I agree to purchase the Property for the price and on the terms and conditions set forth above.
DIKUN PROPERTIES MN LLC

SELLER Date
PATRICK T. BAUSTIAN, President

BUYER Date
PETER DIKUN, Member

SELLER Date
JILL WOLF, Secretary

BUYER Date

☐ If checked, dual agency representation is present in this transaction. The parties have been provided with a separate disclosure by the agent pursuant to Minn. Stat. § 82.67.

Delivery of all papers and monies shall be made at the office of:

Company Vander Kooi Law Offices Selling Agent N/A

Address 127 E. Main, P.O.Box 746 City Luverne State MN Zip 56156

THIS IS A LEGALLY BINDING CONTRACT.
IF NOT UNDERSTOOD, SEEK LEGAL ADVICE.

Staff Report

File #: 2025-256

Agenda Date: 8/11/2025

Agenda #: 2.

Motion to Approve RBEG Revolving Loan Fund Application for Rock River Apothecary LLC.

Rock River Apothecary LLC is applying for the \$5000 Rural Business Assistance Loan for remodeling project at 203 E. Main St. The project includes creating a functional kitchen in her store which will allow her to create more products and enhance/diversify her product line. The scope of work includes plumbing work to relocate a water line; installing cabinets, countertop, and trim; painting and installing wallpaper; and purchase and installation of new ice maker machine.

LOAN PROPOSAL:

- 1) \$5000 loan at 0% interest
- 2) Five (5) year loan term
- 3) Monthly payments, first payment due 10/15/2025
- 4) Loan to be secured by personal guarantee

Rock River Apothecary has submitted the proper paperwork and meets all of the requirements for this loan.