

AGREEMENT

This agreement (“Agreement”) is made and entered into the ____ day of _____, 2022 by and between the Minnesota Licensed Beverage Association (“MLBA”), the Minnesota Municipal Beverage Association (“MMBA”), the Minnesota Beer Wholesalers Association (“MBWA”), the Minnesota Wine & Spirits Wholesalers Association (“MWSWA”), Teamsters Joint Council 32 (“Teamsters”), the Minnesota Distillers Guild (“Distillers”), the Minnesota Craft Brewers Guild (“Guild”), the Alliance of Minnesota Craft Breweries (“Alliance”) (the Guild and Alliance are jointly referred to as the “Brewers”) (the aforesaid parties collectively referred to as the “Parties”).

WHEREAS, the Parties are associations representing members of Minnesota’s hospitality industry, associations representing members of Minnesota’s alcohol distribution industry, the association representing employees of the industry, Minnesota distillers, and Brewers;

WHEREAS, as members and employees of the hospitality industry, the Parties recognize that they share a community of interest and desire to work together to further those interests;

WHEREAS, among other exemptions, current Minnesota law permits any Minnesota licensed brewer which directly or indirectly produces no more than 20,000 barrels of beer a year to sell 64-ounce containers commonly known as "growlers" or 750 milliliter bottles subject to certain limitations and requirements;

WHEREAS, among other exemptions, current Minnesota law permits any licensed Minnesota distillery which directly or indirectly produces no more than 40,000 proof gallons of distilled spirits a year to sell one 375 mL bottle per customer per day of product manufactured on site, subject to certain limitations and requirements;

WHEREAS, the Parties have expended significant time and energy negotiating in good faith in an effort to find common ground related to the modification of certain laws and regulations existing in current Minnesota law;

WHEREAS, although there are certain regulatory and legislative issues upon which the Parties disagree, they agree to forego changing Minnesota’s liquor laws during the Term of this Agreement other than as set forth below and pledge to focus instead on issues of common concern;

WHEREAS, the Parties desire to make certain representations, warranties, covenants, and agreements in connection with the transaction contemplated herein; and

WHEREAS, this Agreement has been duly and validly authorized by all necessary action on the part of each Party and when executed and delivered will be the valid and binding obligations of each Party and its members in accordance with the terms hereof.

NOW THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS ESTABLISHED HEREIN, THE PARTIES ACKNOWLEDGE AND AGREE AS FOLLOWS:

1. During the current legislative session, the Parties will not oppose an amendment to Minnesota law that would permit a Minnesota licensed brewer which directly or indirectly produces no more than 150,000 barrels of beer a year to sell 64-ounce containers commonly known as "growlers" or 750 milliliter bottles subject to all of the other limitations and requirements currently existing in Minnesota law.
2. During the current legislative session, the Parties will not oppose an amendment to Minnesota law that would permit a Minnesota licensed microdistillery to sell product manufactured on-site to each customer per day up to a total of 750 mL in any size container approved by TTB, or up to a total of 1.125 liters, in any size container approved by TTB that does not exceed 375 mL.
3. During the current legislative session, the Parties will not oppose an amendment to Minnesota law that would permit any Minnesota licensed distillery to apply for and receive a cocktail room license.
4. During the current legislative session, the Parties will not oppose an amendment to Minnesota law that would permit a Minnesota licensed brewery that produces 7,500 barrels of beer per year or less to sell up to 128 ounces per customer per day, in any size container, of malt liquor at its licensed premises that it has produced and packaged, with such sales being included within the annual 750 barrel limit currently imposed by Minnesota law. Any such product sold under this amendment must be made available to a malt liquor wholesaler. Furthermore, there will be a one-time exception whereby a brewer producing between 5,500 barrels and 13,500 barrels of malt liquor in 2021 (as evidenced by Minnesota Department of Revenue records) may be issued a license to sell up to 128 ounces per customer per day in any size container, of malt liquor at its licensed premises that it has produced and packaged, with such sales being included within the 750 barrel limit currently imposed by Minnesota law, provided that these sales are only permitted for these breweries between 5,500 and 13,500 barrels until such brewery's production exceeds its 2021 production by 2,000 barrels.
5. During the current legislative session, the Parties will not oppose an amendment to Minnesota law modifying the definition of malt liquor, to include not only those products brewed with malt, but also those brewed with malt substitutes, but not product that has undergone distillation, and to specifically identify that "beer" and "malt liquor" have the same definition.
6. During the current legislative session, the Parties will not oppose an amendment to Minnesota law creating a Liquor Regulation Advisory Council, with 9 Governor-appointed members, with 3 members of the retail industry, 3 members from the wholesale industry, and 3 members from the supplier industry, to provide recommendations with respect to

liquor law amendments, with such recommendations being made only upon a majority vote, with at least one favorable vote from each of the three respective member tiers.

7. During the current legislative session, the Parties will not oppose an amendment to Minnesota law further regulating the direct shipment of wine into this state, including licensing, taxation, and restrictions, as well as regulations for common carriers contracting with a winery for delivery of wine into the state.
8. During the current legislative session, the Parties will not oppose an amendment to Minnesota law adding certain leagues established by the Minnesota Baseball Association and town ball teams to the list of those entities that may be issued an on-sale wine and on-sale malt liquor license, as well as an amendment modifying the issuance of temporary on-sale licenses to include a seven-day license for county fairs and population level of municipalities that are excluded from the limitation on one temporary license within any 30-day timeframe from 5,000 to 10,000 or fewer people.
9. During the current legislative session, the Parties will not oppose an amendment to Minnesota law adding citrus fruit and glassware to those products that may be sold by an exclusive liquor store.
10. During the current legislative session, the Parties will not oppose an amendment to Minnesota law extending the hours for on-sale of alcoholic beverages during the World Cup.
11. During the current legislative session, the Parties will not oppose an amendment to Minnesota law lowering the age of sale or service of alcoholic beverages in an on-sale retailer to 17 years of age, for a period of two years.
12. During the current legislative session, the Parties will not oppose an amendment to Minnesota law appropriating funds for additional Alcohol and Gambling Enforcement Agents.
13. During the current legislative session, each Party may make an individual decision on their support, neutrality, or opposition related to legislation concerning the Coleman Act, cider self-distribution, and modifying the tax imposition for a producer of sake under a brew pub license issued prior to March 1, 2012.
14. Other than as set forth above, during the current legislative session and any subsequent sessions through the 2027 – 2028 legislative session (hereinafter referred to as the “Term”), and other than local licensing matters, the Parties agree to actively and publicly oppose any proposal to amend Minnesota’s statutes or regulations governing or otherwise related to alcoholic beverages. The Parties agree to actively lobby against and oppose any such proposals and testify in Legislative Hearings expressing their opposition. For the sake of

clarity, and not to limit the foregoing, this active and public opposition includes any legislation regarding the sale of alcohol in convenience and grocery stores and eliminating the prohibition on multiple retail licenses per municipality.

15. During the Term, any Party to this Agreement can propose an amendment or rule change to Minnesota liquor laws to other Parties to this Agreement for discussion, but each Party hereto agrees not to introduce any further amendments or rule changes to Minnesota liquor laws without the concurrence of the other Parties hereto.

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

MINNESOTA LICENSED BEVERAGE ASSOCIATION

By: _____

Its: _____

MINNESOTA MUNICIPAL BEVERAGE ASSOCIATION

By: _____

Its: _____

MINNESOTA BEER WHOLESALERS ASSOCIATION

By: _____

Its: _____

MINNESOTA WINE & SPIRITS WHOLESALERS ASSOCIATION

By: _____

Its: _____

TEAMSTERS JOINT COUNCIL 32

By: _____

Its: _____

MINNESOTA CRAFT BREWERS GUILD

By: _____

Its: _____

MINNESOTA DISTILLERS GUILD

By: _____

Its: _____

ALLIANCE OF MINNESOTA CRAFT BREWERIES

By: _____

Its: _____