

REAL ESTATE EXCHANGE AGREEMENT

This exchange agreement is entered into this 2 day of November, 2016, by and between Frieda A. Grein, an unmarried widow and life tenant; Richard G. Grein and Cheryl A. Grein, husband and wife, remaindermen; and Janelda M. Olson and Steven S. Olson, wife and husband (hereinafter GREINS) and City of Lakefield, Minnesota, a municipal corporation under the laws of the State of Minnesota (hereinafter CITY). The parties to this agreement desire to exchange certain real estate as part of a qualifying tax-free real estate exchange pursuant to Section 1031 of the Internal Revenue Code, as amended by the Taxpayer Relief Act of 1997.

WITNESSETH: That in consideration of the mutual covenants and agreements contained herein, it is hereby agreed as follows:

1. **Property exchange.** GREINS and CITY hereby agree to exchange the following described real estate (the subject real estate) on such terms and conditions as are hereinafter set forth:

GREINS's PROPERTY:

The West 825 feet of the South Half of the Northeast Quarter (S $\frac{1}{2}$ NE $\frac{1}{4}$) of Section Thirty-three (33), Township One Hundred Three (103) North, Range Thirty-six (36) West of the Fifth Principal Meridian, EXCEPT THAT PART DESCRIBED AS FOLLOWS: Beginning at the center of said Section 33; thence on an assumed bearing of North 0 degrees 00 minutes 00 seconds East, along the North-South quarter line of said Section, a distance of 472.00 feet to an iron monument; thence North 90 degrees 00 minutes 00 seconds East

462.00 feet to an iron monument; thence South 0 degrees 00 minutes 00 seconds West a distance of 471.18 feet to an iron monument located on the East-West quarter line of said Section; then South 89 degrees 53 minutes 56 seconds West, along said East-West quarter line a distance of 462.00 feet to the point of beginning, containing 5.00 acres, subject to easements of record in said County and State.

Said exchange property is to be surveyed and the survey description is to control and is incorporated herein.

Said property represents 20 acres, more or less.

IN EXCHANGE FOR

CITY'S PROPERTY:

The East 1,815 feet of the North 600 feet of the North Half of the Southeast Quarter (N½SE¼) of Section Thirty-three (33), Township One Hundred Three (103) North, Range Thirty-six (36) West of the Fifth Principal Meridian;

Said exchange property is to be surveyed and the survey description is to control and is incorporated herein.

Said property represents 25 acres, more or less.

It is agreed by both parties that the current fair market value of both of the above-described properties is the same and that no additional cash shall be due and payable by either of the parties.

Pursuant to the terms of this agreement, the parties agree to an exchange of like-kind properties as follows:

GREINS shall convey by Quit Claim Deed, together with all other necessary instruments and documents, all of their right, title and interest in and to the above-described real estate, together with the fixtures thereon, if any, on the date of closing to **CITY**. **CITY** shall convey by Quit Claim Deed, together with all other necessary instruments and documents all

their right, title and interest in and to the above-described real estate, together with any fixtures thereon, if any, on date of closing to **GREINS**.

3. **Date of Closing.** The closing on this agreement shall take place within Sixty (60) days of the the parties approval of the exchange, or at such other times as the parties agree to in writing.

4. **CITY Covenants.** CITY herewith covenants and agrees as follows if the exchange is completed:

a. That the CITY will extend the existing sewer line located north and in the right-of-way of North Hunter Street, adjacent to the GREINS PROPERTY to the point where a service stub can be installed for the residence at 901 North Hunter Street, at the CITYS exence. Said installation is to take place before December 1, 2016.

b. The CITY will undertake and pay the expense to survey all parcels to accomplish this exchange.

c. The CITY will remove the tree/fence line located on the common boundary of the GREIN farm with the CITY PROPERTY to be exchanged.

d. The City will create a special tax district for the GREIN PROPERTY, as it exists after the exchange (approximately 80 acres some of which is in the Lakefield city limits) so that the new tax parcel is taxed at Heron Lake Township rates, and not City of Lakefield real estate tax rates, until such time as the parecl, or any portion thereof, is no longer used primarily for farming. The special tax district shall continue on any portion of the GREIN PROPERTY until such time the property is no longer used primarily for farming.

5. **GREINS Covenants.** GREINS herewith covenants and agrees as follows if the exchange is completed:

a. GREINS will pay for the exchange agreement and deeds associated with this exchange.

6. **Title and Remedies.** Both parties, within a reasonable time after approval of this agreement, shall furnish an abstract of title recently certified to include proper searches covering bankruptcies, and state and federal judgments and liens. Both parties shall be allowed twenty (20) days after receipt thereof for examination of said title and the making of any objections thereto, said objections to be made in writing or deemed to be waived. If any objections are so made, the other party shall be allowed Sixty (60) days to make such title marketable, but no later than December 31, 2016. If said title is not marketable and is not made marketable on or before December 31, 2016, this exchange agreement shall become null and void at the option of the party whose title is held not to be marketable. In such case, neither party shall be liable for damages hereunder to the other party.

7. **Real Estate Taxes and Assessments.** The transferors shall pay the real estate taxes and any installments of special assessments payable therewith on the property they are transferring that are due in the year 2016. Each party shall be responsible for all real estate taxes and installments of special assessments due and payable in the year 2016 and thereafter on the property they are receiving under this agreement.

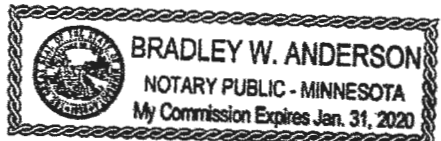
8. **Binding Effect.** This agreement shall be binding on and inure to the benefit of the parties hereto and the assigns, executors, heirs and successors of the parties.

9. **Minnesota Law.** This agreement shall be construed and enforced in accordance with the laws of the state of Minnesota.

STATE OF MINNESOTA)
) ss.
COUNTY OF JACKSON)

This instrument was acknowledged before me this 2 day of November, 2016, by Richard G. Grein and Cheryl A. Grein, husband and wife, remaindermen.

(seal)



Bradley W. Anderson
Notary Public

STATE OF FLORIDA)
) ss.
COUNTY OF Lake)

This instrument was acknowledged before me this 14th day of November, 2016, by Janelda M. Olson and Steven S. Olson, wife and husband.



Jeremy Potts
State of Florida
My Commission Expires 12/18/2017
Commission No. FF 7751

Jeremy Potts
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF JACKSON)

This instrument was acknowledged before me this 3 day of ~~October~~ ^{November}, 2016, by Mayor Darrell Nissen and Kelly Rasche, Administrative Clerk, on behalf of the City of Lakefield, Minnesota.

(seal)



JONI K. HANSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2020

Joni K. Hanson
Notary Public

Drafted by:
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