

REAL PROPERTY DONATION AGREEMENT

THIS REAL PROPERTY DONATION AGREEMENT (“Agreement”) is made and entered into as of this 23rd day of August 2023 (the “**Effective Date**”), by and between Crown Property Management, LLC, a Minnesota limited liability company Minnesota limited liability company Minnesota limited liability company (“**Donor**”), and Beltrami County, a political subdivision of the State of Minnesota (“**Recipient**”). Donor and Recipient may be collectively referred to as the “**Parties**” and, singularly, as a “**Party**.”

WHEREAS, Donor is the owner of the real property with a Property Identification Number (PIN) of 800044500, which real property is legally described on the attached **Exhibit A** (to be confirmed at time of closing), which exhibit is made a part hereof, together with and subject to all privileges, easements and rights appurtenant to such property and all improvements and fixtures located therein, including, without limitation, Donor’s interest in the building located thereon (collectively, the “**Property**”); and

WHEREAS, subject to the terms of this Agreement, Donor desires to donate the Property to Recipient for the purpose of the construction of a new County Jail.

NOW, THEREFORE, in consideration of the foregoing, and in consideration of the mutual covenants herein contained, which each of the Parties hereto acknowledge is adequate and sufficient, it is hereby agreed as follows:

ARTICLE 1. PURCHASE AND SALE

1.1. Recitals Incorporated. The foregoing recitals, and the definitions contained therein are incorporated into this Agreement as if fully set forth herein.

1.2. Donation Agreement. Subject to the remaining terms of this Agreement, Donor agrees to donate the Property to Recipient, and Recipient agrees to take the Property from Donor.

ARTICLE 2. TITLE AND SURVEY

2.1. Title Examination. Recipient may order (a) a title insurance commitment (the “**Title Commitment**”) for an ALTA title policy (the “**Title Policy**”) issued by a title company reasonably acceptable to Donor and covering the Property, accompanied by copies of all recorded documents affecting the Property with proper searches for bankruptcies, judgments, liens and assessments, and/or (b) a current ALTA/NSPS land survey (the “**Survey**”). Recipient shall pay the cost of the Survey, title search, the premium for the Title Policy and endorsements or additional coverage, for the preparation and recordation of curative title documents by either Party, and any other costs related to issuance of the Title Commitment, Title Policy and/or Survey.

2.2. Conveyance of Title. Donor shall convey, quit claim, and transfer title to the Property, without warranty, and subject to all covenants, agreements, restrictions, easements, liens, and other encumbrances thereon.

2.3. Title Objections; Cure of Title Objections. Recipient shall have ninety (90) days from the Effective Date (the “**Objection Deadline**”) to notify Donor, in writing, of any objections as Recipient may have to anything affecting marketability of title as contained in the Title Commitment or the Survey (the “**Title Objections**,” whether one or more). Donor may, but shall not be obligated to, cure Recipient’s Title Objections. If Donor elects to cure Recipient’s Title Objections, Recipient shall reimburse Donor for any reasonable expenses incurred by Donor in connection with effecting such cure, except for costs incurred in connection with effecting cure of any outstanding liens. If Donor does not cure Recipient’s Title Objections on or before expiration of the Effective Date, Recipient may either: (a) waive the Title Objections, accept title as set forth in Section 2.2, and proceed to Closing, in which case the Parties shall remain obligated to perform pursuant to the terms of this Agreement; or (b) terminate this Agreement by written notice to Donor given on or before the expiration of the Inspection Period.

ARTICLE 3. INSPECTION OF PROPERTY

3.1. Right of Inspection. This Agreement is contingent upon Recipient being satisfied with the title to and condition of the Property. Within five (5) Business Days of the Effective Date, Donor shall provide to Recipient all of the following in Donor’s possession: (a) all land and engineering surveys, (b) all soil tests and environmental reports, (c) plans and drawings, (d) all traffic studies, and (e) contracts and warranties related to or affecting the Property (the “**Property Contracts**”). Recipient and its agents shall have ninety (90) days from the Effective Date to inspect all aspects of the Property (the “**Inspection Period**”). During the Inspection Period, Recipient and its agents shall have the right to access the Property to make all inspections, investigations, and testing as the Recipient reasonably deems necessary to determine the condition of the Property. Recipient agrees that its on-site inspections of the Property shall be conducted with a representative or representatives of Donor present and upon reasonable prior oral notice to Donor. Recipient shall pay all costs and expenses of such inspections, investigations, and testing. Recipient shall repair any damage caused to the Property by its inspections, investigations, and testing and restore the Property to its condition as of the Effective Date. Recipient agrees to indemnify and hold Donor and the Property harmless from all claims, liens, costs, expenses, or damages, including reasonable attorneys’ fees and court costs, for property damages, personal injuries, or death resulting from such activities unless caused by the Donor’s negligence or willful misconduct. These obligations of Recipient shall survive Closing or any termination of this Agreement. Donor shall assist Recipient, to the best of Donor’s ability, in obtaining all inspections, investigations, and testing as the Recipient reasonably deems necessary; at the express expense of the Recipient.

3.2. Recipient’s Right of Termination. Recipient may terminate this Agreement by written notice to Donor given on or prior to expiration of the Inspection Period if the Title or the condition of the Property (collectively, the “**Inspection Contingencies**”) are not acceptable to Recipient. If Recipient does not terminate this Agreement on or prior to the expiration of the Inspection Period, this Agreement shall no longer be subject to the Inspection Contingencies or objections to title or survey matters.

**ARTICLE 4.
REPRESENTATIONS AND WARRANTIES**

4.1. Representations and Warranties of Donor. Recipient acknowledges that the Property being donated from Donor to Recipient is transferred in its “AS-IS, WHERE-IS CONDITION AND WITH ALL FAULTS,” and except as expressly set forth in this Section, Donor has not made and does not make any representations or warranties, including any representations or warranties as to the physical and environmental condition, layout, leases, footage, rents, expenses, zoning or other matters with respect to the Property. Donor makes the following limited representations and warranties:

(a) Organization and Authority. Donor has the requisite power and authority to enter into and perform this Agreement and to convey and transfer the Property to Recipient in accordance with this Agreement. The persons signing this Agreement and Donor’s closing documents on behalf of Donor is authorized to do so.

(b) Competing Agreements. Donor will not enter into any contracts relating to the sale or transfer of the Property with any other party unless this Agreement is terminated pursuant to its terms.

(c) Wells. Donor has no knowledge of a well located on the Property.

The representations and warranties contained in this Section shall be true and correct on the Effective Date and the Closing Date.

4.2. Representations and Warranties of Recipient. Recipient represents and warrants to Donor as follows:

(a) Organization and Authority. Recipient has the requisite power and authority to enter into and perform this Agreement and to acquire all of the Property in accordance with this Agreement. The person signing this Agreement and Recipient’s closing documents on behalf of the Recipient is authorized to do so.

(b) Consents. As of the Closing Date, Recipient will have obtained all consents and approvals required to consummate the transactions contemplated in this Agreement.

(c) Indemnification for Recipient’s Investigation. Recipient shall promptly pay when due any and all charges related to its inspections, investigations, and testing of the Property.

(d) Use. Recipient intends to use the donated Property for the construction of a new County Jail.

(e) Cooperation. Recipient agrees to cooperate with Donor’s accountant and appraiser, and provide Donor with any necessary receipt and/or tax forms as requested by Donor’s accountant.

(f) Project time-line. Recipient agrees to break-ground on the new Jail as soon as practicable, but no later than five (5) years after Closing. In the event Recipient is unable to break ground on the Jail project within five (5) years of Closing, Recipient shall notify Donor, as contemplated in Article 6 of this Agreement, that Recipient no longer intends to use the Property for the construction of a Jail.

The representations and warranties contained in this Section shall be true and correct on the Effective Date and the Closing Date.

ARTICLE 5. CLOSING

5.1. Time and Place of Closing. The closing of the donation transaction contemplated by this Agreement (“**Closing**”) shall occur within ten (10) Business Days of the expiration of the Inspection Period, and on a date and time agreed upon by the Parties within such ten (10) Business Days (the “**Closing Date**”), unless otherwise agreed in writing by the Parties. The Closing shall occur through deliveries by the Parties of those items described in Sections 5.2 and 5.3.

5.2. Donor’s Obligations at Closing. As a condition of Recipient’s obligations to close and take title to the Property at Closing, Donor shall:

(a) Deed. Execute and deliver to Recipient a duly executed quitclaim deed to the Property in the form attached hereto as Exhibit B (the “**Deed**”), which Deed provides for conveyance of fee simple title.

(b) Authority. Deliver to Recipient such evidence as Recipient may reasonably require as to the authority of the persons executing documents on behalf of Donor.

(c) FIRPTA Affidavit. Deliver to Recipient an affidavit duly executed by Donor that Donor is not a “foreign person” and containing such other information as required by the Internal Revenue Code Section 1445.

(d) Other Documents. Deliver to Recipient all other documents reasonably necessary to consummate the transaction contemplated by this Agreement.

5.3. Recipient’s Obligations at Closing. As a condition to Donor’s obligations to close and sell the Property at Closing, Recipient shall:

(a) Authority. Deliver to Donor such evidence as Donor’s counsel and/or the Title Company may reasonably require as to the authority of the persons executing documents on behalf of Recipient.

(b) Option and Right of First Refusal. Execute and deliver to Donor the executed Memorandum of Option and Memorandum of Right of First Refusal, attached as Exhibit C and Exhibit D.

(c) Other Documents. Deliver to Donor all other documents reasonably necessary to consummate the transaction contemplated by this Agreement; and any receipt as contemplated by section 4.2 of this Agreement.

5.4. Recording. Immediately following Closing, Recipient shall record, or provide for recording of, the Deed with the Beltrami County Recorder's Office and shall deliver recorded copies of such documents to Donor upon receipt of the same. Recipient authorizes donor to record this Donation Agreement, and all exhibits hereto, with the Beltrami County Recorder's Office.

5.5. Closing Costs. Donor and Recipient agree to the payment of costs in connection with Closing this transaction as follows:

(a) Attorneys' Fees. Recipient shall pay its own attorneys' fees in connection with this Agreement and the transaction contemplated by this Agreement.

(b) Closing Costs. Recipient shall pay: (i) any reasonable and customary fee or charge imposed by any closing agent for Closing this transaction; (ii) the cost of recording all documents necessary to consummate the transaction contemplated by this Agreement; and (iii) any other customary costs required to be paid in connection with this Agreement and the transaction contemplated hereunder.

ARTICLE 6. OPTION

Option. Recipient hereby grants to Donor, or its successors, assigns, or subleasees, the exclusive right and option to purchase all Recipient's rights, title, licenses, interest, and easements appurtenant to the Property from Recipient at any time within ninety (90) days' written notice by Recipient to Donor that Recipient no longer intends to use the Property for the construction of a Jail. The purchase price of the Property purchased pursuant to the exercise of the Option shall be \$10.00. The purchase price shall be payable in cash at closing.

Upon Donor's exercise of this Option, Recipient shall convey, quit claim, and transfer title to the Property, without warranty, and subject to all covenants, agreements, restrictions, easements, liens, and other encumbrances thereon. The closing of the purchase and sale will be contingent upon a due diligence investigation satisfactory to Donor. The Donor agrees to accept title subject to all restrictions and covenants of record as of the date of this Agreement. Recipient will provide an updated title insurance policy (at Donor's expense) for examination. All closing, title insurance or other costs associated with a purchase shall be allocated in accordance with custom in Beltrami County, Minnesota.

Recipient agrees to execute the Memorandum Option in the form of the attached **Exhibit C**, and agrees to the recordation thereof to provide public notice of this Option. This Option shall expire thirty (30) years after the Effective Date.

**ARTICLE 7.
RIGHT OF FIRST REFUSAL**

Right of First Refusal. Recipient hereby grants to Donor an exclusive, irrevocable right of first refusal to purchase the Property and all improvements, on and subject to the terms contained herein. If at any time receive a bona fide offer to purchase the Property and all improvements, Recipient shall give Donor a right of first refusal to purchase the same for the purchase price of \$10.00. Recipient shall send written notice to Donor by certified mail, specifying the terms of the offer, requiring Donor to accept the offer in writing and to sign a suitable agreement within the period of ninety (90) days after receipt of the notice.

The terms and conditions of this Article 7 shall remain in full force and effect with respect to any and all third-party purchase offers received by Recipient or any subsequent purchaser of the Property and in no event may a waiver with respect to one proposed purchaser upon certain terms and conditions be deemed a waiver for any other proposed purchaser under the same or similar terms and conditions. However, this Right of First Refusal shall expire thirty (30) years after the Effective Date.

Seller agrees to the execution and recordation of the Memorandum of Right of First Refusal in the form attached hereto as **Exhibit D**.

**ARTICLE 8.
CASUALTY AND EMINENT DOMAIN**

8.1. Casualty. Donor agrees to maintain Donor's current insurance coverage on the Property until Closing. If the Property is materially damaged or destroyed prior to the Closing Date, Donor shall retain all assignable rights or interest in and to any insurance proceeds payable on account of such casualty.

8.2. Eminent Domain. If eminent domain proceedings are commenced prior to the Closing Date against all or any part of the Property, Donor shall immediately give notice to Recipient, together with a legal description of the real property being taken. In the event any awards are made prior to Closing, Donor shall retain such awards.

**ARTICLE 9.
DEFAULT AND REMEDIES**

Default. Recipient or Donor shall be in default under this Agreement if either fails to observe, perform, or comply with any material term, condition, or obligation of this Agreement and such fault, the non-defaulting party's remedy shall be limited to termination of this Agreement, and neither Party shall have any right to obtain the specific performance of this Agreement.

**ARTICLE 10.
MISCELLANEOUS**

10.1. Successors or Assigns. This Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors and assigns.

10.2. Severability. In the event any provision of this Agreement shall be held to be invalid, unenforceable, or in conflict with the law of the jurisdiction, the remaining provisions of this Agreement shall continue to be valid, enforceable, and not be affected by such holding.

10.3. Waiver. No term or condition of this Agreement will be deemed waived or amended unless expressed in writing. The waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

10.4. Assignment. Recipient may assign its rights under this Agreement to an entity owned or controlled by Recipient.

10.5. Notices. Any notice required or permitted pursuant to this Agreement shall be in writing and (a) delivered by Federal Express or UPS overnight delivery service with proof of delivery (b) delivered by hand, or (c) sent via electronic mail with receipt confirmed electronically or by the receiving party. Notices shall be deemed given upon the date of delivery.

If to Recipient: Crown Property Management, LLC
Attn: John Fankhanel
258 Anne Street
Bemidji, MN 56601
E-mail: john@cnfcompanies.com

With copies to: _____

If to Recipient: Beltrami County Administrator
701 Minnesota Ave. NW #200
Bemidji, MN 56601
E-mail: tom.barry@co.beltrami.mn.us

With copies to: Beltrami County Attorney
600 Minnesota Ave. #400
Bemidji, MN 56601
E-mail: david.hanson@co.beltrami.mn.us

Notwithstanding the foregoing, notice required to be given pursuant to Minnesota Statutes Section 559.21m, if any, shall comply with the notice provisions required by said Section 559.21.

10.6. Third Party Beneficiaries. The provisions of this Agreement and of the documents to be executed and delivered at Closing are for the benefit of Recipient and Donor only and are not for the benefit of any third party. No third party shall have the right to enforce the provisions of this Agreement or the documents to be executed and delivered at Closing.

10.7. Termination. If this Agreement is terminated by either Recipient or Donor pursuant to a right of termination expressly set forth in this Agreement, neither Party shall have

any further rights or obligations under this Agreement, except for any rights or obligations that expressly survive such termination. Upon Donor's request in the event of any such termination, Recipient shall execute a quitclaim deed or other instrument that is reasonable in form to memorialize the occurrence and effect of such termination.

10.8. Governing Law. This Agreement shall in all respects be interpreted, construed, and enforced according to the substantive and procedural laws of the State of Minnesota.

10.9. Captions. The captions and headings contained in this Agreement are for convenient reference only and shall not affect the interpretation of this Agreement.

10.10. Construction. Donor and Recipient and their respective counsel have reviewed and revised this Agreement. Donor and Recipient acknowledge that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

10.11. Survival. Except to the extent set forth in this Agreement, all of the terms of this Agreement shall merge into and shall not survive and be enforceable after Closing and delivery of the deed.

10.12. Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and fully supersedes all prior written or oral agreements between the Parties with respect to such matters. No other agreement, statement, or promise made by any Party and no amendment, modification, or other change of any provision of this Agreement shall be effective unless in writing signed by the Parties.

[Executed on the following pages]

THIS REAL PROPERTY DONATION AGREEMENT has been executed and delivered as of the Effective Date.

DONOR:

CROWN PROPERTY MANAGEMENT, LLC

By: [Signature]
Name: John Fankhaefer
Its: President

STATE OF MINNESOTA)
) SS
COUNTY OF BELTRAMI)

On this, the 17 day of August, 2023, before me, the undersigned officer, personally appeared John Fankhaefer and _____, who acknowledged themselves to be the _____ of BELTRAMI COUNTY, and that they, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Crown Property Management by themselves as its President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

[Signature]
Notary Public, State of Minnesota
My Commission expires: 1/31/2025




Donor signature page to that certain Real Property Donation Agreement dated effective August 23, 2023.

THIS REAL PROPERTY DONATION AGREEMENT has been executed and delivered as of the Effective Date.

RECIPIENT:

BELTRAMI COUNTY


By: 
Name: Thomas H. Barry
Its: County Administrator

STATE OF MINNESOTA)
) SS
COUNTY OF BELTRAMI)

On this, the 23rd day of August, 2023, before me, the undersigned officer, personally appeared Thomas Barry and _____, who acknowledged themselves to be the County Administrator of BELTRAMI COUNTY, and that they, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Beltrami County by themselves as its County Administrator.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)


Notary Public, State of Minnesota
My Commission expires: 1-6-26



Recipient signature page to that certain Real Property Donation Agreement dated effective August 23, 2023.

Exhibit A

Legal Description (To be confirmed at Closing)

That part of the Northwest Quarter, Section 22, Township 146 North, Range 33 West described as follows:

Beginning at the Southwest corner of Lot 9, Block 4, of said RIDGWAYS SUBDIVISION; thence North $89^{\circ} 40' 02''$ West (assumed bearing) along the North line of the South Half of said Northwest Quarter a distance of 75.00 feet thence South $00^{\circ} 04' 12''$ West a distance of 505.31 feet along a line which is parallel with, and 75.00 feet westerly as measured perpendicular from, the Southerly extension of the west line of said Lot 9, to the Northerly right-of-way line of Pioneer Street, INDUSTRIAL PARK ADDITION, according to the recorded plat thereof; thence South $89^{\circ} 38' 46''$ East along the Northerly right-of-way line of said Pioneer Street a distance of 75.00 feet to the Southerly extension of the West line of said Lot 9; thence South $00^{\circ} 04' 12''$ West along the Southerly extension of the West line of said Lot 9 a distance of 34.73 feet to the Northerly right-of-way line of said Pioneer Street; thence East along the Northerly right-of-way line of said Pioneer Street a distance of 763.62 feet; thence North $00^{\circ} 12' 46''$ East a distance of 136.63 feet; thence North $89^{\circ} 47' 14''$ West a distance of 121.25 feet; thence North $00^{\circ} 12' 46''$ East a distance of 338.87 feet to the Southwesterly right-of-way line of the Burlington Northern Railroad; thence North $39^{\circ} 41' 31''$ West along said Southwesterly right-of-way line of the Burlington Northern railroad, a distance 79.68 feet to the North line of the South Half of the Northwest Quarter; thence North $89^{\circ} 40' 02''$ West along the North line of the South half of the Northwest Quarter a distance of 592.25 feet to the point of beginning.

330.94 feet to the Southwesterly right-of-way line of the Burlington Northern Inc. Railroad; thence North $39^{\circ} 41' 31''$ West along the Southwesterly right-of-way line of said Burlington Northern Inc. Railroad a distance of 267.31 feet to the North line of the South Half of said Northwest Quarter; thence North $89^{\circ} 40' 02''$ West along the North line of the South Half of said Northwest Quarter a distance of 592.25 feet to the point of beginning.

Exhibit B

Form of Deed

[Deed on following page]

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

Page 1 of 3

eCRV number: **Consideration for this transfer is \$500 or less**

DEED TAX DUE:

DATE: _____, 2023

FOR VALUABLE CONSIDERATION, Crown Property Management, LLC, a Minnesota limited liability property, pursuant to Minnesota Statute section 322C (“Grantor”), hereby conveys and quitclaims in fee simple to Beltrami County (“Grantee”), certain real property in Beltrami County, Minnesota, legally described as:

That part of the Northwest Quarter, Section 22, Township 146 North, Range 33 West described as follows:

Beginning at the Southwest corner of Lot 9, Block 4, of said RIDGWAYS SUBDIVISION; thence North 89° 40' 02" West (assumed bearing) along the North line of the South Half of said Northwest Quarter a distance of 75.00 feet thence South 00° 04' 12" west a distance of 505.31 feet along a line which is parallel with, and 75.00 feet westerly as measured perpendicular from, the Southerly extension of the west line of said Lot 9, to the Northerly right-of-way line of Pioneer Street, INDUSTRIAL PARK ADDITION, according to the recorded plat thereof; thence South 89° 38' 46" East along the Northerly right-of-way line of said Pioneer Street a distance of 75.00 feet to the Southerly extension of the West line of said Lot 9; thence South 00° 04' 12" West along the Southerly extension of the West line of said Lot 9 a distance of 34.73 feet to the Northerly right-of-way line of said Pioneer Street; thence East along the Northerly right-of-way line of said Pioneer Street a distance of 763.62 feet; thence North 00° 12' 46" East a distance of 136.63 feet; thence North 89° 47' 14" West a distance of 121.25 feet; thence North 00° 12' 46" East a distance of 338.87 feet to the Southwesterly right-of-way line of the Burlington Northern Railroad; thence North 39° 41' 31" West along said Southwesterly right-of-way line of the Burlington Northern railroad, a distance 79.68 feet to the North line of the South Half of the Northwest Quarter; thence North 89° 40' 02" West along the North line of the South half of the Northwest Quarter a distance of 592.25 feet to the point of beginning.

330.94 feet to the Southwesterly right-of-way line of the Burlington Northern Inc. Railroad; thence North 39° 41' 31" West along the Southwesterly right-of-way line of said Burlington Northern Inc. Railroad a distance of 267.31 feet to the North line of the South Half of said Northwest Quarter; thence North 89° 40' 02" West along the North line of the South Half of said Northwest Quarter a distance of 592.25 feet to the point of beginning.

attached hereto and made a part hereof, together with all hereditaments and appurtenances belonging thereto (the “**Property**”).

Check applicable box:

- The Grantor certifies that the Grantor 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.

Grantor

CROWN PROPERTY MANAGEMENT, LLC,
A MINNESOTA LIMITED LIABILITY COMPANY

Name: _____

Its: _____

State of Minnesota, County of Beltrami

This instrument was acknowledged before me on _____, 2023, by _____,
as _____ of Crown Property Management, LLC, a Minnesota limited liability
company.

(Seal, if any)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____
(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:
David L. Hanson
Beltrami County Attorney
600 Minnesota Ave Suite 400
Bemidji, MN

TAX STATEMENTS FOR THE REAL
PROPERTY DESCRIBED IN THIS
INSTRUMENT SHOULD BE SENT TO:

EXHIBIT C

MEMORANDUM OF OPTION

[Option on Following Pages]

This instrument was prepared by:

David L Hanson
Beltrami County Attorney
600 Minnesota Ave Suite 400
Bemidji, MN 56601

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION is made and entered into as of this ____ day of _____, 2023, by BELTRAMI COUNTY, a Minnesota political subdivision, (herein "Grantor"), and CROWN PROPERTY MANAGEMENT, LLC, a Minnesota limited liability company Corporation, (herein "Grantee").

In consideration of the Donation Agreement entered into by the parties on August 23, 2023 (the "Donation Agreement") and other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged by Grantor, Grantor hereby grants to Grantee an exclusive and irrevocable option to purchase the real property legally described as follows:

That part of the Northwest Quarter, Section 22, Township 146 North, Range 33 West described as follows:

Beginning at the Southwest corner of Lot 9, Block 4, of said RIDGWAYS SUBDIVISION; thence North 89° 40' 02" West (assumed bearing) along the North line of the South Half of said Northwest Quarter a distance of 75.00 feet thence South 00° 04' 12" west a distance of 505.31 feet along a line which is parallel with, and 75.00 feet westerly as measured perpendicular from, the Southerly extension of the west line of said Lot 9, to the Northerly right-of-way line of Pioneer Street, INDUSTRIAL PARK ADDITION, according to the recorded plat thereof; thence South 89° 38' 46" East along the Northerly right-of-way line of said Pioneer Street a distance of 75.00 feet to the Southerly extension of the West line of said Lot 9; thence South 00° 04' 12" West along the Southerly extension of the West line of said Lot 9 a distance of 34.73 feet to the Northerly right-of-way line of said Pioneer Street; thence East along the Northerly right-of-way line of said Pioneer Street a distance of 763.62 feet; thence North 00° 12' 46" East a distance of 136.63 feet; thence North 89° 47' 14" West a distance of 121.25 feet; thence North 00° 12' 46" East a distance of 338.87 feet to the Southwesterly right-of-way line of the Burlington Northern Railroad; thence North 39° 41' 31" West along said Southwesterly right-of-way line of the Burlington Northern railroad, a distance 79.68 feet to the North line of the South Half of the Northwest Quarter; thence North 89° 40' 02" West along the North line of the South half of the Northwest Quarter a distance of 592.25 feet to the point of beginning.

330.94 feet to the Southwesterly right-of-way line of the Burlington Northern Inc. Railroad; thence North 39° 41' 31" West along the Southwesterly right-of-way line of said Burlington Northern Inc. Railroad a distance of 267.31 feet to the North line of the South Half of said Northwest Quarter; thence North 89° 40' 02" West along the North line of the South Half of said Northwest Quarter a distance of 592.25 feet to the point of beginning.

which real estate, together with all improvements located thereon, is hereinafter called the "Property".

Grantor hereby grants to Grantee, or his successors, assigns, or subleassees, the exclusive right and option to purchase all Grantor's rights, title, licenses, interest, and easements appurtenant to the Premises from Grantor at any time within ninety (90) days' written notice by Grantor to Grantee that Grantor no longer intends to use the Property for the construction of a Jail.

The parties intend for this memorandum to provide notice to the public of this Option.

This Option expires thirty (30) years after the Effective Date of the aforementioned Donation Agreement.

BELTRAMI COUNTY

(GRANTOR)

By: [Handwritten Signature]
For: Beltrami County
Its: County Administrator

STATE OF MINNESOTA)
) SS
COUNTY OF BELTRAMI)

On this, the 23rd day of August, 2023, before me, the undersigned officer, personally appeared Thomas Barry and _____, who acknowledged themselves to be the County Administrator of BELTRAMI COUNTY, and that they, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Beltrami County by themselves as its County Administrator.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

[Handwritten Signature]
Notary Public, State of Minnesota
My Commission expires: 1-6-26



**CROWN PROPERTY MANAGEMENT,
LLC**

(GRANTEE)

By _____
Its President

STATE OF MINNESOTA)
 : SS
COUNTY OF BELTRAMI)

On this, the 17 day of August, 2023, before me, the undersigned officer, personally appeared John Fankhanel, who acknowledged himself to be the President of Crown Property Management, LLC, a Minnesota limited liability company, and that he or she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

Kristine Bommersbach
Notary Public, State of Minnesota
My Commission expires: 1/31/2025



[END OF MEMORANDUM OF OPTION]

EXHIBIT D

MEMORANDUM OF RIGHT OF FIRST REFUSAL

[Memorandum of Right on First Refusal on Following Pages]

This instrument was prepared by:

David L. Hanson
Beltrami County Attorney
600 Minnesota Ave Suite 400
Bemidji, MN 56601

MEMORANDUM OF FIRST RIGHT OF REFUSAL

THIS MEMORANDUM FIRST RIGHT OF REFUSAL is made and entered into as of this _____ day of _____, 2023, by BELTRAMI COUNTY, a Minnesota political subdivision, (herein "Grantor"), and CROWN PROPERTY MANAGEMENT, LLC, a Minnesota limited liability company, (herein "Grantee").

In consideration of the Donation Agreement entered into by the parties on August 23, 2023 (the "Donation Agreement") and other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged by Grantor, Grantor hereby grants to Grantee an exclusive and irrevocable option to purchase the real property legally described as follows:

That part of the Northwest Quarter, Section 22, Township 146 North, Range 33 West described as follows:

Beginning at the Southwest corner of Lot 9, Block 4, of said RIDGWAYS SUBDIVISION; thence North 89° 40' 02" West (assumed bearing) along the North line of the South Half of said Northwest Quarter a distance of 75.00 feet thence South 00° 04' 12" west a distance of 505.31 feet along a line which is parallel with, and 75.00 feet westerly as measured perpendicular from, the Southerly extension of the west line of said Lot 9, to the Northerly right-of-way line of Pioneer Street, INDUSTRIAL PARK ADDITION, according to the recorded plat thereof; thence South 89° 38' 46" East along the Northerly right-of-way line of said Pioneer Street a distance of 75.00 feet to the Southerly extension of the West line of said Lot 9; thence South 00° 04' 12" West along the Southerly extension of the West line of said Lot 9 a distance of 34.73 feet to the Northerly right-of-way line of said Pioneer Street; thence East along the Northerly right-of-way line of said Pioneer Street a distance of 763.62 feet; thence North 00° 12' 46" East a distance of 136.63 feet; thence North 89° 47' 14" West a distance of 121.25 feet; thence North 00° 12' 46" East a distance of 338.87 feet to the Southwesterly right-of-way line of the Burlington Northern Railroad; thence North 39° 41' 31" West along said Southwesterly right-of-way line of the Burlington Northern railroad, a distance 79.68 feet to the North line of the South Half of the Northwest Quarter; thence North 89° 40' 02" West along the North line of the South half of the Northwest Quarter a distance of 592.25 feet to the point of beginning.

330.94 feet to the Southwesterly right-of-way line of the Burlington Northern Inc. Railroad; thence North 39° 41' 31" West along the Southwesterly right-of-way line of said Burlington Northern Inc. Railroad a distance of 267.31 feet to the North line of the South

Half of said Northwest Quarter; thence North 89° 40' 02" West along the North line of the South Half of said Northwest Quarter a distance of 592.25 feet to the point of beginning.

which real estate, together with all improvements located thereon, is hereinafter called the "Property".

In the event Grantor (or its, successors, or assigns) at any time receives an offer for, proposes to sell, or otherwise desires to enter into a bona fide agreement for the sale of the Property or any part thereof (whether by auction or private treaty), Grantor shall first give written notice of that fact to Grantee by certified mail, and Grantee shall have a period of ninety (90) days after receipt of such notice and the certified statement referenced below within which to elect whether or not to purchase the Property. In determining whether to exercise this First Right of Refusal, Grantee shall be entitled to receive a certified statement from the Grantor, detailing the terms and conditions of the proposed transaction between Grantor and the subject third party, which certification shall be signed and acknowledged by Grantor as being true, correct, and complete. The proposed transaction between the Grantor and such third party must be, in all respects, bona fide and at arm's length.

Grantor and Grantee agree that in no event may a waiver by Grantee with respect to one proposed purchaser upon certain terms and conditions be deemed a waiver for any other proposed purchaser under the same or similar terms and conditions. As such, the terms and conditions of this paragraph and this First Right of Refusal shall remain in full force and effect for each and every third party purchase offer, proposal to sell, or any other bona fide agreement that Grantor may desire to enter into with respect to the Property.

The term of this First Right of Refusal shall be for the Term of the Lease entered into by the parties. Further, this First Right of Refusal shall constitute a covenant to run with the land and shall be binding on all parties having any right, title, or interest in the Property, their heirs, successors, assigns, and all persons claiming under them. Grantee shall ensure that any purchase agreement entered into with a third-party purchaser of the Property shall provide that said third-party purchaser shall adhere to the terms and conditions of this Right of First Refusal.

The parties intend for this Memorandum of Right of First Refusal to provide the public notice of the First Right of Refusal granted to Grantee on the Property.

This Right of First Refusal expires thirty (30) years after the Effective Date of the aforementioned Donation Agreement.

IN WITNESS WHEREOF, the parties have executed this Memorandum of First Right of Refusal on the day and year first above written.

[SIGNATURE PAGES TO FOLLOW]

BELTRAMI COUNTY

(GRANTOR)

By: [Signature]

For: Beltrami County

Its: County Administrator

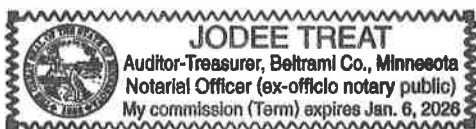
STATE OF MINNESOTA)
) SS
COUNTY OF BELTRAMI)

On this, the 23rd day of August, 2023, before me, the undersigned officer, personally appeared Thomas Barry and _____, who acknowledged themselves to be the County Administrator of BELTRAMI COUNTY, and that they, as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Beltrami County by themselves as its County Administrator.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)

[Signature]
Notary Public, State of Minnesota
My Commission expires: 1-6-26



**CROWN PROPERTY MANAGEMENT,
LLC**

(GRANTEE)


By 
Its President

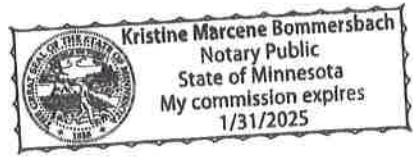
STATE OF MINNESOTA)
 : SS
COUNTY OF BELTRAMI)

On this, the 17 day of August, 2023, before me, the undersigned officer, personally appeared John Fankhanel, who acknowledged himself to be the President of Crown Property Management, LLC, a Minnesota limited liability company, and that he or she, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(SEAL)


Notary Public, Minnesota
My Commission expires: 1/31/25



**[END OF MEMORANDUM OF OPTION]
[END OF DONATION AGREEMENT]**