

**AGREEMENT REGARDING PROPERTY LOCATED AT 110 AND 200 8TH STREET
SOUTH IN THE CITY OF MARSHALL**

This Agreement (this "Agreement") is made this 12 day of November, 2019, by and between the City of Marshall, a Minnesota municipal corporation (the "City") and Knochenmus Enterprises, LLP, a Minnesota limited liability partnership ("Knochenmus").

RECITALS

WHEREAS, on August 21, 2015, the City and Knochenmus entered into that certain Contract for Deed, recorded on September 2, 2015 as Document 207294 (the "Contract for Deed") whereby the City purchased the property located at 110 8th Street South and 200 8th Street South in the City of Marshall, that is legally described on the attached Exhibit A (the "Property") from Knochenmus; and

WHEREAS, the City and Knochenmus entered into an Amendment to the Contract for Deed on February 23, 2016, recorded on March 14, 2016, as Document No. 209013 (the "Amendment"); and

WHEREAS, the City and Knochenmus entered into the Second Amendment to the Contract for Deed on October 19, 2017, recorded on December 6, 2017, as Document No. 214589 (the "Second Amendment"); and

WHEREAS, the City and Knochenmus entered into the Third Amendment to the Contract for Deed on November 13, 2018, recorded on November 21, 2018, as Document No. 217303 (the "Third Amendment"); and

WHEREAS, the parties would like to terminate the Contract for Deed; and

WHEREAS, the City is willing to terminate the Contract for Deed; and

NOW, THEREFORE, on the basis of the mutual covenants and agreements hereinafter provided, it is hereby agreed by and between the parties hereto as follows:

1. The City and Knochenmus agree that they will terminate the Contract for Deed upon execution of this Agreement by both parties. The City and Knochenmus understand and agree that by terminating the Contract for Deed, Knochenmus is no longer obligated to repay the City for the 2016, 2017, 2018, and 2019 property taxes that were paid by the City as a result of use by Knochenmus for the Property. Knochenmus agrees that it will be responsible for payment of the property taxes for the Property for all of 2020 and future years. Upon execution of this Agreement by both parties, the City shall execute the quit claim deed that is attached to this Agreement as Exhibit B and record it. Knochenmus shall pay the cost to record the quit claim deed. The City shall not be required to vacate its portion of the building on the Property, which consists of approximately 12,000 square feet.

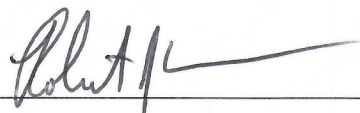
2. The City shall not be required to pay Knochenmus any consideration for its use of 12,000 square feet of the building on the Property for the previous 48 months.

3. The City shall be allowed to occupy 12,000 square feet of the building on the Property for a period of up to an additional 36 months.

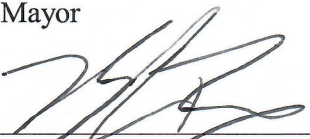
4. Knochenmus agrees that it will pay the City \$6,000 upon vacating the property after the 36 month term or earlier as agreed upon by both parties.

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

CITY OF MARSHALL

By:  _____

Its: Mayor

By:  _____

Its: City Clerk

KNOCHENMUS ENTERPRISES, LLP

By:  _____

Its: Managing Partner

EXHIBIT A

Legal Description of the Property

EXHIBIT "A"

TRACT ONE:

That part of the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) and that part of the Northeast Quarter of the Southeast Quarter (NE1/4 SE1/4) of Section Five (5), Township One Hundred Eleven (111), Range Forty-one (41), Lyon County, Minnesota, described as follows: Commencing at the East Quarter corner of said Section 5, thence on an assumed bearing of South 88 degrees 41 minutes 13 seconds West along the East-West Quarter line of said Section 5 a distance of 88.62 feet to the centerline of the main track of The Burlington Northern Railway Company; thence northeasterly along said centerline to the intersection with the centerline of the main track of the Chicago and Northwestern Railway Company; thence North 45 degrees 57 minutes 40 seconds West along last said centerline 225.21 feet; thence South 44 degrees 22 minutes 20 seconds West 60.00 feet to the southwesterly right of way line of said Chicago and Northwestern Railway Company, thence southwesterly 68.26 feet along a tangential curve concave to the southeast, having a radius of 128.62 feet and a central angle of 30 degrees 54 minutes 51 seconds to the centerline of the railroad Spur Track I.C.C. No. 17, thence South 45 degrees 37 minutes 40 seconds East along the centerline of said Spur Track 20.06 feet; thence Southeasterly along last said centerline, 344.93 feet along a tangential curve concave to the west, having a radius of 407.48 feet and a central angle of 48 degrees 30 minutes to the northwesterly right of way line of said Burlington Northern Railway Company; thence Northeasterly 218.02 feet along last said right of way line to the intersection with the southwesterly right of way line of said Chicago and Northwestern Railway Company thence North 45 degrees 37 minutes 40 seconds West along last said right of way line 203.32 feet to the point of beginning.

AND
That part of the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) of Section Five (5), Township One Hundred Eleven (111) North Range Forty-one (41) West of the Fifth Principal Meridian, bounded and described as follows: Commencing at a point distant 50 feet Northwesterly, measured at right angles or radially from the center line of the main track of the Burlington Northern, Inc. as now located, and distant 50 feet Southwesterly measured at right angles from the center line of the main track of the Chicago and North Western Transportation Company, as said main track is now located; thence Northwesterly parallel with said (Chicago and North Western Transportation Company) main track center line a distance of 220 feet to the point of beginning of the parcel of land herein described; thence Southeasterly along the last described course, parallel with said (Chicago and North Western Transportation Company) main track center line, a distance of 220 feet to the point of commencement; thence Northeasterly parallel with and distant 50 feet Northwesterly, measured at right angles or radially, from said (Burlington Northern Inc.) main track center line a distance of 28 feet, more or less, to a point distant 25 feet Southwesterly measured at right angles, from said Chicago and North Western Transportation Company main track center line; thence Northwesterly parallel with said last described main track center line a distance of 220 feet, thence Southwesterly along a straight line a distance of 28 feet, more or less, to the point of beginning.

AND
Lots One (1) and Two (2) in Block Nine (9) in Marshall Right of Way Addition to The City of Marshall, according to the plat thereof on file and of record in the Office of the County Recorder in and for Lyon County, Minnesota.

AND
All that part of the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4) of Section Five (5), Township One Hundred Eleven (111), Range Forty-one (41), Lyon County, Minnesota, described as follows: Commencing at the point of intersection of the centerline of the main track of the Chicago and Northwestern Railway Company with the centerline of the main track of the Burlington Northern Railway Company, thence northwesterly along said centerline of the main track of the Chicago and Northwestern Railway Company 300.21 feet; Thence northeasterly deflecting to the right 60 degrees a distance of 60.00 feet to the northeasterly right of way line of said Chicago and Northwestern Railway Company and the point of beginning of the land to be described; thence continuing northeasterly along last described course 50.00 feet; thence Southeasterly parallel with said northeasterly right of way line 180.51 feet to the Northwesterly right of way line of said Burlington Northern Railway Company; Thence southwesterly along last said right of way line 54.85 feet to the intersection with said northeasterly right of way line of the Chicago and Northwestern Railway Company, thence northwesterly along the last said right of way line 222.43 feet to the point of beginning.

TRACT TWO:

Outlot A, Moose Addition to the City of Marshall, Minnesota, according to the recorded plat thereof.

