



ICRRE Meeting

March 10, 2026

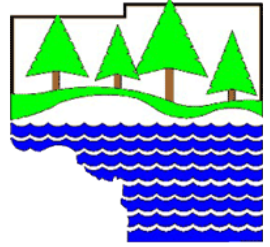
DISCUSSIN/INFORMATIONAL:

1. Item #4.2 (Tailings Pipeline Bridge Agreement) – Additional Information



ITASCA COUNTY REGIONAL RAILROAD AUTHORITY

Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744
(218) 327-2847



Tuesday, March 10, 2026

2:00 PM

Itasca County Boardroom

FINAL

REGULAR SESSION MINUTES

I. CALL TO ORDER

Chair Smith called the meeting to order at 2:00 PM.

Attendee Name	Title	Status	Arrived
Cory Smith	District #1	Present	2:00 PM
Terry Snyder	District #2	Present	2:00 PM
John Johnson	District #3	Present	2:00 PM
Larry Hopkins	District #4	Present	2:00 PM
Casey Venema	District #5	Present	2:00 PM

II. ADDITIONS/CORRECTIONS TO THE AGENDA

Motion To: Add additional information to Item #4.2 (Tailings Pipeline Bridge Agreement) and approve as Amended.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner John Johnson
SECONDER: Commissioner Terry Snyder
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

III. APPROVE OF MINUTES

Motion To: Approve the minutes of the Tuesday, December 16, 2025, Regional Rail Authority meeting.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner Casey Venema
SECONDER: Commissioner Larry Hopkins
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

1. Approve the minutes of the Tuesday, December 16, 2025 Regional Rail Authority meeting.

IV. DISCUSSION / INFORMATIONAL

1. Rail Use and Operations Agreement

Motion To: Approve the Rail Use and Operations Agreement.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner Casey Venema

SECONDER: Commissioner Terry Snyder
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

2. Tailings Pipeline Bridge Agreement with Mesabi Metallica Company, LLC
Motion To: Approve the Tailings Pipeline Bridge Agreement with Mesabi Metallica Company, LLC and authorize the County Engineer to sign the agreement.

RESULT: **APPROVED (5 TO 0)**
MOVER: Commissioner Casey Venema
SECONDER: Commissioner Larry Hopkins
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

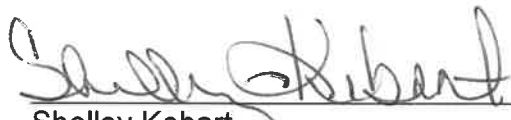
3. Mesabi Trail Reconstruction
Motion To: Adopt the Resolution Re: Mesabi Trail Reconstruction Project Regional Trail Program Grant Application and authorize necessary signatures.

RESULT: **APPROVED (5 TO 0)**
MOVER: Commissioner Casey Venema
SECONDER: Commissioner John Johnson
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

V. **ADJOURN**

Chair Smith adjourned the meeting at 2:19 PM.

ATTEST

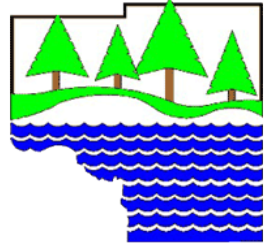

Shelley Kebart
Deputy Clerk/Deputy Administrator


Cory Smith
Chair, Regional Railroad Authority



ITASCA COUNTY REGIONAL RAILROAD AUTHORITY

Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744
(218) 327-2847



Tuesday, December 16, 2025

2:00 PM

Itasca County Boardroom

FINAL

REGULAR SESSION MINUTES

I. CALL TO ORDER

Chair Venema called the meeting to order at 2:00 PM.

Attendee Name	Title	Status	Arrived
Cory Smith	District #1	Present	2:00 PM
Terry Snyder	District #2	Present	2:00 PM
John Johnson	District #3	Present	2:00 PM
Larry Hopkins	District #4	Present	2:00 PM
Casey Venema	District #5	Present	2:00 PM

II. ADDITIONS/CORRECTIONS TO THE AGENDA

Motion To: Approve any Additions/Corrections to the Agenda.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner John Johnson
SECONDER: Commissioner Cory Smith
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

III. APPROVE OF MINUTES

1. Approve the minutes of the Tuesday, November 18, 2025 Itasca County Regional Rail Authority meeting.

Motion To: Approve the minutes of the Tuesday, November 18, 2025 Regional Rail Authority meeting.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner Terry Snyder
SECONDER: Commissioner Cory Smith
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

IV. DISCUSSION / INFORMATIONAL

1. US Steel License Amendment – Mesabi Trail

Motion To: Approve the US Steel License Amendment - Mesabi Trail.

RESULT: APPROVED (5 TO 0)
MOVER: Commissioner John Johnson
SECONDER: Commissioner Cory Smith
AYES: Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

2. Mesabi Trail Discussion

Forest Recreation Specialist Sara Thompson provided information on the Mesabi Trail.

RESULT:	INFORMATIONAL - NO ACTION TAKEN
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V. **ADJOURN**

Chair Smith adjourned the meeting at 2:08 PM.

ATTEST

Shelley Kebart
Deputy Clerk/Deputy Administrator

Cory Smith
Chair, Regional Railroad Authority



**ITASCA COUNTY
REGIONAL RAILROAD AUTHORITY**

Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744

Tuesday, March 10, 2026

IV.1.

REQUEST FOR BOARD ACTION: RBA-2026-131

DEPARTMENT: Transportation

TIME REQUESTED: < 5 Minutes

PRESENTER: Karin Grandia

AGENDA ITEM:

Rail Use and Operations Agreement

BOARD ACTION REQUESTED:

Pending approval by the County Attorney, approve the Rail Use and Operations Agreement between ICRRRA and Mesabi Rail, LLC and authorize the ICRRRA Chairperson and Clerk to sign the agreement.

BACKGROUND:

As Mesabi Metallica moves closer to operations, an agreement on the use and operations of ICRRRA's 14 miles of track that was built to serve the new taconite plant has become necessary. Instead of hiring a short line operator to manage the tracks, Mesabi Metallica indicated to ICRRRA that they wanted to serve as that operator. They formed Mesabi Rail, LLC as a subsidiary to serve as the operator of the rail. The County Attorney, myself and outside counsel have been working to come to a final agreement on a rail use and operating agreement and expect the final revisions in the next couple of weeks.

SUPPORTING DOCUMENTATION:

1. Mesabi Rail Use and Operations - Draft

RESULT:	APPROVED (5 TO 0)
MOVER:	Commissioner Casey Venema
SECONDER:	Commissioner Terry Snyder
AYES:	Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

RAIL USE AND OPERATIONS AGREEMENT

This Rail Use and Operations Agreement ("Agreement") is made and entered this ____ day of _____, 2026 ("Execution Date"), by and between **ITASCA COUNTY REGIONAL RAILROAD AUTHORITY**, a regional railroad authority organized and existing as a political subdivision and local unit of government under the laws of the State of Minnesota ("ICRRA") and **MESABI RAIL LLC** ("Mesabi"). ICRRA and Mesabi are each sometimes referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, Mesabi Metallica Company, LLC ("MMCL") (formerly known as Minnesota Steel Industries, LLC ("MSI")), Itasca County, and ICRRA previously entered into a Master Development Agreement ("MDA") on or about September 9, 2008. The MDA was executed to outline the Parties' respective obligations related to Rail Improvements and Public Infrastructure (as defined in the MDA), among other things.

WHEREAS, on September 9, 2008, MSI, MMCL's affiliate, Essar Global Fund Limited ("EGFL"), Itasca County, and the State of Minnesota entered into a Reimbursement Agreement, pursuant to which EGFL agreed to repay Itasca County and the Minnesota Department of Employment and Economic Development ("DEED") for sums advanced by DEED to Itasca County for the construction of the Public Infrastructure and Rail Improvements. Specifically, EGFL agreed to reimburse Itasca County and DEED for up to \$65,900,000 in costs incurred for the Public Infrastructure and Rail Improvements if MSI failed to construct a steel plant by October 1, 2015. MSI did not complete the steel plant by October 1, 2015.

WHEREAS, on July 8, 2016, MMCL and its affiliated debtor (the "Debtors") voluntarily filed for Chapter 11 in the United States Bankruptcy Court for the District of Delaware. *In re Essar Steel Minnesota, LLC and ESML Holdings, Inc.*, Case No. 16-11626 (Bankr. D. Del. 2016). As part of the bankruptcy process, a Chapter 11 Plan of Reorganization was administered on June 13, 2017. *Id.* at Dkt. No. 1025 ("Chapter 11 Plan"). Paragraph 44 of the Chapter 11 Plan details certain terms of a proposed settlement between Minnesota Department of Natural Resources ("DNR") and the Debtors, including an Itasca County royalty agreement.

WHEREAS, on June 19, 2017, the Debtors and Itasca County (including ICRRA) entered into a Settlement Agreement and Royalty Agreement (Exhibit A to the Settlement Agreement) that sought to resolve Itasca County's concerns regarding the Plan and claims against the Debtors. The Settlement Agreement and Royalty Agreement were included in an Order Implementing Settlement with the State of Minnesota and Itasca County ("Implementation Order") by the Bankruptcy Court. *In re Essar Steel Minnesota, LLC and ESML Holdings, Inc.*, Dkt. No. 1057. The Royalty Agreement requires MMCL to pay Itasca County up to \$64,181,912.74 in royalty payments subject to the terms and conditions of that agreement.

WHEREAS, Section 4.3 of the Settlement Agreement states that the Settlement Agreement, the Royalty Agreement, the Implementation Order (as defined in the Settlement Agreement), and Paragraph 44 of the Confirmation Order (as defined in the Settlement Agreement) constitute the entire agreement between the parties thereto with respect to the subject matter of the Settlement Agreement, and supersede and replace all prior agreements.

WHEREAS, in 2017, Itasca County commenced suit in Itasca County District Court against EGFL to enforce the Reimbursement Agreement. Itasca County, DEED, and EGFL were able to reach resolution through a Judgment and Forbearance Agreement dated December 1, 2020, whereby EGFL, among other terms and conditions, agreed to make payments through 2028 to Itasca County and DEED in repayment of up to \$70,989,758, as further described in that agreement.

WHEREAS, the Judgment and Forbearance Agreement provides that either EGFL or MMCL may make the required payments. Any sums paid by MMCL pursuant to the Royalty Agreement are deemed to be payments in satisfaction of the Judgment and Forbearance Agreement, and there shall be no double recovery by DEED of the sums owed under the Royalty Agreement and Judgment and Forbearance Agreement for repayment of the Public Infrastructure and Rail Improvements.

WHEREAS, MMCL and/or EGFL have been reimbursing the County for the Public Infrastructure and Rail Improvements, making the payments as they become due.

WHEREAS, the Rail Improvements and Public Infrastructure was funded, in part, by state general obligation bonds (known as GO bonds) and this Agreement accordingly is subject to the terms and conditions applicable to projects funded by such bonds.

WHEREAS, ICRRA is duly organized under Minnesota Statutes Chapter 398A to own and operate a rail line.

WHEREAS, this Agreement is entered into by ICRRA for the purposes of utilizing the public infrastructure developed to support MMCL's plant in Itasca County and economic development projects in the surrounding area, as set forth in Laws of 2008, Ch 179, Section 21, Subdivision 9 (the "Governmental Program").

WHEREAS, the Surface Transportation Board ("STB") in STB Finance Docket No. 34992 granted the ICRRA the authority to construct a rail line in Itasca County, MN between Nashwauk, MN, and Taconite, MN.

WHEREAS, ICRRA is a common carrier railroad under the jurisdiction of the STB.

WHEREAS, ICRRA owns the rail line, as depicted on Exhibit A, and all sidetracks connected thereto created as part of the Rail Improvements between Nashwauk, Minnesota and Taconite, Minnesota ("Rail Line").

WHEREAS, Mesabi, which is an affiliate of MMCL, will acquire a common carrier obligation to operate the Rail Line.

WHEREAS, Mesabi may enter into an operating or trackage rights agreement with an existing and experienced third-party railroad to perform the common carrier rail operations on the Rail Line.

WHEREAS, ICRRA has certain rights, title, and interest in and to the real property located in Itasca County, Minnesota under and adjacent to the Rail Line (the "Real Estate"), which real property is described in Exhibit B hereto.

WHEREAS, ICRRA is agreeable to allow Mesabi to utilize ICRRA's interests in the Rail Line and the Real Estate to provide, or to enter into an agreement with a third-party to provide, common carrier freight rail operations over and to maintain the Rail Line, upon the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

Section 1. Rail Property; Right to Use.

- 1.1 The "Rail Property" shall be defined as the Real Estate and Rail Line. The Rail Line shall include installed tracks, rails, ties and tie plates, spikes, ballast, rail anchors, turnouts, crossovers, switches, other track materials, crossings, bridges, bridge abutments, culverts, embankments, other supporting structures, buildings and other structures, signaling equipment, crossing protection devices, and radio and other communications facilities, but the Rail Line shall not include locomotives, motor vehicles, equipment and machinery, office and computer equipment, radios, furniture, tools, inventories, materials, and supplies.
- 1.2 To the extent its right, title and interests permit, ICRRRA hereby grants Mesabi (A) the right to enter upon and use, on a non-exclusive basis, the Real Estate, solely for purposes directly related to accessing, operating, and maintaining the Rail Line, (B) the exclusive right, except to the extent already set forth in an Existing Agreement (as defined below), to provide, on its own or through an entity it designates consistent with Section 3 hereof, common carrier freight rail service over the Rail Property and other rail operations over the mainline tracks of the Rail Line, and (C) the nonexclusive right to perform rail-related activities on the side tracks, yard tracks and other non-mainline tracks of the Rail Line; *provided, that*, ICRRRA's retention of the right to perform (or grant third parties the right to perform) rail-related activities on the non-mainline tracks shall not unreasonably interfere with Mesabi's rail operations. If at any time Mesabi or its designated operator materially violates its obligations under 49 U.S.C. subtitle IV, Part A, related to the freight rail service over the Rail Line, then ICRRRA may terminate this Agreement if the violation is not cured pursuant to section 2.3 below. Notwithstanding any provision to the contrary in this Agreement, in the event that Mesabi or its Operator fails to fulfill its common carrier obligation and ICRRRA is required under federal law to provide common carrier service over the Rail Property, ICRRRA (or a third-party operator it engages) may do so.
- 1.3 Mesabi will provide ICRRRA with notice of any third-party requests for rail service over the Rail Line upon discovery of the request. ICRRRA and Mesabi shall work together, using reasonable efforts, to address any defects in ICRRRA's interest in the Real Estate that permit unreasonable interference with common carrier freight rail service over the Rail Property.
- 1.4 ICRRRA shall retain the right to access and use, and grant third parties the right to access and use, the Rail Property, except: (a) to the extent it unreasonably interferes with Mesabi's or Operator's rights and obligations in this Agreement; (b) ICRRRA shall not grant any third party a right to provide common carrier rail freight service or other rail operations over the mainline tracks of the Rail Line, and (c) without the prior written consent of Mesabi (which shall not be unreasonably withheld, conditioned or delayed), ICRRRA shall not construct or operate, or allow any third party to construct or operate an at-grade crossing over the Rail Line, except a crossing that exists as of the Commencement Date. ICRRRA shall provide Mesabi with at least five (5) business days' prior written notice of any planned access or use of the Rail Property by ICRRRA or any third party to which it has granted such access or use, except in cases of emergency or as otherwise expressly provided in this Agreement.
- 1.5 This Agreement shall not convey or otherwise transfer to Mesabi any real property interest in the Real Estate or any ownership interest in the Rail Line. ICRRRA reserves all rights and interests not expressly granted to Mesabi, including without limitation, any minerals or mineral rights, except ICRRRA may not exercise such rights in a manner that unreasonably interferes with common carrier service over the Rail Line. Mesabi's right to use the Rail Property is subject to (a) all pre-existing rights, licenses, easements, privileges, encumbrances, rights of way, encroachments, restrictions, limitations, and conditions, however created, including without limitation public utility easements, crossings, roads, streets, highways, existing ways, alleys, appurtenances, and servitudes, that (i) are of public record or would be disclosed by a survey, title search, or inspection of the Real Estate; (ii) do not unreasonably interfere with providing common carrier freight service over the Rail Line, (iii) are incurred in the ordinary course of business; or (iv) imposed by a governmental entity having jurisdiction, (b) all existing and future Applicable Laws

(as defined in Section 9.2, below), including without limitation, existing and future building, zoning, and subdivision laws, to the extent not preempted, and (c) all terms and conditions set forth in the agreements listed in Exhibit C, as such agreements have been amended from time to time ("Existing Agreements"); provided, that, no future amendment of an Existing Agreement after the Execution Date shall unreasonably interfere with Mesabi's or Operator's rail freight service over the Rail Line, without the prior written consent of Mesabi (which shall not be unreasonably withheld, delayed or conditioned). To the extent ICRRRA has applicable rights under an Existing Agreement, ICRRRA will use reasonable efforts to exercise those rights to address any unreasonable interference with common carrier service over the Rail Line by a third-party acting pursuant to such Existing Agreement.

- 1.6** If applicable and not violative of state or federal law, for the term of this Agreement, (a) ICRRRA will not voluntarily sell or offer the Rail Property for sale in a manner that would create an obligation to offer a right of first refusal under Minnesota Statute Section 222.632 (2024), or as that provision may be subsequently recodified or renumbered, and (b) ICRRRA will only transfer ownership of the Rail Property to another governmental entity contingent upon assumption by the governmental entity transferee of the commitments by ICRRRA under this Agreement.

Section 2. Term; Termination

- 2.1** Unless sooner terminated as provided in this Agreement, this Agreement shall be effective on the Commencement Date (as defined below in this Section 2.1) and shall continue for a term of fifteen (15) years. The Commencement Date shall be the later date on which (a) each Party has executed this Agreement, (b) MMCL has executed the guaranty agreement in the form set forth on Exhibit D hereto ("Guaranty Agreement") and has delivered it to ICRRRA, and (c) Mesabi has obtained common carrier authority in connection with this Agreement from the STB; provided, that, if the Commencement Date has not occurred within one-hundred twenty (120) days after the Execution Date, either party may terminate this Agreement. The Parties may (but are not obligated to) renew this Agreement during the last six months of the existing term upon compliance with all applicable requirements of Minnesota law governing state bond financed property, including Minnesota Statutes Section 16A.695 and the Fourth Order Amending Order of Commissioner of Finance Relating to Use and Sale of State Bond Financed Property, dated July 30, 2012 (the "Commissioner's Order").
- 2.2** This Agreement shall automatically and immediately terminate upon written notice to Mesabi of a termination of or change in any governmental program or Applicable Law that no longer permits ICRRRA to grant the rights under this Agreement.
- 2.3** Should a Party violate any covenants, terms or conditions of this Agreement and fail to cure such violation within thirty (30) days (or such longer period as commercially reasonable to effect such a cure if the Party is diligently pursuing such cure, but in no event more than sixty (60) days) ("Cure Period") after the other Party has provided the violating Party with written notice of such violation, then the non-violating Party may terminate this Agreement, effective upon written notice to the violating Party of such termination; provided, however, if the applicable violation is a failure by Mesabi to comply with the insurance requirements set forth in this Agreement, then ICRRRA shall have the right to terminate this Agreement ten (10) days after providing Mesabi with written notice of such violation, if such violation has not been cured within such 10-day period.
- 2.4** Mesabi may terminate this Agreement at any time, without cause, by giving ICRRRA at least one years' written notice.
- 2.5** ICRRRA may terminate the Agreement, as set forth in Section 4.1 of the Agreement and as otherwise may be expressly set forth in this Agreement.
- 2.6** ICRRRA may terminate if (a) there is any entry of a decree or order for relief by a court having jurisdiction with respect to Mesabi in an involuntary case under the federal bankruptcy laws, as

now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or there is an appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) with respect to Mesabi or for any substantial part of its property, or an order for winding-up or liquidating the affairs of Mesabi and the continuance of any such order is unstayed and in effect for a period of thirty (30) days, or (b) there is commencement by Mesabi of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Mesabi to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) with respect to it or for any substantial part of its property, or the making by Mesabi of any assignment for the benefit of creditors, or the failure of Mesabi generally to pay its debts as such debts become due, or the taking of corporate action by Mesabi in furtherance of any of the foregoing.

- 2.7** The right of either Party to terminate this Agreement is in addition to any other rights and remedies provided in this Agreement or by law or equity (to the extent not inconsistent with this Agreement).
- 2.8** Upon termination of this Agreement, any and all improvements made to the Rail Property shall become the property of ICRRRA, unless the Parties agree otherwise in writing. Mesabi shall remove all of its portable fixtures, machinery, and equipment placed or maintained on the Rail Property within sixty (60) days following termination or expiration of the term of this Agreement, and such removal shall satisfy the following conditions: (1) Mesabi provides reasonable advance notice to ICRRRA; (2) Mesabi complies with all reasonable safety requirements of ICRRRA (to the extent communicated in writing to Mesabi) and all safety requirements as required by law with respect to the Rail Property; and (3) the removal is planned and coordinated with ICRRRA to minimize any interference with rail operations on the Rail Line. Any employee of Mesabi or Mesabi's contractor participating in such removal shall execute an ICRRRA-provided release of liability form before participating in such removal. This Section 2.8 expressly survives the termination or expiration of this Agreement.

Section 3. Freight Rail Operations

- 3.1** Mesabi shall (or shall cause Operator to) (a) furnish all personnel and equipment necessary to perform its common carrier obligation over the Rail Property and in compliance with all Applicable Laws, including safety laws, (b) maintain and inspect all equipment necessary for freight rail service in accordance with all Applicable Laws, (c) not create waste or nuisance on the Rail Property, other than what would normally arise from freight rail operations, or materially interfere with other commercial, industrial or transportation uses of the Rail Property, except to the extent such uses unreasonably interfere with common carrier rail service on the Rail Property, and (d) provide common carrier freight service in accordance with Applicable Law, including 49 U.S.C. 11101, and promptly handle loaded rail cars with reasonable dispatch to and from points of interchange with other carriers
- 3.2** Mesabi shall report promptly any incident occurring on the Rail Property to ICRRRA that requires reporting to a governmental agency under Applicable Laws or results in a third party initiating or threatening in writing a lawsuit. Mesabi shall provide a written report that includes the circumstances of the incident and an estimate of property damages and personal injuries/deaths. Thereafter, Mesabi shall provide ICRRRA upon request with copies of any further non-privileged records or reports involving such incident and shall, if ICRRRA requests, periodically provide written reports to ICRRRA concerning the status of the incident and, upon resolution, the final disposition of the matter. Within five (5) days of submitting an accident/incident report to a governmental agency, Mesabi will provide a copy of the report to ICRRRA (or if the report was orally provided, then Mesabi will provide ICRRRA with an accurate written summary of the oral report).

- 3.3** Mesabi shall cooperate with and support ICRRA in its mission of furthering economic development through the retention, improvement, and expansion of rail infrastructure and rail service.
- 3.4** Mesabi may license the Rail Property to a single, qualified and experienced rail operator to provide exclusive freight rail service over the Rail Property ("Operator"), subject to ICRRA's and Mesabi's rights with respect to non-mainline tracks under Section 1.2; provided, that, the Operator enters into an operating agreement with Mesabi, which operating agreement and all amendments thereto ("Third-Party Operating Agreement") satisfies the following requirements: (1) terminates no later than the termination of this Agreement (unless ICRRA shall have provided written consent for such agreements to be assigned to ICRRA), (2) is consistent with the terms and conditions in this Agreement, (3) identifies ICRRA as an intended third-party beneficiary of that agreement, and (4) has been provided to ICRRA (including the identity of the Operator) at least days prior to execution ("Review Period"), and ICRRA has not raised any objection during the Review Period that the Third-Party Operating Agreement is inconsistent with the terms of this Agreement, violates the common carrier obligation, subjects ICRRA to additional costs or liabilities, or involves an unqualified operator. If a Third-Party Operating Agreement expires or is terminated prior to the termination of this Agreement, a replacement Operator shall be selected by Mesabi if necessary to maintain common carrier freight rail service over the Rail Property, subject to the terms and conditions of this Section 3.4.
- 3.5** If the Operator is a Class I rail carrier that refuses to include in its Third-Party Operating Agreement certain provisions required by this Agreement, then ICRRA and Mesabi shall use good faith efforts to agree on alternative language for a Third-Party Operating Agreement with such Class I carrier that is acceptable to both Mesabi and ICRRA.
- 3.6** On or before the Commencement Date, Mesabi shall provide ICRRA with written notice of the identity and contact information for the Mesabi employee who will be the point of contact for ICRRA to discuss any railroad industry issues that may arise concerning the Rail Property ("Point of Contact"). In the event that the current Point of Contact ceases to fill that position, Mesabi shall promptly find a replacement and notify ICRRA of the identity and contact information for the new Point of Contact. Mesabi represents and warrants that the initial Point of Contact, and any replacement Point of Contact, will be knowledgeable about the railroad freight industry.
- 3.7** Mesabi shall fully indemnify ICRRA for any labor protective conditions imposed by a governmental agency in connection with the rail operations performed by the employees of Mesabi or the Operator.

Section 4. Fees and Expenses

- 4.1** In consideration of Mesabi's affiliates' payments for the Rail Improvements and Public Infrastructure described in the Recitals above and Mesabi's maintenance and repair obligations under this Agreement, there shall be no usage fee paid under this Agreement; provided, that, if Mesabi or its affiliates fail to make the payments required pursuant to the Royalty Agreement, the Settlement Agreement, the Judgment and Forbearance Agreement, and/or any other currently effective or future agreements or judgments involving the Rail Property and Mesabi or its affiliates, then ICRRA shall have the right to terminate this Agreement.
- 4.2** As between ICRRA and Mesabi, Mesabi shall be responsible for all costs and expenses for operation of the Rail Line. Notwithstanding any provision to the contrary in this Agreement, Mesabi agrees to reimburse ICRRA, on an annual basis and within thirty (30) days after receipt by Mesabi of invoices from ICRRA, for the following invoiced costs and expenses ICRRA incurred in the immediately preceding year in connection with the Rail Property: (1) utilities; (2) insurance premiums; (3) non-litigation related reasonable attorneys' fees; and (4) non-litigation related reasonable consultants' fees; provided, that, Mesabi will not be responsible for such costs incurred by ICRRA prior to the Execution Date or any such costs and expenses to the extent

attributable to use of the Rail Property by a third party that was granted access to the Rail Property by ICRRA under Section 1.4.

Section 5. Reporting

- 5.1** At least annually, on March 31st of each year of the term of this Agreement, Mesabi shall provide ICRRA with a written report that details the following activities that occurred in the immediately preceding calendar year (1) all maintenance, repairs, renewals, replacements (including without limitation, tie replacements), removals, improvements, alterations, and inspections (collectively, "Maintenance") that occurred on the Rail Property (each, a "Maintenance Activity"), including without limitation, the cost (and supporting invoices) of each Maintenance Activity, date of each Maintenance Activity, location of each Maintenance Activity, and the entity or person performing each Maintenance Activity (and the applicable contact information for that entity or person), (2) carloadings, and (3) requests by third parties to Mesabi or the Operator for rail service, to the extent known by Mesabi. In addition, on March 31st of each year, Mesabi shall provide ICRRA with (i) prospective one-year and three-year budgets (commencing with the then-current calendar year) for Maintenance Activities, which shall include without limitation rehabilitation and improvement projects to the Rail Property and any anticipated track outages related thereto, (ii) anticipated expanded or additional plant facilities adjacent to the Rail Property, and (iii) anticipated carloadings.

Section 6. Utilities, Taxes, and Assessments.

- 6.1** Mesabi, at no cost or expense to ICRRA, shall arrange with the applicable utility company to directly pay all bills, charges, and assessments in connection with any heat, water, electricity, sewer, and other utility services related to Mesabi's or Operator's use of the Rail Property during the term of this Agreement. If ICRRA pays for any of these services, Mesabi shall promptly reimburse ICRRA within thirty (30) days after ICRRA notifies Mesabi of such payment.
- 6.2** Mesabi shall pay all taxes and assessments, general, special or otherwise, which may be levied, assessed, or imposed upon the Rail Property and attributable to the Rail Property during the term of this Agreement, except to the extent arising from an ICRRA Use. An "ICRRA Use" means use of or access to the Rail Property by ICRRA or a third party pursuant to ICRRA's retained rights under Section 1.4.

Section 7. Compliance with Existing Agreements; New Agreements.

- 7.1** Mesabi shall comply with and be subject to, and shall require its Operator to comply with and be subject to (as applicable), all terms and conditions set forth in the Existing Agreements relating to the rights of Mesabi and/or Operator to enter and use of the Rail Property as set forth in this Agreement, including without limitation all insurance and indemnity obligations set forth in the Existing Agreements. Mesabi acknowledges that it has received and reviewed copies of all such Existing Agreements and that the Existing Agreements will not unreasonably interfere with rail operations on the Rail Property. ICRRA represents it has not received any written notice of default or notice of termination of any of the Existing Agreements. ICRRA shall not modify any Existing Agreement to increase the insurance or indemnity requirements applicable to entry and use of the Rail Property without Mesabi's prior written consent.
- 7.2** Mesabi may enter, and authorize an Operator to enter, new agreements other than a Third-Party Operating Agreement (which is governed by Section 3.4 hereof) in connection with the Rail Property ("Other Agreements"), but only if Mesabi provides ICRRA a copy of such Other Agreement (including the identity of the parties to that agreement, but pricing terms may be redacted, to the extent not violative of Applicable Laws) at least fifteen (15) business days prior to execution ("Review Period"), and ICRRA has not raised any objections during the Review Period

that the Other Agreement is inconsistent with the terms of this Agreement, violates the common carrier obligation, subjects ICRRRA to additional costs and liabilities, or involves parties not qualified to perform the rights or obligations set forth in the Other Agreement. Notwithstanding the foregoing, Mesabi or Operator may enter into (a) an agreement governing the maintenance of the Rail Property in accordance with the requirements of this Agreement, and (b) a standard interchange agreement (if applicable), in each case, without the Review Period and objection procedure described in the foregoing sentence, but shall promptly provide ICRRRA with a copy of each such agreement (except pricing terms may be redacted, to the extent not violative of Applicable Laws). Mesabi shall (and shall require the Operator to) include provisions in all Other Agreements that, upon termination of this Agreement or Operator's Third-Party Operating Agreement (as applicable), such Other Agreements also shall terminate, unless ICRRRA shall have provided prior written consent for such Other Agreements to be assigned to a replacement operator. If the rights granted under such Other Agreements are subject to the jurisdiction of the STB, then such Other Agreements shall require the appropriate party, upon termination of this Agreement or the Operator's Third-Party Operating Agreement (as applicable), to promptly file for any necessary abandonment or discontinuance authority (as appropriate) and to grant ICRRRA (as a permitted third-party beneficiary) with a limited power of attorney to make such a filing in its name should it fail to do so. To the extent permissible under Applicable Laws, ICRRRA shall keep confidential any Other Agreement, and amendment to it, that Mesabi provides ICRRRA under this paragraph.

- 7.3** During the term of this Agreement, ICRRRA shall not enter into any new agreements in connection with the Rail Property that would unreasonably interfere with an Operator's rail operations on the Rail Line (other than entering into a new railroad operating agreement, in connection with its termination of this Agreement).

Section 8. Road Crossing and Protective Device Maintenance.

- 8.1** Mesabi shall be responsible for the cost and expense of, and shall perform any necessary maintenance of public grade crossings, grade separation structures, and protective devices within the Rail Property, as required by Applicable Laws to permit the safe and convenient passage of public traffic.
- 8.2** Mesabi understands and agrees (and shall require the Operator to agree) that no crossing with the Mesabi Trail may be obstructed by a train for more than 30 minutes, except to the extent the obstruction arises from an emergency, in which case Mesabi or the Operator, as applicable, shall remove the obstruction as soon as possible.
- 8.3** Mesabi shall inspect all crossings of the Rail Line (including without limitation, the crossing with the Mesabi Trail) in accordance with Applicable Laws and shortline railroad industry standards, and confirm the crossings comply with all such laws and standards.

Section 9. Permitted Use By Mesabi of the Rail Property.

- 9.1** Mesabi and its contractors and any Operator may access and use the Rail Property solely for purposes directly in furtherance of the common carrier freight operation and maintenance of the Rail Line, unless Mesabi obtains the written consent of ICRRRA (which may be withheld in ICRRRA's sole discretion) to use the Rail Property or any portion thereof for any other purpose. ICRRRA shall provide Mesabi with at least thirty (30) days' prior written notice before taking any action to modify, alter, extinguish or vacate the status, use or ownership of the Rail Property; provided, that, ICRRRA shall not take any such action to the extent it unreasonably interferes with Mesabi's rights and obligations in this Agreement or Operator's common carrier freight operations over the Rail Property.

- 9.2** Mesabi shall comply, and shall require the Operator (if any) to comply, at its sole cost and expense, with all applicable federal, state, municipal, and local laws, orders, ordinances, rules, codes, permits, licenses, and regulations, including without limitation Environmental Laws, as defined in Section 14 ("Applicable Laws"), in each case, as may be changed or amended or come into effect in the future. When performing its rights and obligations under this Agreement, Mesabi also agrees to follow (and require Operator to follow) generally accepted shortline (or Class I, as applicable) railroad practices recognized in the freight rail industry, including without limitation, by the Association of American Railroads (AAR) and the American Short Line and Regional Railroad Association (ASLRRA).
- 9.3** Without the prior written consent of ICRRA, Mesabi shall not (and shall cause its Operator to not) (1) remove any track comprising the Rail Property, unless it is replaced with track of the same or better quality and weight, or (2) make any material alterations to the Rail Property, including without limitation any improvements or any excavation or movement of any earth or paving of any materials (unless required by Mesabi's maintenance and rehabilitation obligations under this Agreement or required to fulfill its common carrier obligation over the Rail Property, but in each such case, only to the minimum extent required and after notice is provided to ICRRA).
- 9.4** Mesabi shall not cause or permit any liens or other encumbrances to arise on the Rail Property and shall protect and defend ICRRA's rights and interests in the Rail Property from all third-party claims arising through Mesabi or the Operator.

Section 10. Maintenance and Rehabilitation

- 10.1** Mesabi shall at all times during the term of this Agreement, at its cost and expense, have the right and obligation to keep and maintain the Rail Property in good working order and safe condition reasonable for Mesabi's intended use of the Rail Property, and in accordance with all Applicable Laws, including without limitation, maintaining proper drainage on the Rail Property, keeping the Rail Line free and clear of snow, ice, vegetation, structures, and other obstacles, promptly restoring a derailment site to its original condition (normal wear and tear excepted), and maintaining safe and adequate grade crossing warning devices, passive warning signs, gates, fences, barriers, lighting, track, and other signals. Without limiting the generality of the foregoing, the Parties agree that Mesabi, at its sole cost and expense, has the right and obligation to inspect and perform such maintenance, repairs and renewals (including without limitation, with respect to all casualty losses and capital expenditures and/or improvements) as necessary to maintain the Rail Line to FRA Class 3 track safety standards and without material deterioration of rail track infrastructure, except that ICRRA shall be responsible for the cost and expense of any maintenance, repair, or renewals to address any damage or destruction to the Rail Property to the extent caused by the sole or gross negligence or willful misconduct of ICRRA or its employees, contractors, invitees, or licensees. Mesabi agrees that all such maintenance, repairs and renewals shall be performed by employees (whether of Mesabi or a contractor) that are qualified and experienced in such maintenance activities and are knowledgeable about the applicable Federal Railroad Administration (FRA) laws, regulations and requirements.
- 10.2** Subject to section 9.4, above, nothing in this Agreement shall restrict Mesabi from providing funds or seeking funds from government agencies or other third parties to facilitate rehabilitation and/or economic development projects so long as all terms and conditions of this Agreement are satisfied.
- 10.3** Mesabi acknowledges that any fencing or other security measures for the benefit of the Rail Property shall be the sole responsibility, and at the sole cost and expense, of Mesabi. Mesabi

shall implement reasonable security measures for the benefit of the Rail Property, consistent with generally accepted industry standards for Class III short-line railroads.

- 10.4** Mesabi shall submit to the FRA written notification assuming responsibility for the Rail Property in accordance with the requirements of 49 C.F.R. 213.5(c). Without limiting the generality of the indemnity obligations set forth in Section 15, Mesabi shall indemnify, defend (with respect to third-party claims) and hold harmless ICRRRA from any liabilities, penalties, and other costs and expenses arising from Mesabi's noncompliance with 49 C.F.R. Part 213.

Section 11. Inspection.

- 11.1** ICRRRA shall have the option (but not the obligation) to inspect, at its sole cost and expense, the Rail Property, including without limitation, the Rail Line by hi-rail vehicle, which inspection Mesabi shall accommodate without unreasonable delay, so long as the following conditions are met: (1) ICRRRA provides reasonable advance notice to Mesabi; (2) ICRRRA complies with all reasonable safety requirements of Mesabi and any Operator (to the extent, in each case, communicated in writing to ICRRRA), and all safety requirements as required by law with respect to the Rail Property; (3) Mesabi will be allowed to participate in any inspection; and (4) The inspections are planned and coordinated with Mesabi (which planning and coordination shall occur without unreasonable delay) to minimize any interference with rail operations on the Rail Line. Any employee of ICRRRA or ICRRRA's contractor participating in such inspections shall execute Mesabi's standard release of liability form before participating in such inspections.
- 11.2** Without the prior written consent of Mesabi (which consent shall not be unreasonably withheld, conditioned or delayed), ICRRRA shall not be within or allow any person to enter within fifty (50) feet of the track comprising the mainline track of the Rail Line ("50-Foot Window"); *provided, that*, in the event of any emergency condition threatening damage to property or the health, safety, or welfare of the public, ICRRRA may enter the 50-Foot Window without Mesabi's prior written consent, so long as ICRRRA notifies Mesabi of such condition and ICRRRA's entry upon the Rail Property as soon as practicable.
- 11.3** Mesabi shall permit, and shall cause its Operator to permit, any requested access by the FRA or Minnesota Department of Transportation ("MNDOT") to inspect the Rail Property. Mesabi shall promptly notify ICRRRA in writing of any such requested access and promptly provide ICRRRA with any correspondence (including without limitation, reports) sent to Mesabi by the FRA or MNDOT regarding the Rail Property.

Section 12. No Warranties or Covenants.

- 12.1** Except as otherwise expressly provided herein, Mesabi accepts, and shall cause the Operator to accept, the Rail Property "AS IS, WHERE IS" with all faults and defects in its condition as of the date of this Agreement. Other than the representation made in Section 7.1, all representations and warranties of any kind or nature, express or implied, are specifically disclaimed by ICRRRA, including without limitation, regarding its condition, or its merchantability or suitability for any use or purpose whatsoever. If a pre-existing Release of a Hazardous Material or violation of Environmental Law concerning the Rail Property is discovered, ICRRRA and Mesabi will work together, in good faith, to exercise their respective rights to remedy the condition and resolve the claims in an efficient, fair, economic and expeditious manner, including any right of recourse against former owners as prescribed by Federal law.

Section 13. Assignment.

- 13.1** Except as otherwise provided herein, neither Party may assign this Agreement, or any of the rights and obligations under this Agreement, without the prior written consent of the other Party, which shall not be unreasonably conditioned, delayed or withheld. Notwithstanding the foregoing sentence, ICRRA may sell or offer the Rail Property for sale in any manner permitted by Applicable Laws and consistent with GO compliance law, the Commissioner's orders, and Section 1.6 of this Agreement, so long as the purchaser agrees to the terms and conditions of this Agreement (including without limitation all commitments of ICRRA under this Agreement). Mesabi may assign its interest in this Agreement to an entity under common ownership or control with Mesabi, subject to a parent company with financial resources and assets at least as robust as MMCL (as of the Execution Date) entering into a guaranty agreement to guaranty the obligations of the assignee under this Agreement, in a form substantially similar in all material respects to the Guaranty Agreement.
- 13.2** This Agreement will be binding upon and inure to the benefit of successors and permitted assigns of ICRRA and Mesabi.

Section 14. Environmental Matters

- 14.1** For purposes of this Agreement, the term (1) "**Environmental Law**" shall mean any applicable federal, state, or local, or tribal law, statute, ordinance, code, rule, regulation, policy, common law, license, authorization, decision, order, or injunction which pertains to health, safety, any Hazardous Material (as described below), or the environment (including but not limited to ground, air, water, or noise pollution or contamination, underground or above-ground tanks, and applicable spill prevention, containment and countermeasure plans), (2) "**Hazardous Materials**" means any substance, material, or waste that is regulated by any federal, state, or local governmental authority because of toxic, flammable, explosive, corrosive, reactive, radioactive or other properties that may be hazardous to human health or the environment, including without limitation asbestos and asbestos-containing materials, radon, petroleum, oil and petroleum products, urea formaldehyde foam insulation, methane, lead-based paint, polychlorinated biphenyl compounds, hydrocarbons or like substances and their additives or constituents, pesticides, agricultural chemicals, and other substances, materials or waste now or hereafter defined, determined, or identified in Applicable Laws as "hazardous," "toxic," "waste," "pollutants," or similar terms, and (3) "**Release**" shall mean any spilling, leaking, leaching, pumping, pouring, emitting, emptying, escaping, discharging, dumping, disposing, injecting or introducing into the environment any Hazardous Materials.
- 14.2** Mesabi shall give prompt notice to ICRRA at 218-327-2853 of any (i) Release of Hazardous Materials on, from, or affecting the Rail Property (ii) violation of Environmental Laws relating to the Rail Property, or any act or omission that triggers an obligation under any such Environmental Laws, (iii) any inspection or inquiry by governmental authorities charged with enforcing Environmental Laws as they relate to the Rail Property, or (iv) any and all measures undertaken by or on behalf of Mesabi or Operator to investigate, remediate, respond to or otherwise cure a Release of Hazardous Materials or a violation of (or triggered obligations under) any Environmental Laws relating to the Rail Property.
- 14.3** ICRRA may, at its option, have representatives on site in the event of a Release affecting the Rail Property to observe and provide information and recommendations concerning any response action effort, and ICRRA may, at its option, perform such post-response testing as it may deem necessary to test the adequacy of such response action, provided that ICRRA will be responsible for any loss, damage, or injuries to the extent arising from ICRRA's or its representatives' negligence in conducting such activities, including their negligent failure to take adequate safety precautions.

- 14.4 With the exception of the rail transportation of Hazardous Materials consistent with the common carrier obligations of Mesabi or any Operator and the movement and use of Hazardous Materials necessary for the maintenance, repair, and renewal of the Rail Property, Mesabi shall not, and shall require all Operators to not, handle, transport, store, or dispose of Hazardous Materials on the Rail Property. Mesabi agrees that it will not, and shall require all Operators to not, perform any tie treatment or waste treatment on the Rail Property.

Section 15. Liability and Indemnity.

- 15.1 Mesabi agrees to indemnify, defend (with respect to third-party claims) and hold harmless ICRRRA and Itasca County (and their respective directors, commissioners, officers, representatives and agents) ("ICRRRA Indemnitees, which term shall include ICRRRA and Itasca County") from any and all claims, suits, causes of action, losses, judgments, liabilities, fines, costs, damages, or expenses (including but not limited to reasonable attorneys' fees and disbursements, loss or damage to property, environmental remediation or cleanup costs, injury to or death of persons, and contractual damages) ("Losses") arising from, resulting from or connected with (1) any act or omission (negligent or otherwise) of Mesabi, the Operator or any of the agents, contractors, licensees, invitees, or employees of Mesabi or the Operator in connection with or affecting any portion of the Rail Property (including freight operations thereover), immediately adjacent property thereto, or any right granted to or obligation imposed on Mesabi under this Agreement, (2) a breach by Mesabi of one or more of its obligations, representations or warranties (if any) under this Agreement, or (3) a violation of one or more Applicable Laws by Mesabi or Operator (or their respective agents, contractors, licensees, invitees, or employees), in each case of subclauses (1) through (3) to the fullest extent permitted by law; provided, that, in no event shall Mesabi be responsible to defend indemnify and hold ICRRRA Indemnitees harmless to the extent a Loss is proximately caused by the negligence of any third party that ICRRRA allows to access or use the Rail Property or the sole or gross negligence or willful misconduct of the ICRRRA Indemnitees. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE INDEMNIFICATION PROVISIONS SET FORTH IN THIS SECTION 15 SHALL APPLY EVEN IF THE LOSSES ARE ALLEGED TO BE CAUSED IN PART BY THE NEGLIGENCE OF ICRRRA INDEMNITEES; PROVIDED, THAT, MESABI SHALL NOT BE OBLIGATED TO INDEMNIFY ICRRRA INDEMNITEES UNDER THIS SECTION 15 TO THE EXTENT LOSSES ARE PROXIMATELY CAUSED BY THE SOLE OR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ICRRRA INDEMNITEES.**
- 15.2 If an indemnification obligation under this Agreement is the result of a third-party claim, action, demand, investigation, lawsuit, dispute, or similar proceeding (a "Third Party Claim"), then in addition to the other provisions in this Section 15, the provisions of this Section 15.2 and Section 15.3 also shall apply. Upon written notice from a party entitled to indemnification under this Agreement, the indemnifying party agrees, at its sole cost and expense, to assume and control the defense of such Third Party Claim brought against the indemnitee(s); *provided, that*, the indemnitee(s) shall have the right, at their sole cost and expense, to participate in the defense of any such Third Party Claim. If the indemnifying party does not provide the indemnitee(s) with written notice that the indemnifying party is undertaking the defense of such Third Party Claim, within ten (10) business days after an indemnitee has delivered written notice of the Third Party Claim to the indemnifying party, then the indemnitee(s) may defend such Third Party Claim at the sole cost and expense of the indemnifying party, and the indemnifying party shall be bound by any determination made in such Third Party Claim or any compromise, settlement, or consent to the entry of judgment with respect to such Third Party Claim.
- 15.3 The indemnifying party under this Agreement shall not have the right to settle or compromise any Third Party Claim, or consent to the entry of judgment, if such settlement, compromise, or consent to the entry of judgment either (i) fails to include as an unconditional term thereof that the claimant or plaintiff releases all indemnitees from all Losses with respect to such Third Party Claim, or (ii) obligates the indemnitees prospectively to take certain material actions or to refrain

from taking one or more material actions.

- 15.4** Subject to Section 3.5, Mesabi will require Operator to indemnify, defend (with respect to third-party claims) and hold harmless ICRRRA to the same extent that Mesabi so indemnifies, defends, and holds harmless ICRRRA under this Section 15. In no event shall an agreement with an Operator provide greater indemnity protection to Mesabi than to ICRRRA.
- 15.5** It is mutually understood and agreed that the assumption of the liabilities and indemnification obligations provided for in this Agreement will survive any expiration or termination of this Agreement.

Section 16. Government Approvals.

- 16.1** Prior to initiation of rail freight service and for the duration of the term of this Agreement, Mesabi and the Operator shall apply to the STB and to all other appropriate governmental or regulatory authorities for all necessary approvals (or exemptions therefrom) or authorizations to conduct common carrier railroad operations on the Rail Property according to the terms and provisions of this Agreement. The Parties understand and agree that STB's approval (or exemption therefrom) of this Agreement and the railroad operations over the Rail Line of Mesabi and the Operator (including any local trackage rights of a Class I or II railroad to directly serve a rail customer) is a condition precedent to commencement of rail operations over the Rail Property. If Mesabi and each Operator have not obtained all required approval and authorizations from the STB within one hundred twenty (120) days after the Execution Date, then either Party may terminate this Agreement.
- 16.2** Unless otherwise required by federal law, Mesabi will not seek authority, and will require each Operator to not seek authority, to abandon or discontinue rail service over the Rail Property from the STB or other governmental or regulatory authority without the prior written approval of ICRRRA; provided, however, that upon termination of this Agreement for any reason, Mesabi shall, and shall require each Operator, at ICRRRA's option, either to take all necessary steps to abandon or discontinue (as applicable) its common carrier rights and obligations with respect to the Rail Property, or to consent to any necessary authorization to change operators with respect to the Rail Property, and shall cooperate with ICRRRA as necessary with respect to the schedule for consummating such abandonment or discontinuance (as applicable), or change of operator (if applicable). If, upon termination of this Agreement, Mesabi and the Operator fail to file for abandonment or discontinuance authority (as applicable) from the STB or fail to consent to a change of operator (if applicable), then Mesabi hereby grants ICRRRA, and shall require the Operator to grant ICRRRA in the Third-Party Operating Agreement as a permitted third-party beneficiary, a limited power of attorney permitting ICRRRA to file for and obtain abandonment or discontinuance authority (as applicable), or consent to a change in operator (if applicable), in the name of Mesabi or the Operator (as applicable). Mesabi also shall, and shall require the Operator being replaced to, work in good faith with ICRRRA to facilitate the transition to the new operator so that the freight rail customers served by the Rail Line are not adversely impacted by the transition. An Operator (but not Mesabi) may seek authority to discontinue trackage rights, with prior written notice to (but not approval of) ICRRRA, if a new operator has obtained the authority (and obligation) from the STB (or any other successor governmental or regulatory authority) to provide common carrier service to customers via the Rail Line; provided, that, with respect to the new operator, Mesabi shall comply with the procedures set forth in Section 3.4.
- 16.3** Mesabi shall be responsible for all of costs and expenses in connection with Mesabi and the Operator obtaining the STB's authorization to operate, and to discontinue, abandon and/or transfer operations over, the Rail Property.

Section 17. Notices.

- 17.1** All required notices given under this Agreement shall be in writing and shall be deemed to have been duly given if either hand-delivered (providing proof of delivery) or sent by overnight or next-business day mail by a nationally recognized carrier service, prepaid (providing proof of delivery), to the Parties at the respective addresses set forth below, or such other addresses as may be specified by written notice and delivered in accordance herewith, and all such notices shall be deemed received upon hand-delivery or the first business day following the date the notice is sent via overnight or next-business day national carrier service.

If to ICRRA:

Karin Grandia, County Engineer
Itasca County Transportation Department
123 NE 4th Street
Grand Rapids, MN 55744

With copy to:

Jacob Fauchald, County Attorney
Itasca County Attorney's Office
123 NE 4th Street
Grand Rapids, MN 55744

If to Mesabi:

Larry Sutherland
President & Chief Operating Officer
17113 County Road 58, PO Box 25
Nashwauk, Minnesota 55769

With copy via email to:

legal@mesabimetallics.com

Section 18. Insurance

- 18.1** At no cost to ICRRA, Mesabi shall procure and maintain the insurance coverage set forth in this Section 18 for the duration of this Agreement, in addition to any other insurance required by the Existing Agreements, and shall be responsible for all premiums, deductibles, and self-insured retentions.
- 18.2** Evidence of such insurance shall consist of a completed copy of a Certificate of Insurance, signed by the insurance provider and copies of all required policy endorsements. Certificates of Insurance indicating Mesabi's insurance carrier(s), policy numbers, inception date, expiration date, coverage limits, and cancellation provisions should be provided to ICRRA on the date of each anniversary of the Commencement Date and, at other times, upon reasonable request of ICRRA. The insurance policy or policies shall contain a provision that it/they will not be canceled, materially changed or altered without at least thirty (30) days prior notice to ICRRA by the applicable insurance company, and such cancellation provision must be indicated on the Certificate of Insurance. Acceptance by ICRRA of a Certificate of Insurance does not waive any of the obligations of Mesabi under this Section 18.
- 18.3** All policies required pursuant to Section 18.4, below (other than the Worker's Compensation and Employers Liability Insurance) shall be endorsed and the Certificate of Liability insurance shall

reflect that ICRRRA and Itasca County, and each of their respective directors, commissioners, officers, agents, and representatives, are each specifically named an additional named insured to the extent of Mesabi's liability under this Agreement. In addition, all policies required pursuant to Section 18.4, below, shall (1) be primary and non-contributory coverage with respect to any insurance carried by ICRRRA or Itasca County to the extent of Mesabi's liability under this Agreement, and (2) include a deductible or self-insured retention amount that does not exceed fifty thousand Dollars (\$50,000).

18.4 REQUIRED COVERAGE: The insurance shall provide the minimum coverage as set forth below:

18.4.1 GENERAL LIABILITY INSURANCE: Mesabi shall have Commercial General Liability with limits of Fifteen Million Dollars (\$15,000,000) per occurrence for bodily injury (including disease or death), personal injury and property damage (including loss of use) liability, contractual liability, and products and completed operations, and specifically noting that any 50-foot Railroad Right of Way Contractual Liability Exclusion (or other exclusions for railroad-related liability, including without limitation, with respect to liability exclusions that may arise in connection with the Federal Employers' Liability Act) have been removed from the Commercial General Liability insurance policy. If such exclusions have not been removed, then in addition to the above, Mesabi should procure and maintain a Railroad Protective Liability Insurance that covers all such exclusions and provides coverage for bodily injury, including death, personal injury, property damage, contractual liability, and products and completed operations coverage with a limit of not less than Fifteen Million Dollars (\$15,000,000) for each incident. Each of these insurance coverages shall contain Broad Form Liability covering the indemnity provisions contained in this Agreement. This policy shall provide that workers' compensation and employers' liability exclusions are intended to apply solely to employees of the policy holder and not to employees of ICRRRA. Coverage shall not be purchased on a "claims made" basis without the prior written consent of ICRRRA.

18.4.2 WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE: Mesabi's statutory liability under the worker's compensation laws of the state(s) in which the work is to be performed. If optional under State law, the insurance must cover all employees anyway. Employers' Liability (Part B) with limits of at least \$1,000,000 each accident, \$1,000,000 by disease policy limit, \$1,000,000 by disease each employee.

18.4.3 COMMERCIAL AUTOMOBILE INSURANCE: Mesabi shall have commercial automobile insurance naming Mesabi as the insured and covering the liability and indemnification obligations assumed by Mesabi under this Agreement, including coverage for, but not limited to, (i) bodily injury and property damage, and (ii) all vehicles owned, used or hired. Coverage under this policy (or policies) shall have limits of liability of not less than \$1,500,000 per occurrence, combined single limit for bodily injury and property damage liability.

18.4.4 CONTRACTOR/SUBCONTRACTOR INSURANCE: Mesabi shall opt for contractor/subcontractor coverage if available and applicable, except this does not apply for any Operator that independently complies with the insurance requirements set forth in this Section 18 or that is a Class I railroad. If contractor/subcontractor coverage is not available or applicable, then Mesabi shall require the Operator (other than a Class I railroad) to comply with the insurance requirements set forth in this Section 18.

18.4.5 If the Commercial General Liability or Railroad Protective Liability Insurance policy contains an exclusion for seepage and pollution coverage in the event of a railroad

accident, derailment or overturn, a separate Pollution Liability policy in an amount of not less than Ten Million Dollars (\$10,000,000) is required.

- 18.4.6** A waiver of subrogation of claims against ICRRRA and Itasca County must be included on all of the above policies.
- 18.4.7** All risk insurance on the equipment of Mesabi, or in Mesabi's care, custody and control, shall contain a waiver of subrogation of claims against ICRRRA and Itasca County.
- 18.4.8** All insurance shall be placed with insurance companies licensed to do business in the State of Minnesota, with a current Best's Insurance Guide Rating of A- and Class VII, or better.
- 18.4.9** Coverage shall be "pay on behalf" with defense costs payable in addition to policy limits.
- 18.5** Umbrella or Excess Liability Policies shall "follow form" and provide coverage at least as broad as specified for underlying coverages and covering those insured in the underlying policies.
- 18.6** If any portion of the activities to be conducted under this agreement is contracted or subcontracted or performed by a consultant, licensee, grantee, assignee, operator (such as Operator), or agent, Mesabi will obtain in full force and effect, or will cause its consultants, licensees, grantees, assignees, operators, and agents to obtain in full force and effect, insurance coverage that meets all applicable provisions of this Section, including without limitation, naming ICRRRA and Itasca County as additional insureds, except that this will not apply to any Class I railroad.

Section 19. General Provisions.

- 19.1** The Parties acknowledge that the Exhibits hereto are made a part of this Agreement and are incorporated herein by reference.
- 19.2** In the event any provision hereof is declared to exceed the limit of validity prescribed by applicable law, then the Parties agree that such provision shall be modified or amended to be legally enforceable and to effect an equitable adjustment that is as near as possible to its original intent (based on the language of the Agreement). If the foregoing sentence cannot be given effect under applicable law, and if any one or more of the provisions (or portions thereof) in this Agreement are for any reason held by any court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision in this Agreement, and this Agreement will be construed as if such invalid, illegal, or unenforceable provision (or portion thereof) had never been contained in this Agreement (unless the effect of so doing would deprive a party hereto substantially of the benefit of the bargain negotiated by such party).
- 19.3** The brief headings or titles preceding each provision hereof are for purposes of convenience only and should be completely disregarded in construing this Agreement.
- 19.4** Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the same, it being agreed that the agents of both Parties have participated in the preparation hereof.
- 19.5** No term or provision of this Agreement may be changed, added to or modified, or waived, discharged, or terminated, except by an instrument in writing signed by the Parties and with the

consent of the commissioner of Minnesota Management and Budget or the commissioner's designee.

- 19.6** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota without giving effect to any choice or conflict of laws provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Minnesota. The Parties submit to the jurisdiction of the state courts located in Itasca County, Minnesota and, to the extent applicable, the federal courts of the United States of America located in the State of Minnesota, and appropriate appellate courts thereof, over any dispute or proceeding arising out of or relating to this Agreement or any of the transactions contemplated hereby. Each party waives, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have in the laying of venue of any dispute or proceeding arising out of or related to this Agreement or any of the transactions contemplated hereby brought in such courts, or any defense of inconvenient forum for the maintenance of such dispute.
- 19.7** Mesabi's right with respect to the Rail Property as set forth herein shall not merge with the fee estate of Mesabi for any of the Real Estate or any other part thereof owned by Mesabi. There shall be no merger of this Agreement created by reason of the fact that Mesabi may acquire, own or hold, directly or indirectly, any portion of the Real Estate or other interest in real property which is subject to the terms of this Agreement.
- 19.8** It is agreed that nothing contained in this Agreement shall be deemed or construed as creating a partnership or joint venture between the Parties, or to create as between the Parties an employer-employee or principal-agent relationship, or create any circumstance in which either Party is liable for the indebtedness of the other Party. Each Party hereto specifically agrees that it is not authorized to make any contract, agreement, warranty, or representation, whether express or implied, on behalf of the other Party.
- 19.9** This Agreement supersedes all prior negotiations, discussion, statements, and agreements between ICRRRA and Mesabi with respect to Mesabi's rights and obligations in connection with its provision of common carrier freight service and other rail operations on the Rail Property, and constitutes the full, complete and entire agreement between ICRRRA and Mesabi with respect to that subject matter; provided, that, no provision of this Agreement shall be interpreted to supersede or modify in any manner, the Royalty Agreement, the Settlement Agreement, the Implementation Order (as defined in the Settlement Agreement), Paragraph 44 of the Confirmation Order (as defined in the Settlement Agreement), the Judgment and Forbearance Agreement and any other agreements existing as of the Execution Date that relate to payment obligations of MMCL, EGFL or other affiliates in connection with the Rail Improvements and Public Infrastructure and/or the failure of the steel plant to be constructed by October 1, 2015.
- 19.10** NOTHING IN THIS AGREEMENT WAIVES OR LIMITS ANY IMMUNITIES, DEFENSES, PROTECTIONS OR LIABILITY LIMITATIONS AVAILABLE TO ICRRRA, AS A GOVERNMENTAL AGENCY, UNDER APPLICABLE LAWS.

Section 20. Consequential Damages.

- 20.1** UNDER NO CIRCUMSTANCES SHALL ICRRRA OR MESABI HAVE ANY LIABILITY TO THE OTHER PARTY, THEIR EMPLOYEES, AGENTS AND REPRESENTATIVES, FOR ANY CONSEQUENTIAL, INCIDENTAL, OR OTHER INDIRECT LOSS OR DAMAGES, PUNITIVE, OR EXEMPLARY DAMAGES OR COSTS HOWSOEVER CAUSED; PROVIDED, THAT, THE FOREGOING LIMITATION SHALL NOT LIMIT RECOVERY BY A PARTY OF LOSSES RESULTING FROM A CLAIM BY A THIRD PARTY FOR WHICH THE OTHER PARTY IS RESPONSIBLE UNDER THIS AGREEMENT (BY INDEMNITY OR OTHERWISE), UNLESS SUCH THIRD PARTY IS AN AFFILIATE OF EITHER PARTY.

[Signature page to follow]

Draft

IN WITNESS WHEREOF, said Parties hereto have caused this Agreement to be duly executed under seal by their duly authorized representatives.

[INSERT NOTARIZED SIGNATURE BLOCKS]

Draft

EXHIBIT A

Rail Line

Draft

EXHIBIT B

Real Estate

EXHIBIT C

Existing Agreements

Draft

Existing Agreements

1. **Itasca County Regional Railroad Authority Agreement for Private Crossing**, between Itasca County Regional Railroad Authority and Mesabi Metallics Company LLC, dated January 14, 2025
2. **Itasca County Regional Railroad Authority Agreement for Private Crossing**, between Itasca County Regional Railroad Authority and Mesabi Metallics Company LLC, dated December 10, 2024.
3. **Itasca County Regional Railroad Authority Agreement for Private Crossing – Pellet Plant**, between Itasca County Regional Railroad Authority and Mesabi Metallics Company LLC, date October 10, 2023
4. **Itasca County Regional Railroad Authority Agreement for Temporary Right of Way Use Pellet Plant Return Water Line**, between Itasca County Regional Railroad Authority and Mesabi Metallics Company LLC, dated May 4, 2017 (terminated, but certain provisions survive termination)
5. **Itasca County Regional Railroad Authority Temporary Rail Line Access & Use Agreement**, between Itasca County Regional Railroad Authority and BNSF Railway Company, dated September 27, 2011
6. **BNSF Railway Company Lease of Land for Construction/Rehabilitation**, between BNSF Railway Company and Itasca County Regional Railroad Authority, effective October 13, 2009
7. **Easement**, between Essar Steel Minnesota LLC and Itasca County Regional Railroad Authority, effective October 6, 2009
8. **Easement**, between State of Minnesota, in trust for its taxing subdivisions, by and through the County of Itasca, and Itasca County Regional Railroad Authority, effective March 16, 2009
9. **Miscellaneous Lease**, between State of Minnesota, acting by and through its Commission or Natural Resources, and Itasca County Regional Railroad, with an effective date of March 12, 2009.
10. **Easement Agreement**, between Joseph S. Micallet, Roger W. Stachle, Robert A. Stein and John H Rose, III, as Trustees under that certain Trust Agreement executed December 7, 1906 by and between the Lake Superior Company, Limited, an association organized under the laws of the State of Michigan, and Louis W. Hill, James N. Hill, and Walter J. Hill and Edward T. Nichols, which Trust is commonly known as Great Northern Iron Ore Properties, with an office and place of business located at W-1290 First National Bank Building, 332 Minnesota Street, St. Paul, MN 55101-1361, and Itasca County Regional Railroad Authority, effective December 23, 2008
11. **Easement**, between RGGGS Land & Materials, Ltd, L.P. and Itasca County Regional Railroad Authority, effective December 9, 2008

EXHIBIT D

GUARANTY AGREEMENT

GUARANTY, dated as of _____, 2026 (the "Guaranty"), made by Mesabi Metallics Company LLC, a Minnesota company (the "Guarantor") in favor of Itasca County Regional Railroad Authority, a regional railroad authority organized and existing as a political subdivision and local unit of government under the laws of the State of Minnesota ("ICRRA")

WHEREAS, Guarantor is the parent corporation of [Mesabi Rail LLC] ("Mesabi"), a wholly-owned subsidiary of Guarantor;

WHEREAS, ICRRA and Mesabi have entered into that certain Rail Use and Operations Agreement, dated _____, 2026 (the "Agreement"); and

WHEREAS, ICRRA would not have entered into the Agreement unless the Guarantor agreed to execute and deliver the Guaranty to ICRRA.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Guarantor hereby agrees as follows:

The Guarantor hereby irrevocably and unconditionally guarantees the proper, punctual and full performance of all the obligations of Mesabi (whether payment obligations or otherwise), as and to the extent set forth in the Agreement (as such Agreement may be amended and/or renewed), and agrees that if for any reason whatsoever Mesabi shall fail or be unable properly, punctually and fully to perform any such obligations under the Agreement, Guarantor shall promptly perform (or arrange for the performance of) each and every such obligation, without regard to whether ICRRA has exercised any or all of its rights, remedies, powers or privileges against Mesabi. Guarantor hereby unconditionally waives any defense to the enforcement of this Guaranty, including without limitation, any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor and notice of acceptance of this Guaranty. THIS GUARANTY IS AN ABSOLUTE, CONTINUING AND UNCONDITIONAL GUARANTY OF PAYMENT AND PERFORMANCE.

The Guarantor shall not be discharged or released from its obligations hereunder by reason of the discharge or release of Mesabi's obligations under the Agreement, for any reason, including without limitation a discharge in bankruptcy, receivership or other proceedings, a disaffirmation or rejection of the Agreement by a trustee, custodian, or other representative in bankruptcy, a stay or other enforcement restriction, or any other reduction, modification, impairment or limitation of the liability allocated to Mesabi under the Agreement.

All remedies afforded ICRRA under this Guaranty are separate and cumulative, and no one of such remedies, whether or not exercised by ICRRA shall limit any of the other remedies that ICRRA may have or may be available to it. Guarantor shall be responsible for all fees and expenses (including without limitation reasonable attorneys' fees) arising out of or in connection with the enforcement of this Guaranty against Guarantor or arising out of or in connection with any failure of Guarantor to fully and timely perform the obligations hereunder.

ICRRA shall not by any act, delay, omission, custom, forbearance, or otherwise be deemed to have waived any of its rights or remedies under this Guaranty unless such waiver is in writing and signed by ICRRA, and then only to the extent specifically set forth therein. No waiver at any time of any of the terms, conditions, covenants, representations, or warranties of this Guaranty shall be construed as a waiver of any other term, condition, covenant, representation, or warranty of this Guaranty, nor shall such a waiver in any one instance or circumstance be construed as a waiver of the same term, condition, covenant, representation, or warranty in any subsequent instance or circumstance.

Neither the Guaranty nor any of the rights, interests or obligations hereunder may be assigned by the Guarantor without the prior written consent of ICRRA. The Guaranty shall be binding upon the Guarantor, its successors and permitted assigns, and shall inure to the benefit of ICRRA, its successors and assigns.

The Guaranty may not be amended except by written instrument executed by both Guarantor and ICRRA. Any previous agreements or understandings (oral or written) between Guarantor and ICRRA regarding the subject matter of the Guaranty are superseded by the Guaranty.

The Guaranty and the rights and obligations accruing hereunder shall be construed and enforced in accordance with the laws of Minnesota and relevant federal law (without giving effect to any choice or conflict of laws provision or rules that would cause the application of laws of any state other than the State of Minnesota). Guarantor agrees to submit to the jurisdiction of the state courts located in Itasca County, Minnesota and, to the extent applicable, the federal courts of the United States of America located in the State of Minnesota, and appropriate appellate courts thereof, over any dispute or proceeding or claim arising out of or relating to this Guaranty. Guarantor hereby waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have in the laying of venue of any dispute, proceeding or claim arising out of or related to this Guaranty brought in such courts, or any defense of inconvenient forum for the maintenance of such dispute, proceeding or claim.

Guarantor represents and warrants to ICRRA that it has the legal right and capacity to execute this Guaranty. This Guaranty and the obligations of the Guarantor hereunder shall be effective upon the execution by the Guarantor, without any further action of ICRRA (including without limitation, notice of ICRRA's acceptance hereof).

To the fullest extent possible, each provision of this Guaranty and the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but, if any provision (or portion thereof) of this Guaranty or the Agreement shall be held to be prohibited or invalid under such applicable law, such provision (or portion thereof) shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty or the Agreement.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty the ____ day of _____, 2026.

AGREED:

MESABI METALLICS COMPANY LLC

By: _____

Title: _____

ACCEPTED:

ITASCA COUNTY

By: _____

Title: _____



**ITASCA COUNTY
REGIONAL RAILROAD AUTHORITY**

Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744

Tuesday, March 10, 2026

IV.2.

REQUEST FOR BOARD ACTION: RBA-2026-132

DEPARTMENT: Transportation

TIME REQUESTED: < 5 Minutes

PRESENTER: Karin Grandia

AGENDA ITEM:

Tailings Pipeline Bridge Agreement

BOARD ACTION REQUESTED:

Pending approval of the County Attorney, approve the Tailings Pipeline Bridge Agreement with Mesabi Metallica Company, LLC and authorize the County Engineer to sign the agreement.

BACKGROUND:

Mesabi Metallica Company has requested an agreement to cross the rail corridor with a tailings pipeline bridge at approx. station 315+71. The agreement requires 23' of vertical clearance and a minimum horizontal clearance of 25' on each side of the track. It also requires a feature that prevents anything from falling off and onto the tracks.

SUPPORTING DOCUMENTATION:

1. Draft - Agreement for tailings pipeline bridge crossing permit

RESULT:	APPROVED (5 TO 0)
MOVER:	Commissioner Casey Venema
SECONDER:	Commissioner Larry Hopkins
AYES:	Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

ITASCA COUNTY REGIONAL RAILROAD AUTHORITY
AGREEMENT FOR
TAILINGS PIPELINE BRIDGE AT STATION 315+71

AGREEMENT, Made this — day of _____; subject to the terms and conditions set forth herein between **Itasca County Regional Railroad Authority**, a regional railroad authority organized and existing as a political subdivision and local government unit under the laws of the State of Minnesota (hereinafter called "ICRRA"), its successors and assigns, party of the first part; and **Mesabi Metallica LLC**, a Minnesota limited liability company, (hereinafter whether one or more persons or corporations called the "Licensee"), party of the second part.

RECITALS

The Licensee has requested of ICRRA a license to cross the rail corridor with an tailings pipeline bridge at Station 315+71 and in the manner shown in the approved plans, marked Exhibit A and made a part hereof, which permission ICRRA is willing to grant upon conditions hereinafter set forth.

ARTICLE I

In consideration of the covenants of the Licensee hereinafter set forth, ICRRA hereby agrees to license the Licensee to temporarily occupy and work, upon portions of its rail corridor, except as set forth elsewhere herein, at the location shown on Exhibit A, for the construction and maintenance of the tailings pipeline bridge, and gives Licensee a non-exclusive license and permission to enter upon portions of ICRRA's rail right of way during the term of the agreement. If any permanent structures are to be constructed within ICRRA right of way, they must be in conformance with the plans provided by ESML and approved by ICRRA.

This agreement shall be effective upon execution by both parties and shall continue subject to termination as hereinafter described.

ARTICLE II

In consideration of the foregoing license and permission given by ICRRA the Licensee hereby agrees:

1. a. Licensee shall be allowed to occupy the ICRRA right of way for construction of the tailings pipeline bridge at the location shown on the plans and specifications marked Exhibit A or as approved or subsequently modified by Licensee and approved by ICRRA. The placement of permanent improvements within ICRRA right of way may be allowed, provided they are shown in the plans and approved by ICRRA, and otherwise consistent with the terms of this agreement. Upon completion of construction, the right of way shall be restored to its original condition by the Licensee. If ICRRA is required to incur any expenses related to the use of the ICRRA right of way by Licensee, Licensee agrees to reimburse ICRRA for said expenses within thirty (30) days after invoices are rendered for said expenses.
- b. The Licensee agrees to maintain a minimum clearance from the track of 23 feet vertically and 25 feet horizontally. This clearance envelope must be maintained to allow train operations. In addition, the area within 25 feet each side of the track shall remain clear of all permanent facilities unless approved by ICRRA.
- c. The design of overhead structures shall include features that prevent objects from falling into the clearance envelope. If objects fall, Licensee shall commence immediate actions to prevent further spills and immediately contact the ICRRA and inform them of the nature and location of spill. Any cleanup or repairs that may be required within the ICRRA right of way, or to the track system, caused by falling objects will be repaired by ICRRA and Licensee agrees to reimburse ICRRA within thirty (30) days after invoices are rendered for said expenses, unless other arrangements are made and agreed to by both parties.
- d. Any construction or maintenance performed on behalf of Licensee within the ICRRA right of way, under the license shall be performed pursuant to a contract for solely the portion of the project within ICRRA right of way. Licensee agrees to provide a payment bond in the amount of the contract and a performance bond in

the amount of the contract as security for the construction and completion of the improvement according to the plans and specifications, submitted by Licensee and approved by ICRRA. Bonds must be on a form approved by ICRRA, and submitted and approved by ICRRA before work under this agreement is begun.

e. Licensee shall submit final plans and specifications for construction, modification or maintenance to ICRRA for approval a minimum of 30 days prior to start of work within the ICRRA easement.

f. Upon completion of the construction of the tailings pipeline bridge, Licensee shall inform ICRRA that the work is ready for final inspection. Licensee will allow access to ICRRA, across Licensee's property, to observe and inspect the work as it proceeds. ICRRA will have authority to reject any work that does not comply with this agreement or with plans approved by ICRRA.

2. Licensee agrees that under no circumstances will Licensee or Licensee's agents dig in or disturb the surface of ICRRA's corridor without written permission from ICRRA, except as may be required for the construction of the tailings pipeline bridge, approved by ICRRA herein.
3. Prior to entry and/or use of the ICRRA right of way, five (5) days' advance notice must be given to ICRRA's representative at shown in Article III, section 5.
4. No liens shall be created or filed licensed Premises ICRRA without the written consent of ICRRA. Licensee shall take all steps necessary to prevent the filing of any mechanic liens or other liens against the Premises. If any such liens shall at any time be filed and shall be the result of Licensee's failure to pay a Licensee's obligation, Licensee shall indemnify and hold ICRRA harmless from such liens, together with attorney fees and costs.
5. After construction is complete Licensee may need to occupy or use the ICRRA right of way for maintenance, repair or replacement of the pipeline system. At that time, the Licensee is required to notify and secure approval of the ICRRA prior to performing such operations. Except in emergency situations, the Licensee shall provide a minimum of two weeks' notice for work in the ICRRA right of way. In emergency situations, prior to entry upon the premises or commencement of any work the Licensee shall contact the ICRRA and inform them of the nature and location of the emergency, as shown in Article III, section 5.

In the event of such future circumstance requiring the Licensee to occupy and use the right of way the Licensee agrees that the provisions, conditions and requirements of this Agreement shall be required of the Licensee prior to entry and work upon the right of way. Further that the approval of the ICRRA may be further conditioned based upon the circumstances of railroad operation requirements, and as stated in Article III section 1.

6. (a) Except as set forth in Section 6(b), Licensee and its Contractors and/or agents shall indemnify and hold harmless ICRRA and/or ICRRA's agents or contractors (including any rail operator designated by ICRRA) for all losses, damages, injuries, death and expenses, including claims under the Federal Employees Liability Act (45 U.S.C. 51), or any applicable safety act (45 U.S.C. 20101 *et al*), including lost profits, consultant and attorney fees, and environmental clean-up or remediation costs and expenses arising in any manner out of the failure of Licensee to take any action required by this Agreement, the condition of the right-of-way or any equipment or property thereon, or any act or omission of Licensee, its employees, agents or contractors ("Licensee's Invitees") arising out of the occupation and use of the ICRRA right of way by Licensee and its Contractors and/or agents regardless of whether such loss, damage, injury, death or expense is caused or contributed to by the negligence of ICRRA and/or ICRRA's agents or contractors (including any rail operator designated by ICRRA), except to the extent any such loss, damage, injury, death or expense is proximately caused by ICRRA's and/or ICRRA's agent's or contractors (including any rail operator designated by ICRRA) gross negligence or intentional misconduct.
- (b) Whenever any Licensee or any of Licensee's Invitees make any claim relating to the occupation and use of the ICRRA right of way for personal injury or death against ICRRA and/or ICRRA's agents or contractors

(including any rail operator designated by ICRRRA) within the meaning of the Federal Employers' Liability Act (45 U.S.C. 51), or any applicable safety act, (45 U.S.C. 20101 *et al*) for any incident caused, wholly or in part, by property, equipment or condition belonging to or under the control of Licensee, or claims or alleges that he or she is an employee of ICRRRA or is furthering the operational activities of ICRRRA, Licensee agrees to indemnify and hold harmless ICRRRA and/or ICRRRA's agents or contractors (including any rail operator designated by the ICRRRA) for all losses, damages, costs or expenses related to such claim, regardless of ICRRRA's and/or ICRRRA's agents or contractors (including any rail operator designated by the ICRRRA) negligence, other than gross negligence or intentional misconduct.

- (c) Notwithstanding the above, ICRRRA and Licensee agree that, with respect to this Section 5, ICRRRA's agents or contractors (including any rail operator designated by ICRRRA) are third-party beneficiaries to this Agreement.
7. (a) Licensee and its Contractors and/or agents shall comply with all federal, state and local environmental laws and regulations, including, but not limited to, the Resource Conservation and Recovery Act, as amended (RCRA), and the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (CERCLA). Licensee shall not release or suffer the release of oil or hazardous substances, as defined by CERCLA, on the right of way. Notwithstanding any other requirements in this Agreement, Licensee assumes all responsibility for the investigation and cleanup of such release and shall indemnify and defend ICRRRA and/or its agents or contractors (including any rail operator designated by ICRRRA) for all costs and claims, including consultant and attorney fees, arising in any manner out of such release or Licensee's failure to comply with environmental laws, regardless of ICRRRA's negligence, except to the extent such costs or claims are proximately caused by ICRRRA's affirmative negligent act, or its gross negligence or intentional misconduct.
- (b) Licensee and its Contractors and/or agents shall give ICRRRA timely notice of any release, violation of environmental laws or inspection or inquiry by governmental authorities charged with enforcing environmental laws with respect to ICRRRA's rail corridor that relates to the use of the right of way, as applicable to this Agreement. Licensee also shall give ICRRRA timely notice of all measures undertaken by or on behalf of Licensee to investigate, remediate, respond to or otherwise cure such release or violation.
- (c) In the event that ICRRRA receives notice from Licensee or otherwise of a release or violation of environmental laws which occurred or is occurring during the term of this Agreement with respect to ICRRRA's rail corridor that relates to the occupation and use of the right of way, ICRRRA may require Licensee, at Licensee's sole expense, to take timely measures to investigate, remediate, respond to or otherwise cure such release or violation.
8. Licensee and its Contractors and/or agents shall, at its sole cost and expense, procure and keep in place at all times during the term of this Agreement, the following minimum insurance coverage, to be further documented in a Certificate of Liability Insurance to be provided to ICRRRA prior to access and/or occupation and use of the Rail Line right of way:
- (a) Commercial General Liability insurance or Railroad Liability insurance, providing bodily injury, personal injury and property damage coverage, with minimum limits of not less than \$5,000,000 per occurrence and \$10,000,000 in the aggregate, and specifically noting that any 50-foot Railroad Right of Way Contractual Liability Exclusion has been removed from the Commercial General Liability insurance policy. If that Contractual Liability Exclusion has not been removed, then in addition to the above, Railroad Protective Liability insurance, providing bodily injury, including death, personal injury and property damage coverage with a limit of not less than \$5,000,000 for each incident and \$10,000,000 in aggregate is required. This insurance shall contain Broad Form Liability covering the indemnity provisions contained in this Agreement. If coverage is purchased on a "claims made" basis it shall provide for at least a one-year extended reporting or discovery period, which shall be invoked should insurance covering the time period of this Agreement be cancelled, unless replaced with a policy containing the same retroactive date as the policy being replaced.

- (b) Workers Compensation and Occupational Disease insurance meeting the statutory requirements of the State of Minnesota, and Coverage B, Employer's Liability insurance, with the following minimum limits:
 - \$1,000,000 – Bodily Injury by Accident
 - \$1,000,000 – Bodily Injury by Disease per employee
 - \$1,000,000 – Bodily Injury by Disease policy limit
- (c) Commercial Automobile Liability insurance, with coverage including onsite and offsite operations, and owned, non-owned, or hired vehicles, in an amount not less than \$1,500,000 combined single limits, including pursuant to any umbrella policy.
- (d) If the Commercial General Liability or Railroad Liability insurance policy contains an absolute pollution liability exclusion, a separate Pollution Liability policy in an amount not less than \$5,000,000 is required.
- (e) Each policy (except Workers Compensation) shall be endorsed to include ICRRRA and Itasca County as additional insureds on a primary and non-contributory basis with respect to liabilities arising out of Licensee's obligations to ICRRRA and Itasca County in this Agreement. A waiver of subrogation against ICRRRA and Itasca County must be included on all the above policies.
- (f) All risk insurance on the equipment of the Licensee, or in the Licensee's care, custody and control, shall contain a waiver of subrogation of claims against ICRRRA and Itasca County.
- (g) All insurance shall be placed with insurance companies licensed to do business in the State of Minnesota, with a current Best's Insurance Guide Rating of A- and Class X, or better. Licensee shall provide, and thereafter maintain in effect, a current Certificate of Insurance evidencing such insurance. Each policy shall provide that it shall not be cancelled or materially changed unless at least thirty (30) days' prior written notice of cancellation or change shall have been mailed by the insurance company to ICRRRA at the address designated herein.
- (h) If any portion of the activities to be conducted under this agreement is subcontracted, subcontractors must meet all applicable provisions of this Section.
- (i) The furnishing of insurance required by this Section shall in no way limit or diminish the liability or responsibility of Licensee as provided under any Section of this Agreement.

ARTICLE III

1. License granted to the Licensee is subject and subordinate to the prior and continuing right and obligation of ICRRRA to use and maintain its entire rail corridor, and are also subject to the right and power of ICRRRA to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication, fiber optics or other wire lines, pipelines and other facilities upon, along, or across any or all parts of said rail corridor, any of which may be freely done at any time by ICRRRA without liability to the Licensee or to any other party for compensation or damages.
2. The Licensee's rights are also subject to all outstanding rights to the rail corridor (including those in favor of the Licensee and others), and subject to any licenses or easements granted by ICRRRA, or of record and the right of ICRRRA to renew and extend same and are granted without covenant of title or quiet enjoyment.
3. It is mutually agreed that this Agreement may be terminated by either party upon thirty (30) days' notice in writing to be served upon the opposite party; and upon the expiration of the time specified in such notice this Agreement, and all rights and privileges of the Licensee thereunder shall absolutely cease. In addition, ICRRRA may terminate this Agreement upon any breach or default of the terms of this Agreement if said breach or default is not remedied within thirty (30) days of ICRRRA's written notice to Licensee of the breach or default. In either case, no termination hereof shall release the Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or, if later, the date when the right of way is vacated.

4. If the plant ceases operate, all structures on or over ICRRA right of way shall be removed by the Licensee within 12 months at their cost and this agreement terminated. The Licensee's obligations of this paragraph survive the agreement termination provisions stated in Article III, Section 3.
5. If ICRRA experiences operational issues which require the relocation of, or adjustment of, the tailings bridge pipeline system; Licensee shall complete said relocation/adjustment within 18 months and at Licensee's expense.
6. Any notice to be given by ICRRA to the Licensee hereunder shall be deemed to be properly served if the same be deposited in the United States mail, postage prepaid, addressed to the Licensee at:
Mesabi Metallica, LLC
Attn: Larry Sutherland
17113 County Road 58
P.O. Box 25
Nashwauk, MN 55769

Any notice to be given by the Licensee to ICRRA hereunder shall be deemed to be properly served if it be deposited in the United States mail, postage prepaid, addressed to:

Itasca County Engineer
123 NE 4th Street,
Grand Rapids, MN 55744.

7. In the event that Licensee consists of two or more parties, all the covenants and agreements of Licensee herein contained shall be the joint and several covenants and agreements of such parties.
8. It is understood and agreed that this Agreement shall not be placed of public record.
9. All the covenants and provisions of this Agreement shall be binding upon the heirs, legal representatives, successors and assigns of Licensee. No assignment by Licensee of any interest in this Agreement shall be binding upon ICRRA without the prior written consent of ICRRA in each instance.
10. Court jurisdiction regarding any disputes or action under this Agreement shall be in the District Courts of the State of Minnesota, without the right of removal to the United States District Courts, except with respect to matters that are under the exclusive jurisdiction of the Federal Courts of the United States, which shall be brought and/or defended in the Federal District Court sitting in Minneapolis, Minnesota. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Minnesota, without giving effect to the principles of conflict of laws.
11. To the maximum extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this Agreement.
12. The waiver by ICRRA of the breach of any provision herein by Licensee shall in no way impair the right of ICRRA to enforce that provision for any subsequent breach thereof.
13. This Agreement is the full and complete agreement between ICRRA and Licensee with respect to all matters relating to the occupation and use of the right of way and supersedes any and all other agreements between the parties hereto relating to use of the right of way.

For Licensee:

Mesabi Metallica, LLC

By: _____

Name: _____

Title: _____

Date: _____

For ICRRRA:

Itasca County Regional Railroad Authority

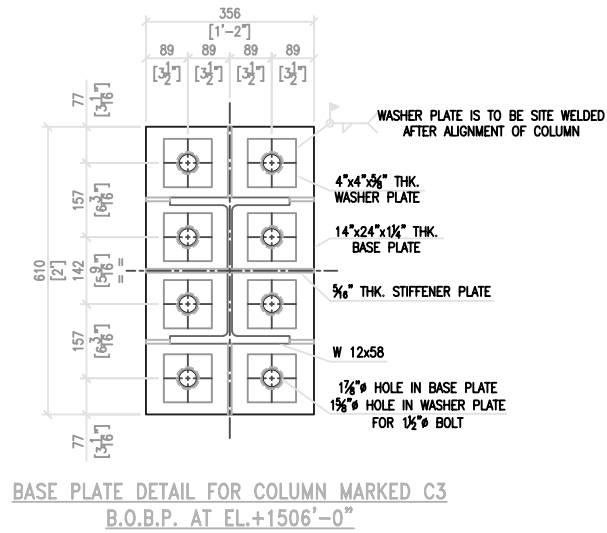
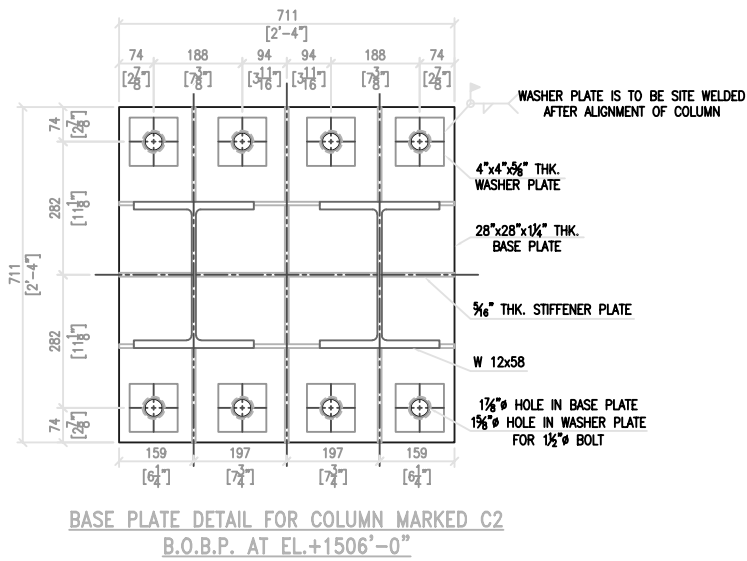
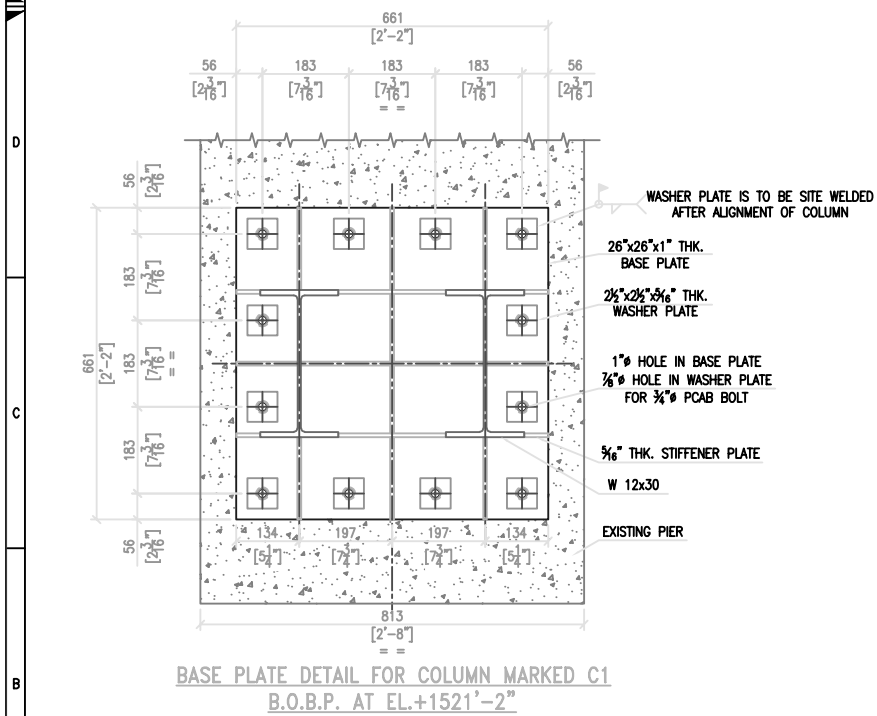
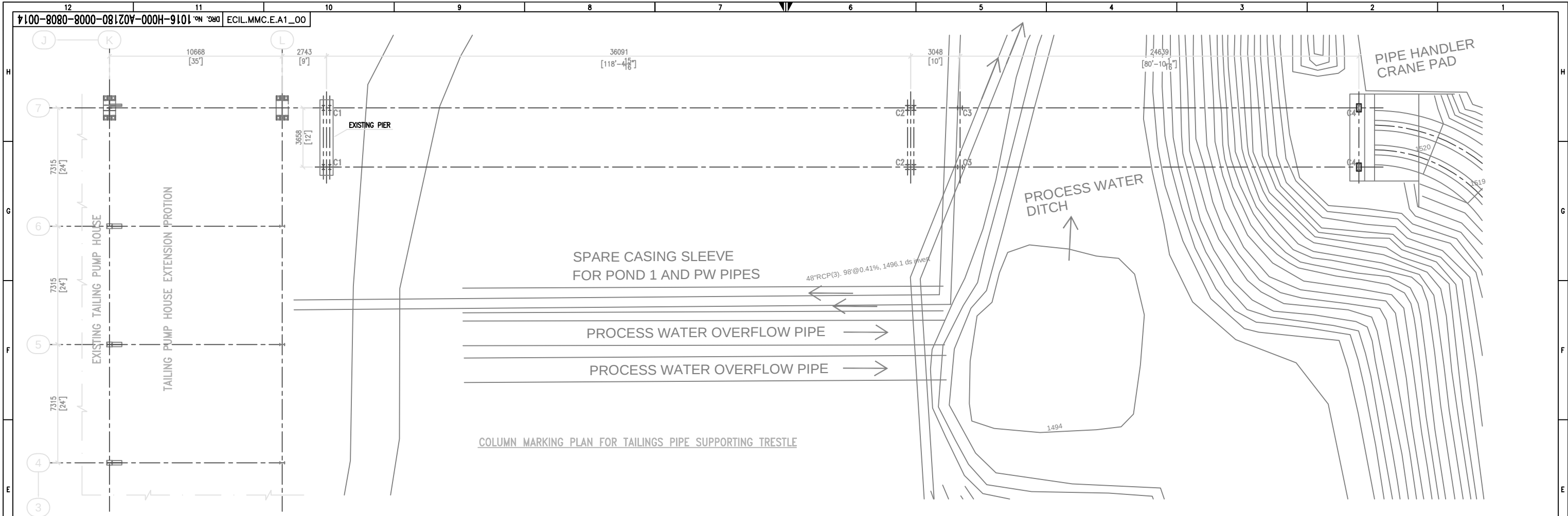
By: _____

Name: Karin Grandia

Title: County Engineer

Date: _____

Draft



NOTE:
FOR DETAIL OF COLUMN MARKED C4 REFER 1016-H000-A02180-0008-0809-0017

1. ALL DIMENSIONS ARE IN mm(ft & in) AND LEVELS IN m (ft and inch).
2. REFER GENERAL NOTES ON 1016-H000-A02180-0008-0808-0017.

Sr.No.	References	Drawings	Dwg. Nos.
01	TAILING PUMP HOUSE INCLUDING MCC ROOM		1016-H000-A02200-0008-0809-0001

I.P.	REV.	DATE	DESCRIPTION	DRN	CKD	APD	FINAL APPROVE
R	B	07.02.26	ISSUE FOR APPROVAL				
REVISIONS							

THIS DOCUMENT DISCLOSES PROPRIETARY INFORMATION OF ESSAR CONSTRUCTIONS INDIA LIMITED. IT MAY BE REPRODUCED OR DISCLOSED ONLY WITH THE WRITTEN PERMISSION AND IS NOT TO BE USED IN ANY WAY DETRIMENTAL TO THE INTEREST OF ESSAR CONSTRUCTIONS INDIA LIMITED.

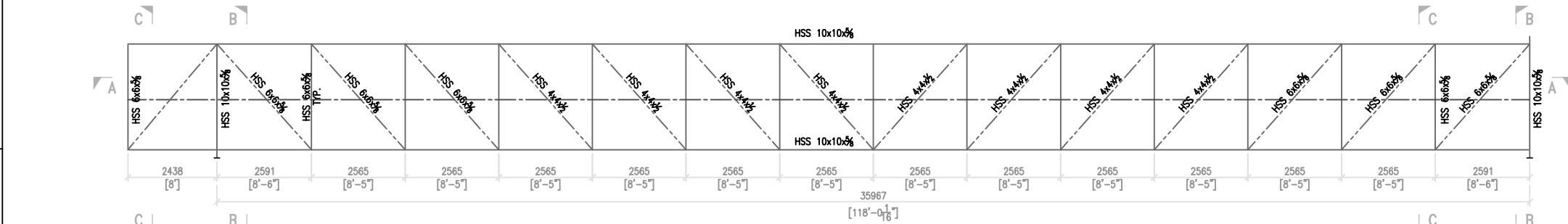
ESSAR DRG.No.	7020-H000-A02180-0008-0808-0014	REV:	B
CONSULTANT :	ESSAR CONSTRUCTIONS INDIA LIMITED		
CLIENT :	MESABI METALLICS COMPANY LLC.		
SCALE- 1:120	PROJECT: PELLETIZING & BENEFICIATION PLANT AT MINNESOTA		
	UNIT: 7 MTPA BENEFICIATION PLANT		
	SUB UNIT: TAILINGS PIPELINE		
DSN	M.V.L.	04.02.26	
DRN	M.V.L.	06.02.26	
CKD	A.K.D.	07.02.26	
APD	K.M.P.	07.02.26	
DRG.No. 1016-H000-A02180-0008-0808-0014		SH 1/1	REV: B

ALL APPLICABLE HSE STANDARDS & LEGAL REQUIREMENTS ARE CONSIDERED & CHECKED.	NAME	SIGN	DATE

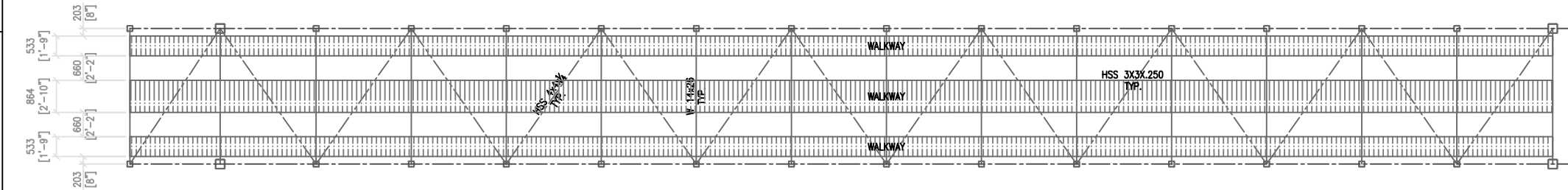
NOTES

ISSUE PURPOSE (A)= A-APPROVAL, B-BUILD, C-CONSTRUCTION/FABRICATION/ERECTION, D-DESIGN, E-ENQUIRY, H-CONSTRUCTION WITH HOLD, I-INFORMATION/REFERENCE, K-KNOCK, M-MODIFICATION/USE, P-PURCHASE, R-REVIEW/COMMENTS/PRELIMINARY, S-SUPERSEDED BY ANOTHER Doc. No., T-TWO(CANCELLED), Z-ZERO BUILT.

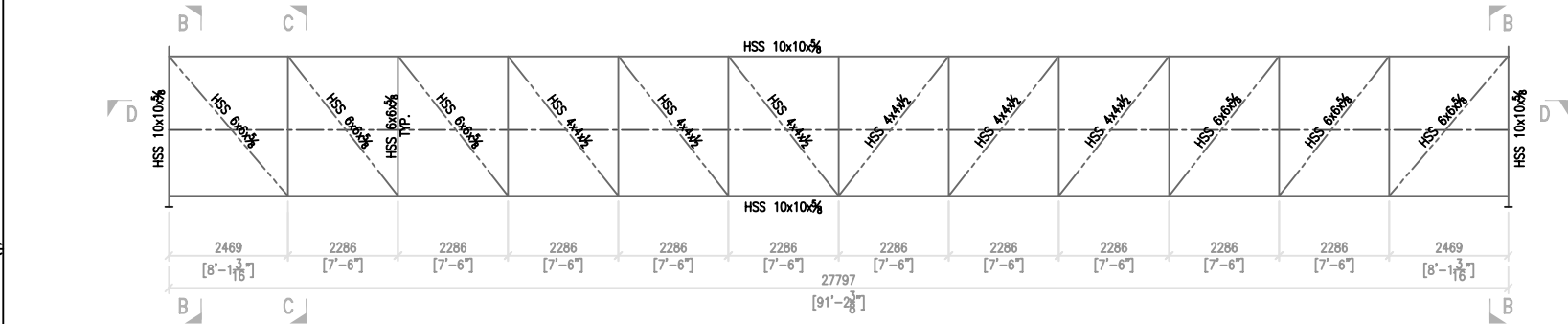
Plt. Scale: 1 : 120



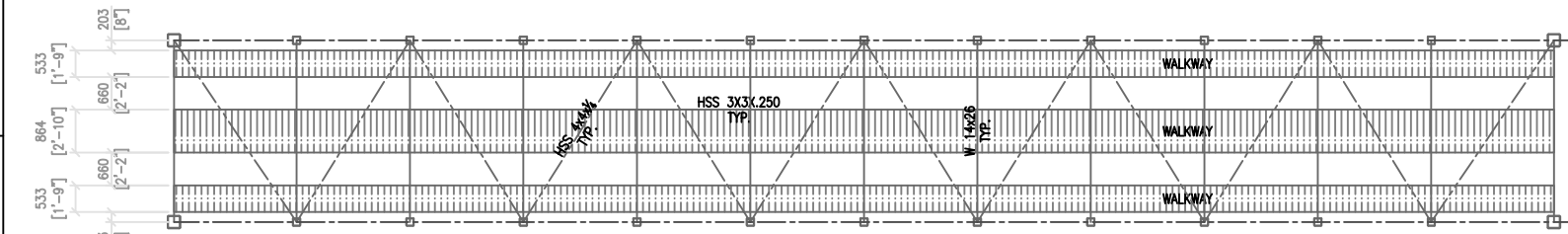
ELEVATION FOR 118'-5 3/16" SPAN FT.TAILING BRIDGE



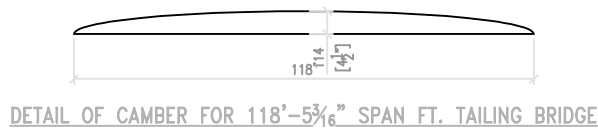
SECTION 'A-A'



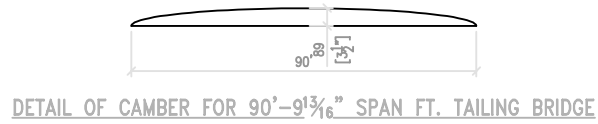
ELEVATION FOR 90'-9 13/16" SPAN FT.TAILING BRIDGE



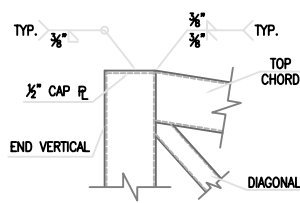
SECTION 'D-D'



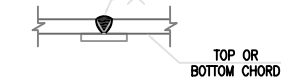
DETAIL OF CAMBER FOR 118'-5 3/16" SPAN FT. TAILING BRIDGE



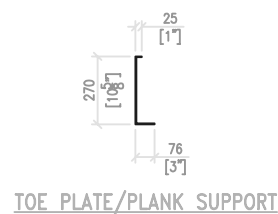
DETAIL OF CAMBER FOR 90'-9 13/16" SPAN FT. TAILING BRIDGE



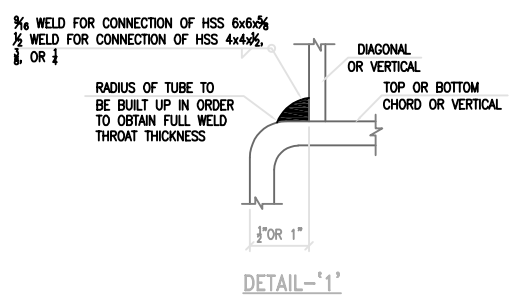
WELD DETAIL



CHORD SHOP SPLICE

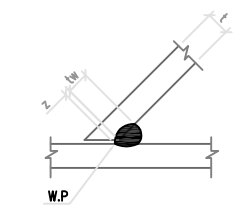


TOE PLATE/PLANK SUPPORT

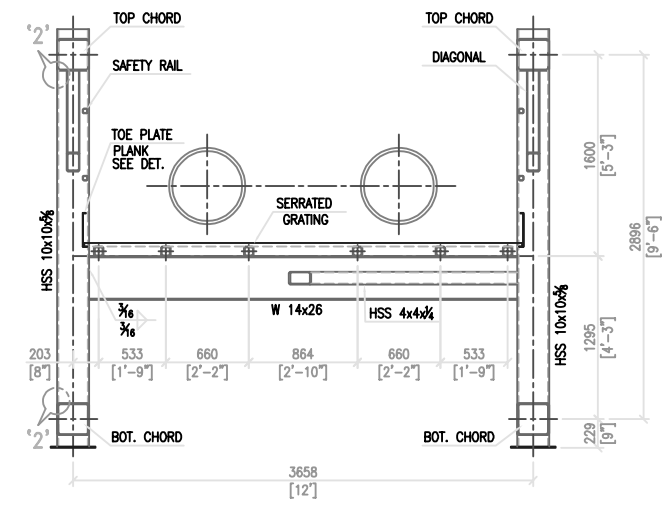


DETAIL-'1'

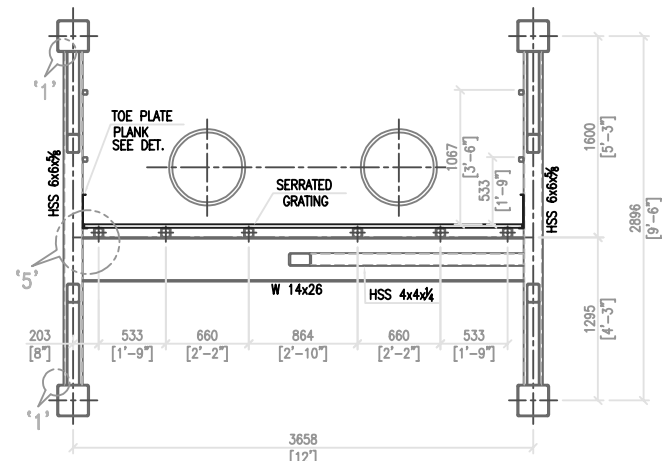
DETAIL-'2'



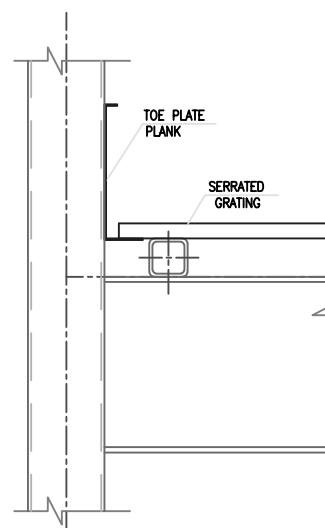
WELD DETAIL



SECTION 'B-B'



SECTION 'C-C'



DETAIL-'5'

ALL APPLICABLE HSE STANDARDS & LEGAL REQUIREMENTS ARE CONSIDERED & CHECKED.	NAME	SIGN	DATE

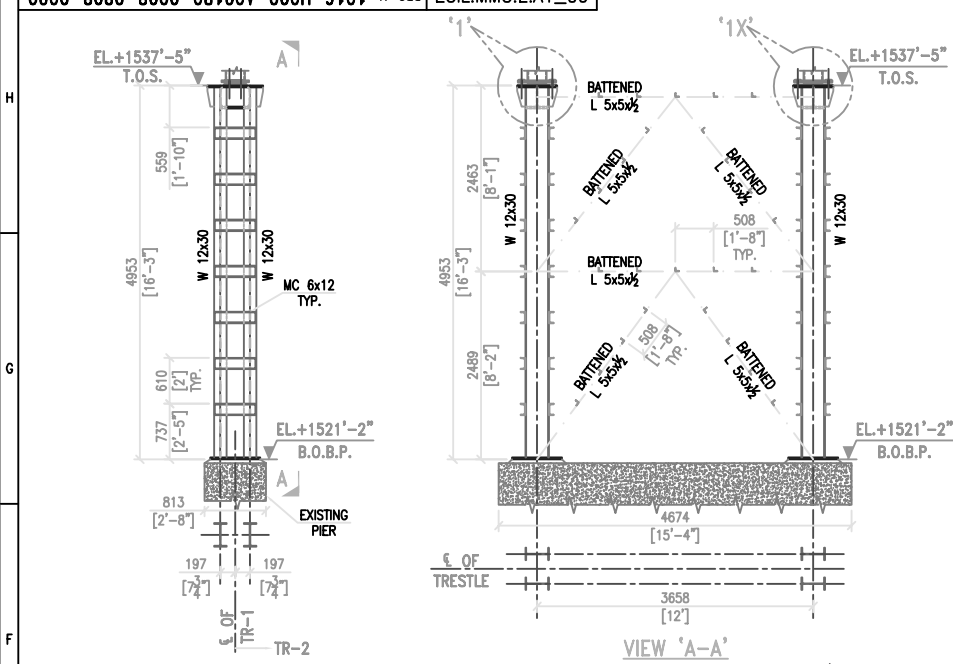
1. ALL DIMENSIONS ARE IN mm(ft & in) AND LEVELS IN m (ft and inch).
2. REFER GENERAL NOTES ON 1016-H000-A02180-0008-0808-0017.

NOTES

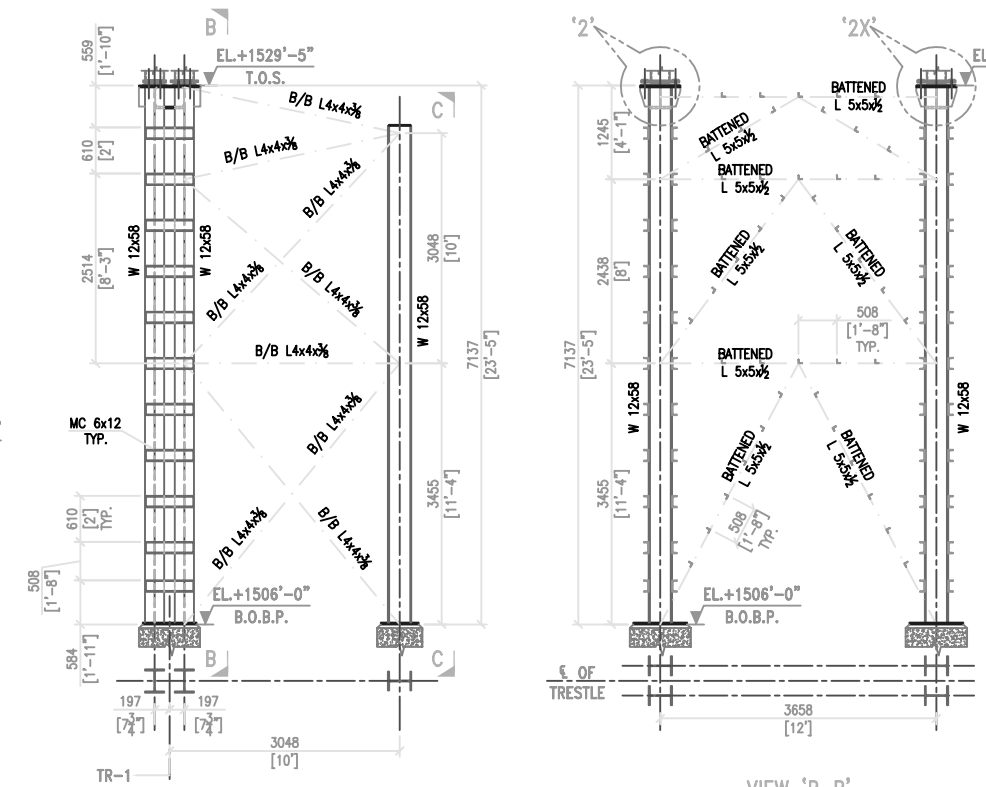
Sr.No.	References	Dwg. Nos.	I.P.	REV.	DATE	DESCRIPTION	DRN	CKD	APD	FINAL APPROVE	K.M.P.
01	TAILING PUMP HOUSE INCLUDING MCC ROOM	1016-H000-A02200-0008-0809-0001	R	B1	07.02.26	ISSUE FOR APPROVAL	M.V.L.	A.K.D.	K.M.P.		
			R	B	07.11.25	ISSUE FOR PE APPROVAL	M.V.L.	F.A.D.	H.K.J.		
REVISIONS											

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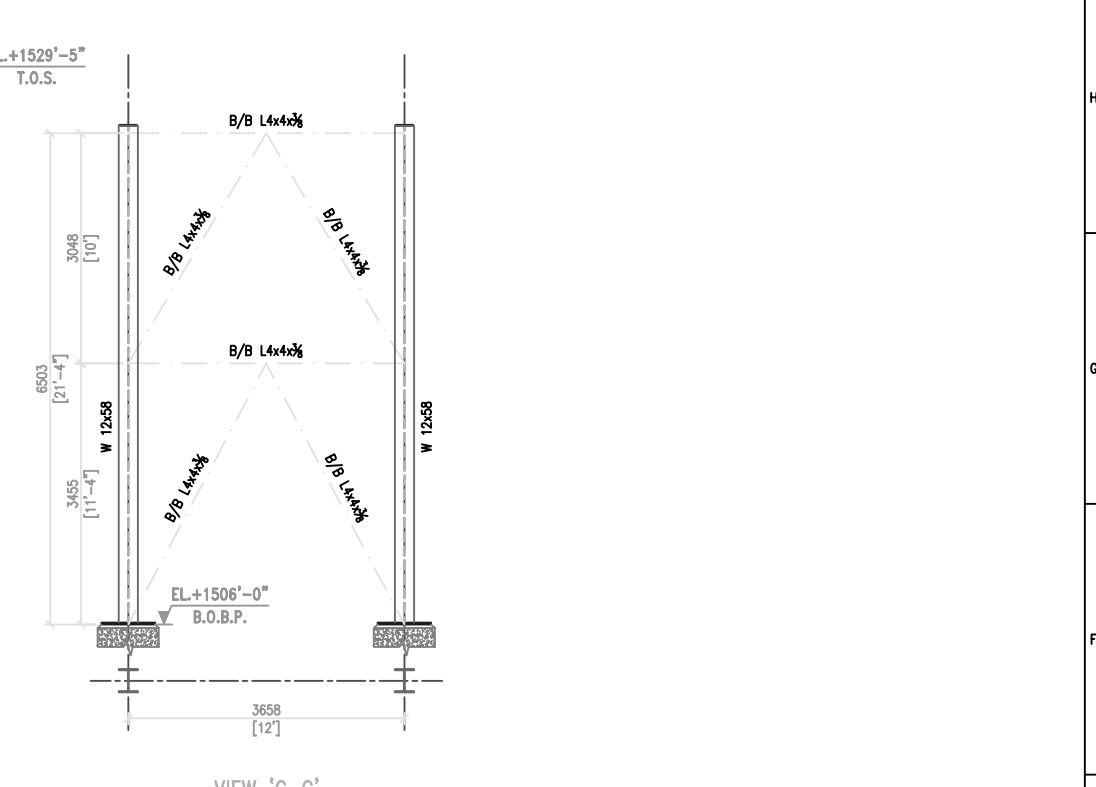
ESSAR DRG.No.	7020-H000-A02180-0008-0808-0019	REV:	B1
CONSULTANT :	ESSAR CONSTRUCTIONS INDIA LIMITED		
CLIENT :	MESABI METALLICS COMPANY LLC.		
PROJECT :	PELLETIZING & BENEFICIATION PLANT AT MINNESOTA		
UNIT: 7	MPA BENEFICIATION PLANT	SUB UNIT: TAILINGS PIPELINE	
DESIGN DRAWING OF TAILINGS PIPE BRIDGE AT TAILING PUMP HOUSE			
DSN	M.V.L.	10.09.25	
DRN	R.R.	11.09.25	
CKD	F.A.D.	12.09.25	
APD	K.M.P.	07.11.25	
DRG.No.	1016-H000-A02180-0008-0808-0019	SH 1/1	REV: B1



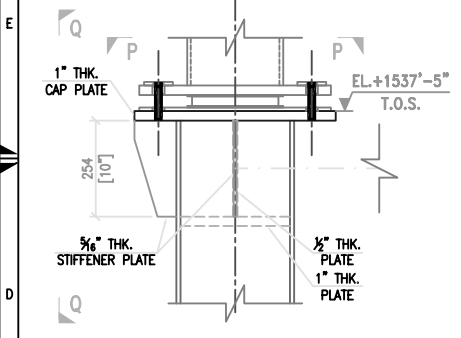
DETAIL OF TRESTLE MARKED TR-1



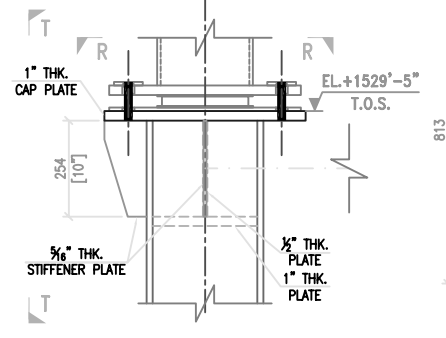
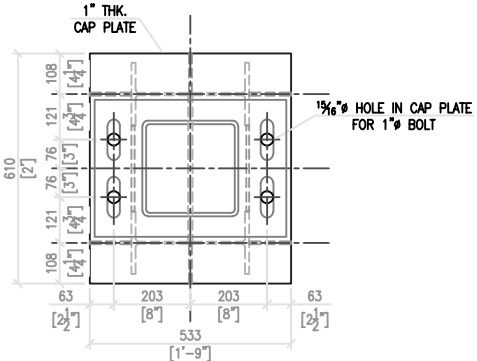
DETAIL OF TRESTLE MARKED TR-2



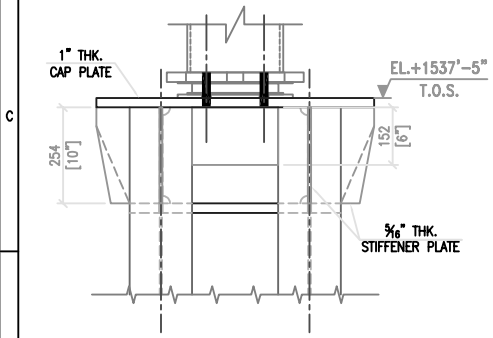
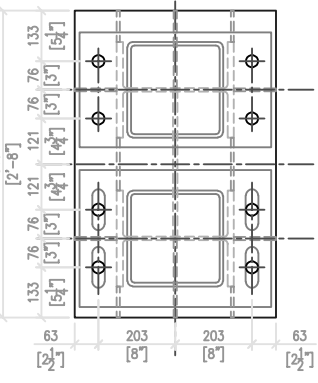
VIEW 'C-C'



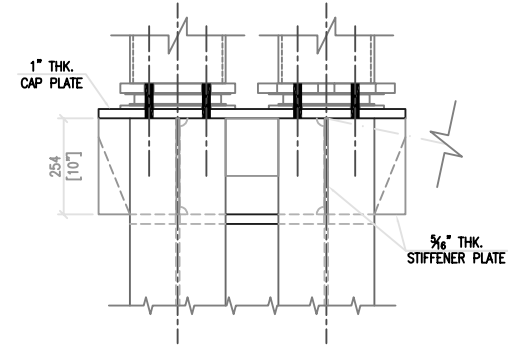
DETAIL '1' (AS DRAWN)
DETAIL '1X' (OPPOSITE HAND)



DETAIL '2' (AS DRAWN)
DETAIL '2X' (OPPOSITE HAND)



VIEW 'Q-Q'



VIEW 'T-T'

1. ALL DIMENSIONS ARE IN mm(ft & in) AND LEVELS IN m (ft and inch).
2. REFER GENERAL NOTES ON 1016-H000-A02180-0008-0808-0017.

NOTES

Sr.No.	References	Dwg. Nos.	I.P.	REV.	DATE	DESCRIPTION	DRN	CKD	APD	FINAL APPROVE	K.M.P.
01	TAILING PUMP HOUSE INCLUDING MCC ROOM	1016-H000-A02200-0008-0809-0001	R	B	07.02.26	ISSUE FOR PE APPROVAL					

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ESSAR DRG.No.	7020-H000-A02180-0008-0808-0020	REV:	B
CONSULTANT :	ESSAR CONSTRUCTIONS INDIA LIMITED		
CLIENT :	MESABI METALLICS COMPANY LLC.		
SCALE - 1 : 50	PROJECT: PELLETIZING & BENEFICIATION PLANT AT MINNESOTA		
	UNIT: 7 MTPA BENEFICIATION PLANT SUB UNIT: TAILINGS PIPELINE		
DSN	M.V.L.	04.02.26	
DRN	M.V.L.	06.02.26	
CKD	A.K.D.	07.02.26	
APD	K.M.P.	07.02.26	
DRG.No.	1016-H000-A02180-0008-0808-0020	SH 1/1	REV: B

ALL APPLICABLE HSE STANDARDS & LEGAL REQUIREMENTS ARE CONSIDERED & CHECKED.	NAME	SIGN	DATE



**ITASCA COUNTY
REGIONAL RAILROAD AUTHORITY**

Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744

Tuesday, March 10, 2026

IV.3.

REQUEST FOR BOARD ACTION: RBA-2026-133

DEPARTMENT: Land Department

TIME REQUESTED: < 5 Minutes

PRESENTER: Sara Thompson

AGENDA ITEM:

Mesabi Trail - Bovey to Taconite Reconstruction

BOARD ACTION REQUESTED:

Adopt the Resolution Re: Mesabi Trail Reconstruction Project Regional Trail Program Grant Application and authorize necessary signatures.

BACKGROUND:

The Itasca County Land Department has been working with the St. Louis County Regional Rail Authority on a reconstruction project from Bovey to Taconite, including the replacement of the floating bridge. For this project, a 3.75 mile section of Mesabi Trail will be reconstructed from the City of Bovey. The project begins with the removal of the existing broken bituminous trail surface. Once removed, the base will be re-graded, filled with additional class 5 materials, and re-compacted. Drainage culverts will be inspected, cleaned, and potentially replaced if necessary. After the base work is complete, the trail will be paved with new bituminous. Itasca County is applying for an RTP grant to complete the 3.75 mile section.

SUPPORTING DOCUMENTATION: None

RESULT:	APPROVED (5 TO 0)
MOVER:	Commissioner Casey Venema
SECONDER:	Commissioner John Johnson
AYES:	Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema



**ITASCA COUNTY
REGIONAL RAILROAD AUTHORITY**

123 NE 4th Street
Itasca County Courthouse
Grand Rapids, MN 55744

Tuesday, March 10, 2026
Regular Meeting

RESOLUTION 2026-1

RE: MESABI TRAIL REGIONAL TRAIL

GRANT PROGRAM APPLICATION

WHEREAS, the Itasca County Regional Rail Authority recognizes the importance of the Mesabi Trail to the local economy, the trail users, and supports the grant application made to the Minnesota Department of Natural Resources for the Regional Trail Grant Program, and

WHEREAS, the Mesabi Trail corridor between Bovey and Taconite needs to be reconstructed, and

WHEREAS, Itasca County Regional Rail Authority continues to partner with St. Louis & Lake County Regional Rail Authority to preserve and maintain the 165-mile-long paved bike trail from Grand Rapids to Ely, and

WHEREAS, the Regional Trail Grant program is available to fund seventy-five (75) percent of the cost of projects under this grant, and

WHEREAS, Itasca County Rail Authority recognizes the twenty-five (25) percent match requirement, and is working to secure or has secured matching funds for the project, and

NOW, THEREFORE, BE IT RESOLVED, if the Itasca County Regional Rail Authority is awarded a grant by the Minnesota Department of Natural resources, the Authority agrees to accept the grant award, and may enter into an agreement with the State of Minnesota for the above referenced project. Itasca County Regional Rail Authority will comply with all applicable laws, environmental requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED that the applicant has read the Conflict of Interest Policy contained in the Regional Trail Grant Manual and certifies it will report any actual, potential, perceived, or organizational conflicts of interest upon discovery to the state related to the application or grant award, and

BE IT FURTHER RESOLVED, that the Itasca County Auditor, located at 123 NE 4th St. Grand Rapids, MN. 55744 be named as the fiscal agent for this project (or grant), and

BE IT FURTHER RESOLVED, Itasca County Regional Rail Authority hereby assures the Mesabi Trail will continue to be maintained for no less than twenty (20) years as required by the Regional Trail Grant Program.

RESULT:	APPROVED (5 TO 0)
MOVER:	Commissioner Casey Venema
SECONDER:	Commissioner John Johnson
AYES:	Cory Smith, Terry Snyder, John Johnson, Larry Hopkins, Casey Venema

STATE OF MINNESOTA)
County of Itasca) ss.
Office of County Administrator)

I, Cory Smith, Chair of the Itasca County Regional Railroad Authority, do hereby certify that I have compared the foregoing with the original resolution filed in this office on March 10, 2026 and that the same is a true and correct copy of the whole thereof.



Chair