

RESOLUTION 14D-22

**RESOLUTION AUTHORIZING THE PURCHASE
OF CERTAIN TAX-FORFEITED PROPERTY FROM THE STATE
OF MINNESOTA THROUGH ST. LOUIS COUNTY AND AUTHORIZING
THE SALE OF SAID PROPERTY TO WISCONSIN CENTRAL LTD.**

RESOLVED, by the Duluth Economic Development Authority (DEDA), that the proper DEDA officials are hereby authorized to purchase the tax-forfeited property described below in St. Louis County, Minnesota from the State of Minnesota through St. Louis County subject to a mutually acceptable agreement between DEDA and Wisconsin Central Ltd. (Canadian National) pursuant to which Canadian National agrees to pay all DEDA's costs of acquisition, including any fees and any additional costs, in acquiring said tax-forfeited property from the State, payable from Fund 0860:

Lots One (1) thru Fourteen (14) and Lot Fifteen (15) except the southeasterly 20.00 feet thereof, all in Block One (1), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota including vacated alleys appurtenant thereto per City of Duluth vacation Document No. 848449 recorded in the Office of the County Recorder, St. Louis County, Minnesota.

Subject to the right of way of Minnesota Trunk Highway No. 23.

AND

Lot Nineteen (19), Block Three (3), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota.

Subject to the right of way of Minnesota Trunk Highway No. 23.

AND

The North 40.00 feet of the Northeast One-quarter of Northwest One-quarter (NE 1/4 of the NW1/4) of Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian.

AND

All that part of Northwest One-quarter of Northwest One-quarter (NW 1/4 of the NW 1/4) Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian lying westerly of the centerline of 108th Avenue West and northerly of the Becks Road as described in Parcel N-2 of Document No. 575958 as

recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

AND

All that part of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying northerly of the north line of the Becks Road as described in Parcel M of Document No. 575958 as recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

EXCEPT

The Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company)

EXCEPT

That part of the North One-half of the Northeast One-quarter (N1/2 of the NE1/4) of said Section 4 per Certificate of Title Number 316489 as recorded in the Registrar of Titles Office in St. Louis County, Minnesota and described as follows:

Commencing at the Northeast corner of the West One-half (W1/2) of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4); thence southerly along said East line of Said W1/2 320 feet to the point of beginning; thence southerly along said East line 409.05 feet to the Northwesterly right-of-way line of Becks Road; thence southwesterly along said right-of-way 780.08 feet to the South Line of said W1/2; thence Westerly along South line 126.93 feet to the Southwest corner of said W1/2; thence Westerly along the South line of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) 330.01 feet to the West line of the East 330 feet, thence Northerly along said West line 351 feet to the Southeasterly right-of-way line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeasterly along said right-of-way 697 feet to the South line of the North 320 feet of the NW1/4 of the NE1/4; thence Easterly along said South line 34 feet to the East line of the NW1/4 of the NE1/4; thence Southerly along the East line 49 feet to the Southeasterly right-of-way line of said Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeasterly along said right-of-way line 58 feet to the South line of the North 320 feet of the W1/2 of the NE1/4 of the NE1/4; thence Easterly along the South line 631 feet to the point of beginning.

AND

All that part of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4), Section 4, Township 48 North,

Range 15 West of the Fourth Principal Meridian EXCEPT a 100 foot wide corridor being the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company) and lying northerly of the following described line:

Commencing at the Northwest Corner of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the west line of said E1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence North 54 degrees 48 minutes 08 seconds East, a distance of 640.90 feet to the north line of said E1/2 of the SE1/4 of the NW1/4 and said line there terminating.

AND

All that part of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying easterly of the easterly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said easterly line being 50 feet easterly of the centerline thereof; EXCEPT the Easterly 330 feet of said NW1/4 of the NE1/4.

AND

All those parts of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) and the Southeast One-quarter of the Northwest One-quarter (SE1/4 of the NW1/4), Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying southerly of the southerly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said southerly line being 50 feet southerly of the centerline thereof and lying northerly of the following described line:

Commencing at the Northeast Corner of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the east line of said W1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence South 54 degrees 48 minutes 08 seconds West, a distance of 272.00 feet; thence 1819.96 feet, more or less, along a tangential curve concave northerly having a radius of 1240.96 feet, a central angle of 84 degrees 01 minutes 42 seconds, and a chord bearing North 83 degrees 51 minutes 24 seconds West; thence North 41 degrees 56 minutes 15 seconds West, a distance of 143.41 feet to the west line of said SE1/4 of the NW1/4 and said line there terminating.

AND

All those parts of Lots One (1) thru Sixteen (16), Block Twelve (12), PITTSBURG

ADDITION TO DULUTH, City of Duluth, St. Louis County, Minnesota lying south of the north 120.00 feet thereof.

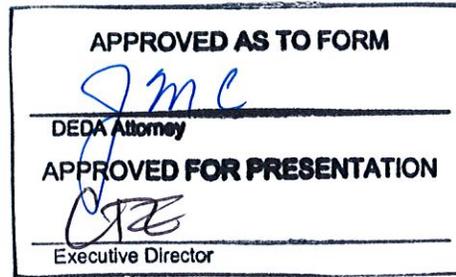
(the "Property").

FURTHER RESOLVED, by DEDA that:

1. DEDA does hereby make the following determinations and findings:
 - A. That the sale of the Property to Canadian National is in the best interests of the City of Duluth and its people and that the transaction furthers the general plan for economic development in the area.
 - B. That, after not less than ten (10) or more than twenty (20) days' published notice, the public hearing was held in City Council Chambers, Third Floor City Hall, Duluth, Minnesota at or shortly after 5:15 p.m. on May 28, 2014, regarding the proposed sale.
 - C. That the sale of the property described below to Canadian National conforms in all respects to the requirements of Minnesota Statutes 469.105.
2. That the proper DEDA officials are hereby authorized to execute the Land Sale Agreement, substantially in the form of the copy attached hereto, with Canadian National for the sale of the Property for a sum equal to DEDA's total cost of acquisition thereof from the State of Minnesota, plus all fees and any additional costs, currently estimated to be \$111,040.10, said sum to be payable to Fund 0860, provided, however, that DEDA staff is not authorized to proceed with the purchase from the County until such time as Canadian National has made payment in the amount to DEDA.
3. Subject to DEDA's acquisition of the Property from the State of Minnesota through St. Louis County, that the proper DEDA officials are hereby further authorized to execute all documents necessary to effectuate the sale of the Property to Canadian National.

Approved by the Duluth Economic Development Authority this 28th day of May, 2014.

ATTEST:



Executive Director

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize the acquisition and sale of property of certain tax-forfeited property depicted on Exhibit B to the attached Land Sale Agreement ("Property"). Canadian National ("CN") has requested DEDA's assistance in obtaining the Property for development of new and upgrade of its existing tracks as part of its Steelton Hill Project. This project represents a \$30 million dollar investment in rail infrastructure within the city of Duluth and St. Louis County. The project will add approximately 4 ½ miles of new track in the existing railroad corridor between CN's Steelton Yard located adjacent to Commonwealth Avenue in Gary-New Duluth and Interstate 35 near Nopeming in St. Louis County.

As part of the project, CN will replace the existing single span low clearance bridge over Commonwealth Avenue with a new double span bridge compliant with MnDOT height clearances. The bridge's 13-foot 10-inch vertical clearance will be raised to 16 feet, 4 inches. The roadway alignment will not be changed. This will allow industrial truck traffic to access Beck's Road (and from there, I35) from planned industrial redevelopment at both Atlas Industrial Park and the former USX site. The current bridge height prevents such access. Also, CN will replace the Mission Creek recreational trail bridge over the double-tracked railroad with a new structure which will allow for an improved bridge foundation and trail surface and safe crossing for recreational trail users.

Significant portions of the project, including earthwork and bridge construction, are expected to be bid locally giving Duluth and St. Louis County contractors and businesses the opportunity to secure construction work for the 2014 and 2015 seasons. The economic impact of the project will be felt beyond the project area as scores of workers will stay in local hotels, eat in local restaurants and patronize local businesses. The project is CN's latest investment to improve the safety, fluidity and efficiency of its 424-mile rail network in Minnesota. CN trains move billions of dollars worth of freight around northern Minnesota between Ranier and Proctor, as well as from the Iron Range to docks in Two Harbors and on the Duluth waterfront. This project will allow those goods to move more efficiently reducing rail congestion in Duluth, Northern Minnesota and Northern Wisconsin and improve rail service to Minnesota and Wisconsin businesses.

LAND SALE AGREEMENT
WISCONSIN CENTRAL LTD.

THIS AGREEMENT is entered into this ____ day of _____, 2014, by and between THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes Chapter 469, hereinafter referred to as "DEDA," and WISCONSIN CENTRAL LTD., a company created and existing under the laws of the State of Delaware, hereinafter referred to as "WCL".

WHEREAS, WCL desires to acquire certain tax-forfeited property legally described below for the purpose of construction of new railroad tracks and the upgrade of existing tracks on said property as part of a larger project involving construction of new and upgrade of existing tracks in the railroad corridor between Steelton Yard located adjacent to Commonwealth Avenue in Gary-New Duluth and Interstate 35 near Nopeming in St. Louis County (the "Steelton Hill Project"); and

WHEREAS, DEDA, by virtue of its status as a governmental authority, has the ability to acquire a fee interest in said property directly from the State of Minnesota through St. Louis County at its appraised value; and

WHEREAS, DEDA desires to assist and cooperate with WCL in acquiring said property; and

WHEREAS, DEDA finds that the conveyance of said property to WCL for the purpose set forth above is in the best interests of the City and its people and that the transaction furthers DEDA's general plan for development.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Earnest Money

Pursuant to DEDA's fee schedule, WCL has paid earnest money in the amount of \$1,000.

2. Conveyance of Property

Subject to DEDA's acquisition of the tax-forfeited property legally described in Exhibit A and depicted in Exhibit B attached hereto and made a part hereof (the "Property") from the State of Minnesota and the terms and conditions of this Agreement, the proper DEDA officials are hereby authorized to convey the Property by quit claim deed to WCL for the sum of One Hundred Eleven Thousand Forty and 10/100ths Dollars (\$111,040.10) to be deposited into Fund 860.

The price set forth above is anticipated to be sufficient to reimburse DEDA for its out-of-pocket costs of acquiring the Property and selling it to WCL. In the event that the out of pocket amount necessary to so reimburse DEDA increases over the amount set forth above, WCL agrees that said amount shall be increased to so.

The conveyance of title to the Property shall be subject to covenants, conditions, restrictions, declarations, easements and encumbrances of record, if any; the reservation of minerals and mineral rights by the State of Minnesota; unpaid real estate taxes and assessments; restrictions related to the use or improvement of the Property without effective forfeiture provision; and any law, ordinance, or governing regulations including but not limited to building and zoning ordinances restricting, regulating or prohibiting the occupancy, use, enjoyment, improvement or subdivision of the property.

The deed conveying the Property from DEDA to WCL shall also contain as a covenant running with the land the conditions of Minnesota Statutes, Sections 469.090 to 469.108, and shall provide that is said covenant is violated, DEDA may declare a breach of the covenant and seek a judicial decree from the District Court declaring a forfeiture and cancellation of the deed.

DEDA will not furnish an abstract. The Property is sold "AS-IS" with all faults. DEDA makes no representations or warranties, whether express or implied, of any kind whatsoever regarding the Property, including but not limited to warranties or representations as to the quality of title or the physical condition of the Property or its suitability for any particular purpose or use. DEDA assumes no obligation to perform any acts or to pay for any expenses incurred in connection with possible title deficiencies except to deliver a properly executed quit claim deed in recordable form. This provision shall survive delivery of the quitclaim deed. WCL shall be responsible for paying all closing costs including but not limited to title evidence, title insurance, title opinion, fees relating to subdivision of land, State deed tax, legal fees except those of DEDA's attorney, survey fees, and recording costs.

3. Buyer Reliance

WCL agrees that it is experienced in and knowledgeable about the development of real estate and has exclusively relied on its own consultants, advisors, counsel, employees, agents, principals and/or studies, investigations and/or inspections with respect to the Property, its condition, value and potential. The conveyance of the Property to WCL shall constitute WCL's acknowledgment that it has independently inspected and investigated the Property. Upon conveyance, WCL shall assume the risk that adverse matters, including but not limited to adverse physical and environmental conditions and the suitability or unsuitability of the Property for WCL's intended use may not have been revealed by WCL's investigations.

4. Use of the Property

The intended use for the Property is the construction of new and the upgrade of existing railroad tracks on the Property as part of the Steelton Hill Project (interchangeably the "Intended Use" or the "Project").

5. One-Year Deadline

Within one year from the date of conveyance of the Property to WCL, WCL shall have devoted the Property to its Intended Use by beginning construction work on the Project which shall be evidenced by grading work having commenced on the Property. Within three years from the date of conveyance of the Property to WCL, WCL shall have completed construction of its Steelton Hill Project on the Property. If WCL fails to meet the one-year or three-year deadlines as stated above, DEDA may cancel the sale and title to the Property shall revert to DEDA. WCL shall not transfer title to the Property within one year of the date of purchase without consent of DEDA.

6. Recordation

Immediately upon its execution, WCL agrees to record this Land Sale Agreement in the office of the St. Louis County Recorder and to pay all costs associated therewith. Upon Recordation, WCL shall immediately submit to DEDA an executed original of the Land Sale Agreement showing the date and document numbers of record, or certified copies of the filed original. Additionally, immediately upon the execution by DEDA of the quit claim deed conveying the Property to WCL, WCL agrees to record the quit claim deed in the office of the St. Louis County Recorder and to pay all costs associated therewith, including but not limited to filing fees and state deed tax. Upon Recordation, WCL shall immediately submit to DEDA an executed original of the deed showing the date and document numbers of record, or a duly certified copy of the filed originals.

7. Environmental Indemnification

WCL hereby agrees that for itself, its successors and assigns, it will indemnify and save DEDA, the City and their officers, agents, servants and employees and any person who controls DEDA or the City within the meaning of the Securities Act of 1933 harmless from and against all liabilities, losses, damages, costs, expenses, including attorney's fees and expenses, causes of action, suits, claims, demands and judgments arising out of any condition existing on the Property, whether pre-existing or after created, which constitutes a violation of any federal, state or local environmental laws, rules or regulations with regard to pollutants or hazardous or dangerous substances or arising out of the presence on the Property of any element, compound, pollutant, contaminant or toxic or hazardous substance, material or waste, or any mixture thereof, which otherwise causes injury or death to person(s) or damage to property. WCL's indemnification shall include all the costs of clean up; remediation; costs incurred in proceedings before a court of law or an administrative agency including attorney's fees, expenses, and the fees and expenses of persons providing technical expertise addressing such problems, including expert witnesses; the cost of preparing and securing approval of Response Action Plans as may be necessary to meet the requirements of the aforesaid agencies and any other costs and expenses of any kind whatsoever arising out of conditions existing on the Property. Provided, however, that the indemnity provided by WCL to DEDA and the City pursuant to this paragraph is intended to run only to the benefit of DEDA and the City and is not intended to, nor shall it, inure to the benefit of any other third party. This provision shall run with the land.

8. Taxes and Assessments

WCL shall pay all real estate taxes and installments of special assessments assessed against the Property which may be owing at the time of conveyance and from and after the date of conveyance of the Property to WCL.

9. WCL Default

In the event that WCL fails to perform or to comply with any of the terms, covenants and conditions of this Agreement, DEDA shall give written notice of such default, specifying the nature of the default and, as appropriate, the corrective measures required and allowing WCL reasonable time to cure, said cure period not to exceed sixty (60) days, or in the event that such default shall be incapable of cure with reasonable diligence during said 60 day period, shall have failed to commence to cure said default within 60 days of the date of said notice and to diligently pursue the same to completion. If the default is not corrected within such cure period, or is incapable of being cured, DEDA may, in addition to any other remedy set forth in this Agreement, at its option,

exercise any one or more of the following rights and remedies. The remedies provided for under this Agreement shall be deemed to be cumulative and non-exclusive and the election of one remedy shall not be deemed to be a waiver of any other remedy with regard to any occasion of default hereunder. Further, the waiver by DEDA of any default on the part of WCL hereunder of the failure of DEDA to declare default on the part of WCL of any of its obligations pursuant to this Agreement shall not be deemed to be a waiver of any subsequent event of default on the part of WCL of the same or any other obligation of WCL hereunder and, to be effective, any waiver of any default by WCL hereunder shall be in writing by DEDA.

- a. DEDA may seek and be entitled to monetary damages from WCL for any damages incurred by DEDA as a result of WCL's default.
- b. DEDA may seek and be entitled to injunctive and declaratory relief as is necessary to prevent WCL's violation of the terms and conditions of this Agreement.
- c. DEDA may seek such other legal or equitable relief as a court of competent jurisdiction may be determined as available to DEDA.

10. DEDA Default

In the event that DEDA fails to perform or to comply with any of the terms, covenants and conditions of this Agreement, WCL shall give written notice of such default, specifying the nature of the default and, as appropriate, the corrective measures required and allowing DEDA reasonable time to cure, said cure period not to exceed sixty (60) days, or in the event that such default shall be incapable of cure with reasonable diligence during said 60 day period, shall have failed to commence to cure said default within 60 days of the date of said notice and to diligently pursue the same to completion. If the default is not corrected within such cure period, or is incapable of being cured, WCL may seek specific performance.

11. Assignment

WCL shall not assign any right or interest in this Agreement and shall not transfer any interests in the same without the prior written consent of the Executive Director.

12. No Third Party Rights

This Agreement is to be construed and understood solely as an Agreement between WCL and the DEDA and, except as provided for in Paragraph 7 with respect to the City, shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between DEDA and WCL, may be waived at any time by mutual agreement between DEDA and WCL.

13. Notices

Any notice, demand or other communication under this agreement by either party to the other shall be deemed to be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, to:

In the Case of DEDA:

Duluth Economic Development Authority
402 City Hall
Duluth, Minnesota 55802
Attn: Executive Director

In the Case of WCL:

Wisconsin Central Ltd.
Michael Matteucci
Counsel – Regulatory
17641 South Ashland Avenue
Homewood, Illinois 60430
mike.matteucci@cn.ca

14. Independent Contractor

It is agreed that nothing herein contained is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting WCL as an agent, representative or employee of DEDA for any purpose or in any manner whatsoever.

15. Authorization to Execute Agreement

WCL represents to DEDA that the execution of this Agreement has been duly and fully authorized by its governing body or board, that the officers of WCL who executed this Agreement on its behalf are fully authorized to do so, and that this Agreement when thus executed by said officers on its behalf will constitute and be the binding obligation and agreement of WCL in accordance with the terms and conditions thereof.

16. Real Estate Brokers

DEDA and WCL each represent and warrant to the other that this Agreement is made and entered into as a result of direct negotiations between parties without the aid or assistance of any broker or other agent and each of the parties hereby represent and warrants to the other that they have entered into no agreement or made any undertaking of any kind whatsoever as a result of which any claim could properly be

brought against the other for any commission, finder's fee or other form of compensation of a similar character as a result of this transaction.

17. Minnesota Data Practices Act

All data collected, created, received, maintained or disseminated for any purpose because of this Agreement is governed by the Minnesota Data Practices Act.

18. Time Of The Essence

The parties hereto acknowledge that time is of the essence for each time and date specifically set forth in this Agreement. If the closing has not been completed by August 31, 2014, then all terms of this Agreement shall become null and void.

19. Binding Effect

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors, and assigns.

20. Choice of Law and Venue

This Agreement shall be construed and interpreted under the laws of the State of Minnesota. The Grantor and Grantee agree that the proper venue with respect to any litigation in connection with this Agreement shall be in St. Louis County, Minnesota.

21. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

22. Entire Agreement

It is understood and agreed that the entire agreement of the parties, including Exhibits A and B, is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

EXHIBIT A

That property in St. Louis County, Minnesota, legally described as follows:

Lots One (1) thru Fourteen (14) and Lot Fifteen (15) except the southeasterly 20.00 feet thereof, all in Block One (1), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota including vacated alleys appurtenant thereto per City of Duluth vacation Document No. 848449 recorded in the Office of the County Recorder, St. Louis County, Minnesota.

Subject to the right of way of Minnesota Trunk Highway No. 23.

AND

Lot Nineteen (19), Block Three (3), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota.

Subject to the right of way of Minnesota Trunk Highway No. 23.

AND

The North 40.00 feet of the Northeast One-quarter of Northwest One-quarter (NE 1/4 of the NW1/4) of Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian.

AND

All that part of Northwest One-quarter of Northwest One-quarter (NW 1/4 of the NW 1/4) Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian lying westerly of the centerline of 108th Avenue West and northerly of the Becks Road as described in Parcel N-2 of Document No. 575958 as recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

AND

All that part of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying northerly of the north line of the Becks Road as described in Parcel M of Document No. 575958 as recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

EXCEPT

The Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company)

EXCEPT

That part of the North One-half of the Northeast One-quarter (N1/2 of the NE1/4) of said Section 4 per Certificate of Title Number 316489 as recorded in the Registrar of Titles Office in St. Louis County, Minnesota and described as follows:

Commencing at the Northeast corner of the West One-half (W1/2) of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4); thence southerly along said East line of Said W1/2 320 feet to the point of beginning; thence southerly along said East line 409.05 feet to the Northwestern right-of-way line of Becks Road; thence southwesterly along said right-of-way 780.08 feet to the South Line of said W1/2; thence Westerly along South line 126.93 feet to the Southwest corner of said W1/2; thence Westerly along the South line of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) 330.01 feet to the West line of the East 330 feet, thence Northerly along said West line 351 feet to the Southeasterly right-of-way line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeasterly along said right-of-way 697 feet to the South line of the North 320 feet of the NW1/4 of the NE1/4; thence Easterly along said South line 34 feet to the East line of the NW1/4 of the NE1/4; thence Southerly along the East line 49 feet to the Southeasterly right-of-way line of said Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeasterly along said right-of-way line 58 feet to the South line of the North 320 feet of the W1/2 of the NE1/4 of the NE1/4; thence Easterly along the South line 631 feet to the point of beginning.

AND

All that part of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4), Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian EXCEPT a 100 foot wide corridor being the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company) and lying northerly of the following described line:

Commencing at the Northwest Corner of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the west line of said E1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence North 54 degrees 48 minutes 08 seconds East, a distance of 640.90 feet to the north line of said E1/2 of the SE1/4 of the NW1/4 and said line there terminating.

AND

All that part of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth

Principal Meridian lying easterly of the easterly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said easterly line being 50 feet easterly of the centerline thereof; EXCEPT the Easterly 330 feet of said NW1/4 of the NE1/4.

AND

All those parts of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) and the Southeast One-quarter of the Northwest One-quarter (SE1/4 of the NW1/4), Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying southerly of the southerly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said southerly line being 50 feet southerly of the centerline thereof and lying northerly of the following described line:

Commencing at the Northeast Corner of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the east line of said W1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence South 54 degrees 48 minutes 08 seconds West, a distance of 272.00 feet; thence 1819.96 feet, more or less, along a tangential curve concave northerly having a radius of 1240.96 feet, a central angle of 84 degrees 01 minutes 42 seconds, and a chord bearing North 83 degrees 51 minutes 24 seconds West; thence North 41 degrees 56 minutes 15 seconds West, a distance of 143.41 feet to the west line of said SE1/4 of the NW1/4 and said line there terminating.

AND

All those parts of Lots One (1) thru Sixteen (16), Block Twelve (12), PITTSBURG ADDITION TO DULUTH, City of Duluth, St. Louis County, Minnesota lying south of the north 120.00 feet thereof.

EXHIBIT B

Lots 1-15, Block 1, Norton's Steel Plant Division of Duluth

PID: 010-3540-00010

010-3540-00060

010-3540-00070

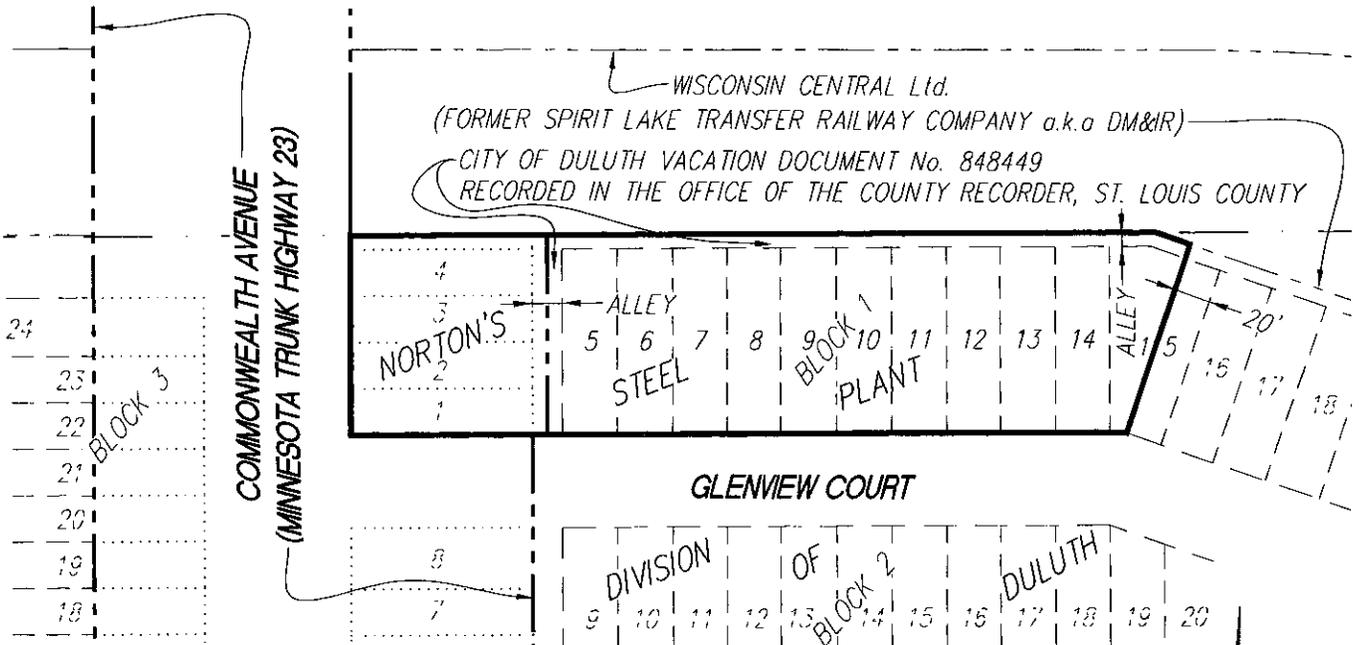
010-3540-00110

010-3540-00120

010-3540-00130

010-3540-00140

010-3540-00150

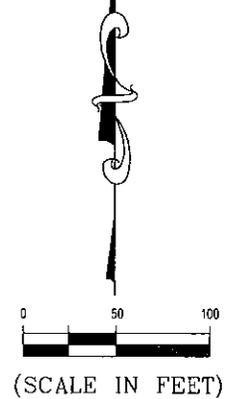


LEGAL DESCRIPTION:

Lots One (1) thru Fourteen (14) and Lot Fifteen (15) except the southeasterly 20.00 feet thereof, all in Block One (1), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota including vacated alleys appurtenant thereto per City of Duluth vacation Document No. 848449 recorded in the Office of the County Recorder, St. Louis County, Minnesota.

SUBJECT to the right of way of Minnesota Trunk Highway No. 23 and other easements, restrictions or reservations of record.

Containing 47,680 Sq. Feet or 1.095 Acres, more or less.



Basis of Bearing is Grid North,
St. Louis County Transverse
Mercator 96 Coordinate System.

DATE REVISED: 3/31/14 - Removed SE 20' Lot 15

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature:

Date: 03/31/2014

DATE REVISED: 3/12/14

DATE PREPARED: 2/24/14

PROJ NO: 140017

FILE: 140017vSurv.

SHEET 1 of 1 SHEETS



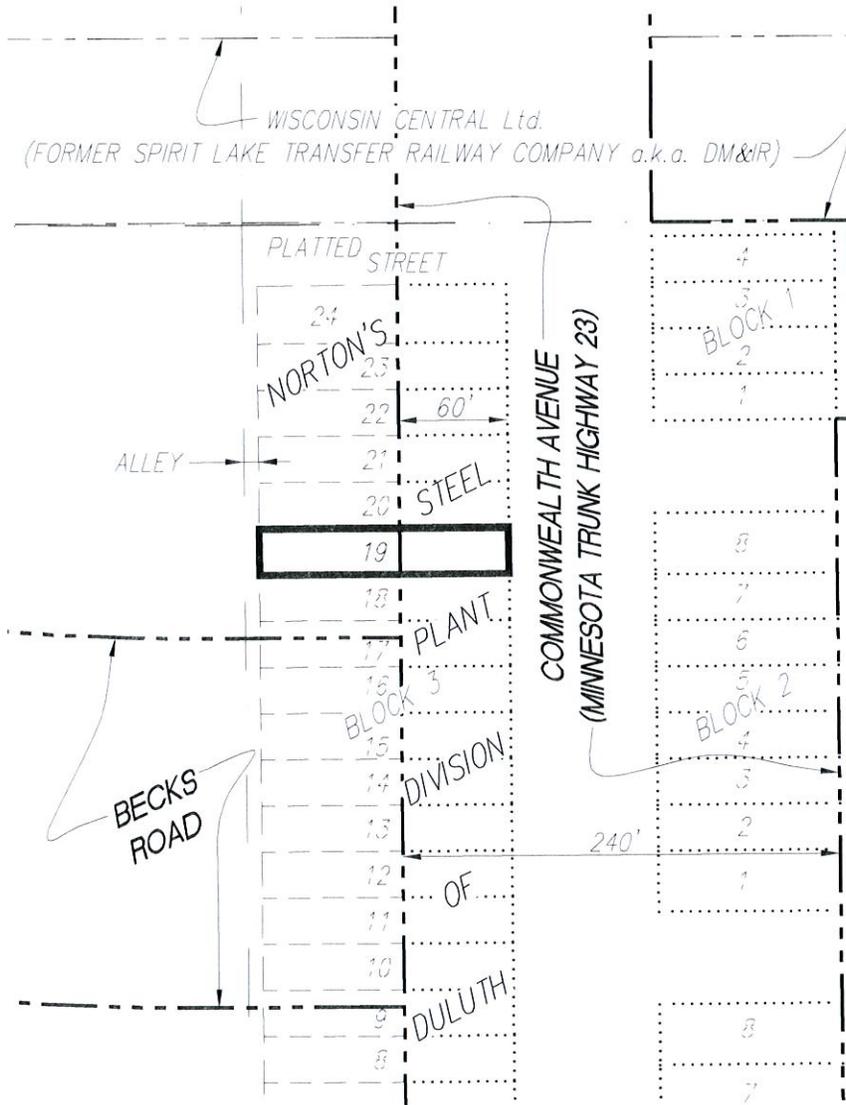
PERFORMANCE DESIGN.

LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

EXHIBIT

Lot 19, Block 3, Norton's Steel Plant Division of Duluth
 PID: 010-3540-00980



LEGAL DESCRIPTION:

Lot Nineteen (19), Block Three (3), NORTON'S STEEL PLANT DIVISION OF DULUTH, City of Duluth, St. Louis County, Minnesota.

SUBJECT to the right of way of Minnesota Trunk Highway No. 23 and other easements, restrictions or reservations of record.

Containing 3,430 Sq. Feet or 0.079 Acres, more or less.



(SCALE IN FEET)

Basis of Bearing is Grid North,
 St. Louis County Transverse
 Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature:

Date: 3/12/2014

DATE PREPARED: 3/12/14

PROJ NO: 140017

FILE: 140017vSurv.

SHEET 1 of 1 SHEETS



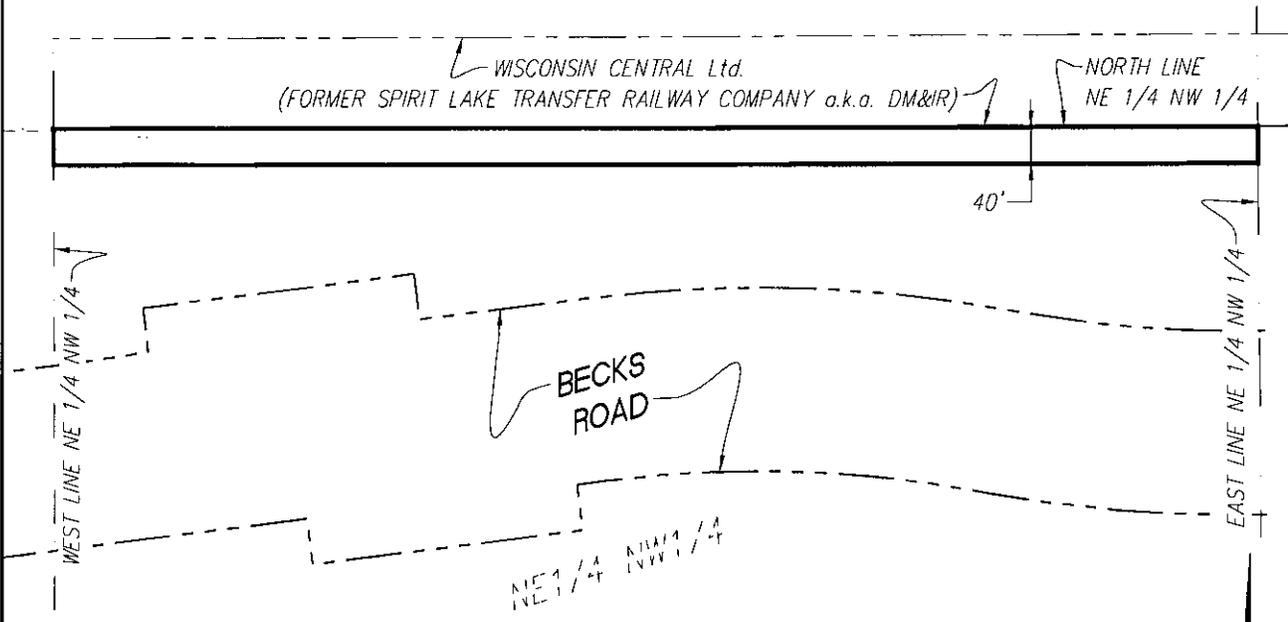
**PERFORMANCE
 DRIVEN
 DESIGN.**
 LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

FILE: ..140317600 Drawings\Survey\140017vS.rvt.dwg

EXHIBIT

Being part of the NE 1/4 of the NW 1/4 of Section 3, T.48N., R.15W. 4th P.M.
 PID: 010-2730-00221

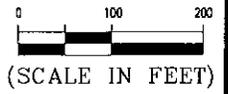


LEGAL DESCRIPTION:

The North 40.00 feet of the of Northeast One-quarter of Northwest One-quarter (NE 1/4 of the NW 1/4) of Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian.

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 53,010 Sq. Feet or 1.217 Acres, more or less.



Basis of Bearing is Grid North,
 St. Louis County Transverse
 Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel License # 44075

Signature: *Paul A. Vogel* Date: 5/20/2014

DATE REVISED: 5/20/14 NEW P.I.D
DATE REVISED: 3/12/14
DATE PREPARED: 3/03/14
PROJ NO: 140017
FILE: 140017vSurv.
SHEET 1 of 1 SHEETS

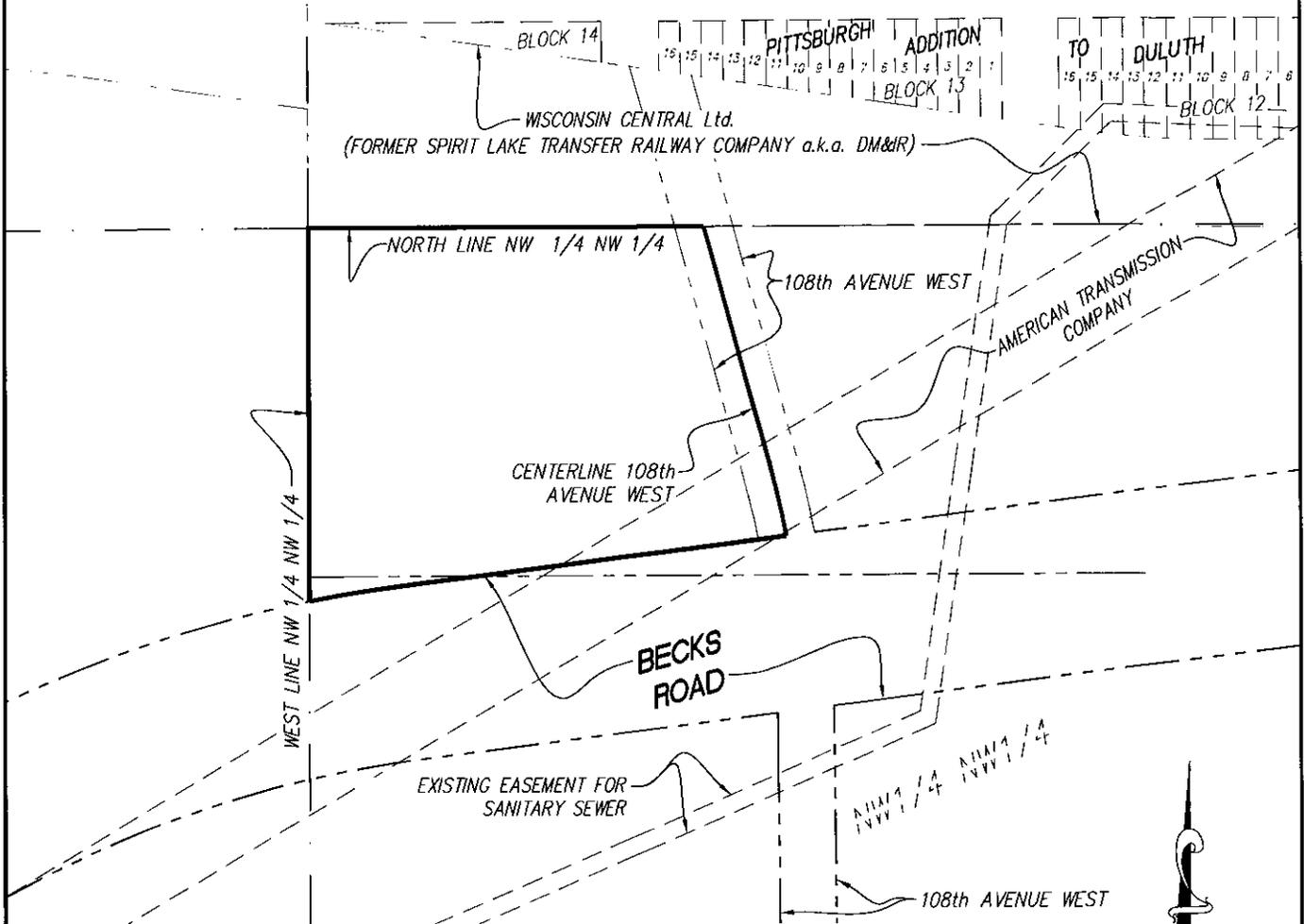


**PERFORMANCE
 DRIVEN DESIGN.**
 LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

EXHIBIT

Being part of the NW1/4 of the NW1/4 of Section 3, T.48N., R.15W. 4th P.M.
PID: 010-2730-00241

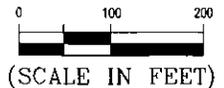


LEGAL DESCRIPTION:

All that part of Northwest One-quarter of Northwest One-quarter (NW 1/4 of the NW 1/4) Section 3, Township 48 North, Range 15 West of the Fourth Principal Meridian lying westerly of the centerline of 108th Avenue West and northerly of the Becks Road as described in Parcel N-2 of Document No. 575958 as recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 200,100 Sq. Feet or 4.594 Acres, more or less.



Basis of Bearing is Grid North,
St. Louis County Transverse
Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel License # 44075

Signature: *[Signature]* Date: 5/19/2014

DATE REVISED: 5/19/14 NEW P.I.D.

DATE REVISED: 3/12/14

DATE REVISED: 3/04/14

DATE PREPARED: 3/03/14

PROJ NO: 140017

FILE: 140017vSurv.

SHEET 1 of 1 SHEETS



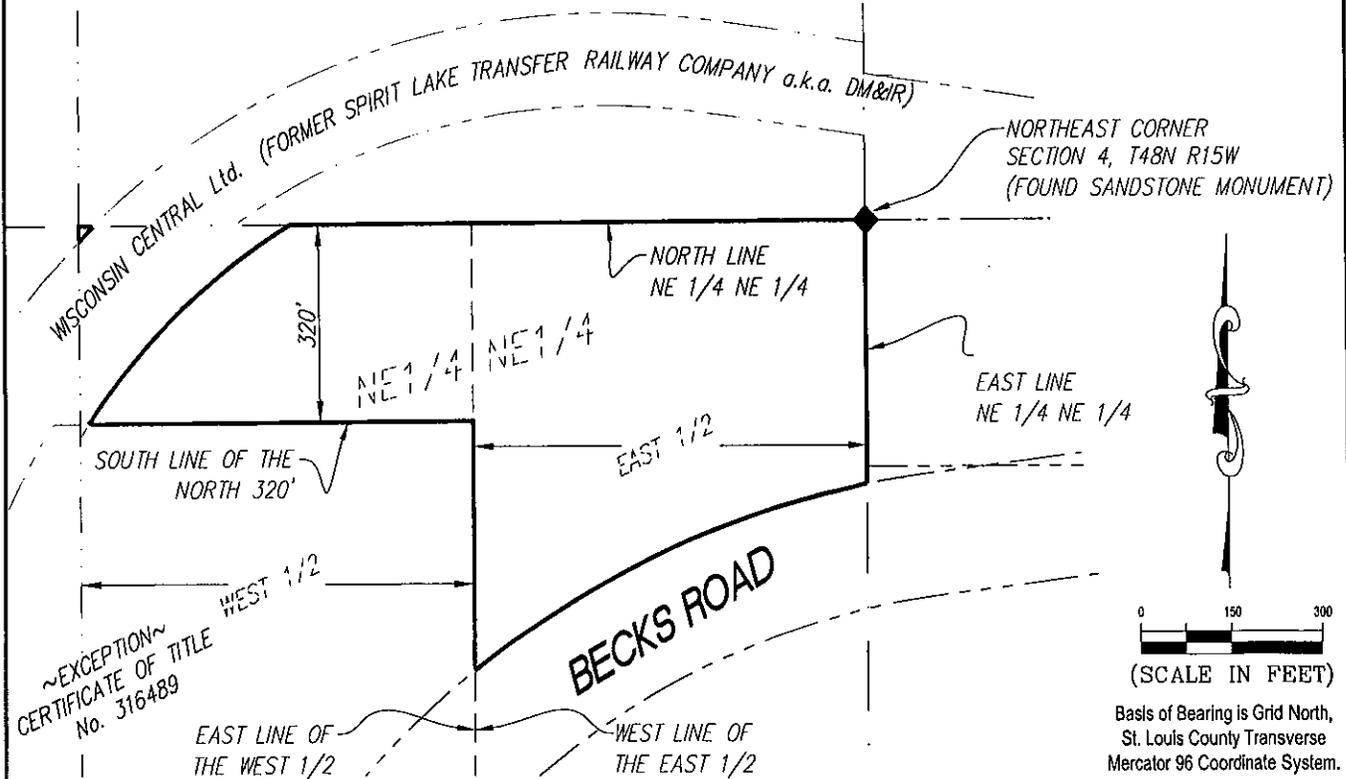
PERFORMANCE DESIGN.

LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

EXHIBIT

Being part of the NE1/4 of the NE1/4 of Section 4, T.48N., R.15W. 4th P.M.
PID: 010-2730-00341



EXCEPTION~
CERTIFICATE OF TITLE
No. 316489

LEGAL DESCRIPTION:

All that part of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying northerly of the north line of the Beck's Road as described in Parcel M of Document No. 575958 as recorded in the St. Louis County Minnesota, Office of the County Recorder and as Document No. 567401 in the St. Louis County Minnesota, Registrar of Titles Office.

EXCEPT

the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company)

EXCEPT

That part of the North One-half of the Northeast One-quarter (N1/2 of the NE1/4) of said Section 4 per Certificate of Title Number 316489 as recorded in the Registrar of Titles Office in St. Louis County, Minnesota and described as follows:

Commencing at the Northeast corner of the West One-half (W1/2) of the Northeast One-quarter of the Northeast One-quarter (NE1/4 of the NE1/4); thence southerly along said East line of Said W1/2 320 feet to the point of beginning; thence southerly along said East line 409.05 feet to the Northwestern right-of-way line of Beck's Road; thence southwesterly along said right-of-way 780.08 feet to the South Line of said W1/2; thence Westerly along South line 126.93 feet to the Southwest corner of said W1/2; thence Westerly along the South line of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) 330.01 feet to the West line of the East 330 feet, thence Northerly along said West line 351 feet to the Southeastly right-of-way line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeastly along said right-of-way 697 feet to the South line of the North 320 feet of the NW1/4 of the NE1/4; thence Easterly along said South line 34 feet to the East line of the NW1/4 of the NE1/4; thence Southerly along the East line 49 feet to the Southeastly right-of-way line of said Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); thence Northeastly along said right-of-way line 58 feet to the South line of the North 320 feet of the W1/2 of the NE1/4 of the NE1/4; thence Easterly along the South line 631 feet to the point of beginning.

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 521,690 Sq. Feet or 11.976 Acres, more or less.

DATE REVISED: 5/21/14 NEW P.I.D.

DATE REVISED: 5/13/14 Removed E1/2 reference and fixed scrivners error in description

DATE REVISED: 4/1/14

DATE REVISED: 3/14/14 acreage correction

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature:

Date: 5/21/2014

DATE REVISED: 3/12/14

DATE PREPARED: 3/4/14

PROJ NO: 140017

FILE: 140017vSurv.

SHEET 1 of 1 SHEETS

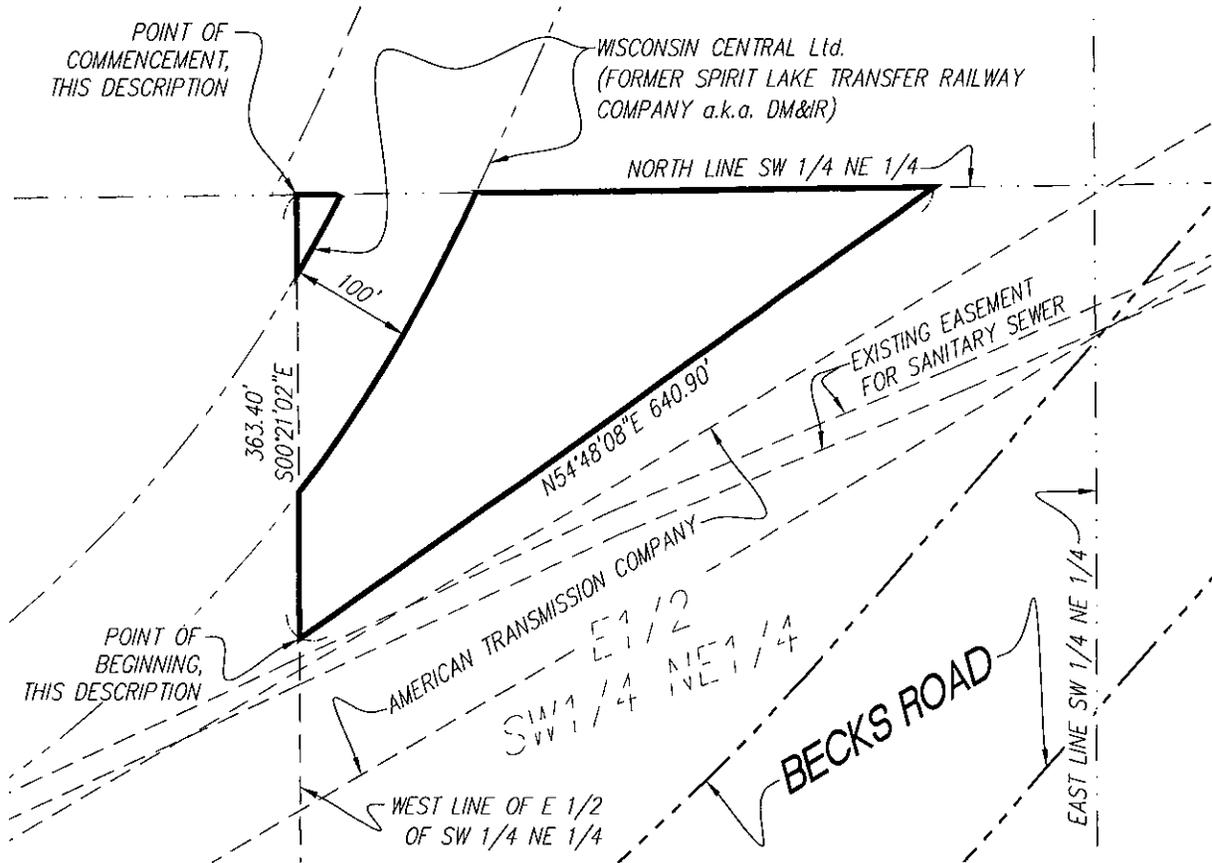


PERFORMANCE
DRIVEN DESIGN.
LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

EXHIBIT

Being part of the SW1/4 of the NE1/4 of Section 4, T.48N., R.15W. 4th P.M.
 Being part of PID: 010-2730-00361



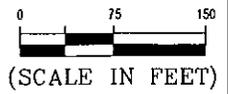
LEGAL DESCRIPTION:

All that part of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4), Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian EXCEPT a 100 foot wide corridor being the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company) and lying northerly of the the following described line:

Commencing at the Northwest Corner of the East One-half of the Southwest One-quarter of the Northeast One-quarter (E1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the west line of said E1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence North 54 degrees 48 minutes 08 seconds East, a distance of 640.90 feet to the north line of said E1/2 of the SW1/4 of the NE1/4 and said line there terminating.

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 77,300 Sq. Feet or 1.775 Acres, more or less.



DATE REVISED: 5/19/14 New P.I.D
 DATE REVISED: 3/21/14

Basis of Bearing is Grid North,
 St. Louis County Transverse
 Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel License # 44075

Signature: Date: 5/19/2014

DATE REVISED: 3/12/14
 DATE PREPARED: 3/4/14
 PROJ NO: 140017
 FILE: 140017vSurv.
 SHEET 1 of 1 SHEETS



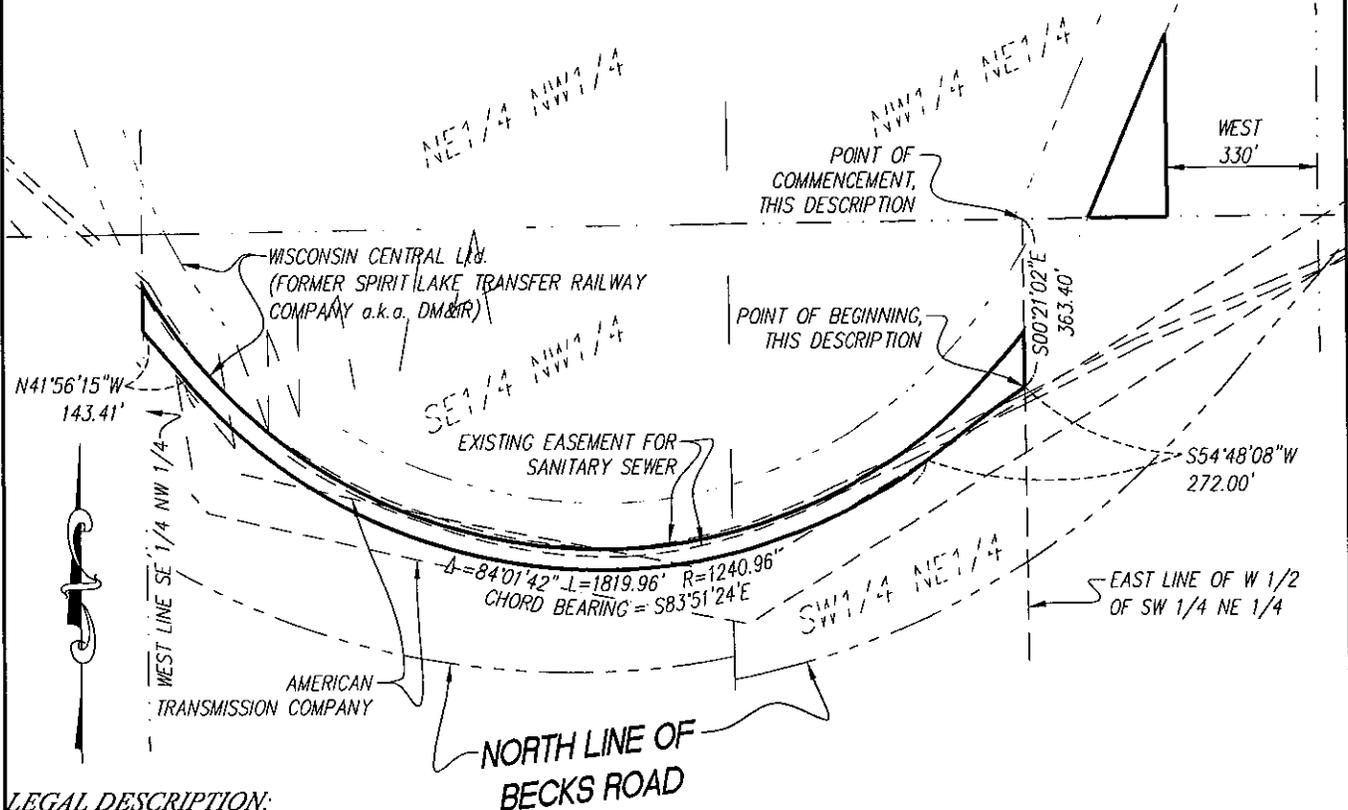
PERFORMANCE
 DRIVEN DESIGN.
 LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

FILE: ..\140017\600 Drawings\Survey\140017vSurv.dwg

EXHIBIT

Being part of the NW1/4 of the NE1/4 of Section 4, T.48N., R.15W. 4th P.M.
 and
 Being part of the SW1/4 of the NE1/4 of Section 4, T.48N., R.15W. 4th P.M.
 and
 Being part of the SE1/4 of the NW1/4 of Section 4, T.48N., R.15W. 4th P.M.
 PID's: 010-2730-00351 & 010-2730-00366



LEGAL DESCRIPTION:

All that part of the Northwest One-quarter of the Northeast One-quarter (NW1/4 of the NE1/4) of Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying easterly of the easterly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said easterly line being 50 feet easterly of the centerline thereof; EXCEPT the Easterly 330 feet of said NW1/4 of the NE1/4.

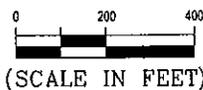
AND

All those parts of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) and the Southeast One-quarter of the Northwest One-quarter (SE1/4 of the NW1/4), Section 4, Township 48 North, Range 15 West of the Fourth Principal Meridian lying southerly of the southerly line of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company); said southerly line being 50 feet southerly of the centerline thereof and lying northerly of the following described line:

Commencing at the Northeast Corner of the West One-half of the Southwest One-quarter of the Northeast One-quarter (W1/2 of the SW1/4 of the NE1/4) of Section 4; thence South 00 degrees 21 minutes 02 seconds East (assumed bearing) along the east line of said W1/2 of the SW1/4 of the NE1/4, a distance of 363.40 feet to the Point of Beginning of the line to be described; thence South 54 degrees 48 minutes 08 seconds West, a distance of 272.00 feet; thence 1819.96 feet, more or less, along a tangential curve concave northerly having a radius of 1240.96 feet, a central angle of 84 degrees 01 minutes 42 seconds, and a chord bearing North 83 degrees 51 minutes 24 seconds West; thence North 41 degrees 56 minutes 15 seconds West, a distance of 143.41 feet to the west line of said SE1/4 of the NW1/4 and said line there terminating.

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 143,160 Sq. Feet or 3.287 Acres, more or less.



DATE REVISED: 5/21/14 NEW P.I.D.'S
DATE REVISED: 5/14/14
DATE REVISED: 3/21/14

Basis of Bearing is Grid North, St. Louis County Transverse Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel License # 44075

Signature: *[Signature]* Date: 5/21/2014

DATE REVISED: 3/12/14
DATE PREPARED: 3/4/14
PROJ NO: 140017
FILE: 140017vSurv.
SHEET 1 of 1 SHEETS

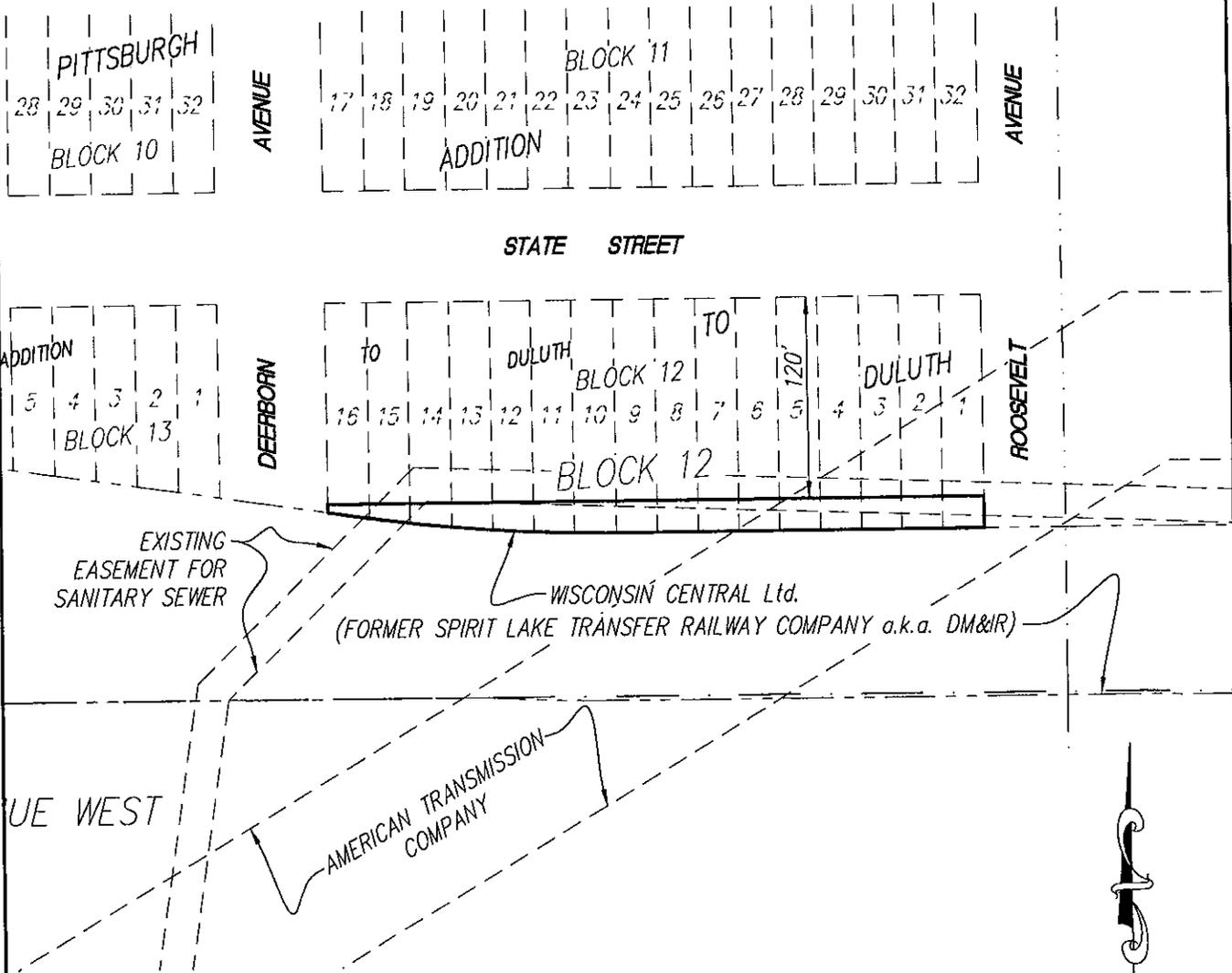


PERFORMANCE DRIVEN DESIGN.
LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

EXHIBIT

Being part of the Lots 1-16, Block 12, Pittsburgh Addition to Duluth
 PID: 010-3800-02341

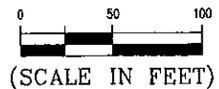


LEGAL DESCRIPTION:

All those parts of Lots One (1) thru Sixteen (16), Block Twelve (12), PITTSBURGH ADDITION TO DULUTH, City of Duluth, St. Louis County, Minnesota lying south of the north 120.00 feet thereof.

SUBJECT to any easement, restrictions or reservations of record.

Containing 6,790 Sq. Feet or 0.156 Acres, more or less.



Basis of Bearing is Grid North,
 St. Louis County Transverse
 Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel License # 44075

Signature: *Paul A. Vogel* Date: 5/19/2014

DATE REVISED: 5/19/14 NEW P.I.D

DATE REVISED: 3/12/14

DATE PREPARED: 2/27/14

PROJ NO: 140017

FILE: 140017vSurv.

SHEET 1 of 1 SHEETS



**PERFORMANCE
 DRIVEN DESIGN.**
 LHBcorp.com

21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446