

MATERIAL PIT SALES AGREEMENT

Date: _____, 2024

1. **Agreement Term.** For and in consideration of the agreements set forth herein, Breitung Township ("Owner") hereby grants to Mesabi Bituminous, Inc. ("MBI") the right to enter upon and use the following described real property in St. Louis County, Minnesota, hereinafter referred to as the Pit: Parcel # 270-0020-03360

SEE ATTACHED EXHIBIT A.

This right of entry and use is for the purpose of investigating, testing, and removing therefrom materials required for use by MBI. MBI will be allowed crushing, screening and/or portable hot mix operations. This Agreement shall commence June 1, 2024 and shall terminate on June 1, 2034, unless earlier terminated as provided herein. MBI has option to renew with discussion 1 year prior to termination date.

2. **Production Payments.** Payments for materials taken by MBI pursuant to MBI's rights under this agreement shall be based on records kept by MBI. Payment for materials removed under this Agreement shall be made by MBI at the rate of \$2.00 per cubic yard.

MBI shall keep complete and accurate records of all quantities expressed in terms of cubic yards of materials removed from the Pit. Quantities shall be calculated on a daily basis, in the form of truck load slips, based upon the records of materials as reasonably and accurately determined by MBI from available documents and data. Supporting documentation of materials removed, including the truck load slips, shall be provided when payments are made to Owner. If crushing and stockpiling occurs, material records will be provided. Payments or credits shall be reported to Owner on a monthly basis. Payments shall be calculated as of the last day of each month, and the balances shall be due and payable to Owner on or before the 10th day of the following month. MBI's payment obligations to Owner shall survive any early termination of this Agreement.

3. **Pit Operations.** MBI will access areas of the Pit only in the order and manner directed by Owner. MBI shall be solely responsible for loading materials with MBI's own equipment. MBI shall pay Owner for all damages to Owner's property to the extent caused by MBI. MBI shall give Owner at least twenty-four (24) hours' notice before accessing the Pit, and MBI shall not in any event access the Pit between 7 p.m. and 7 a.m. on any day. MBI shall dispose of all waste accumulated by reason of its operations in removing the materials from the Pit on a weekly basis not later than 5 p.m. on the last day of work for each week, and in any event upon the end date of this Agreement. All strippings and strip tops shall be salvaged by MBI and placed in areas designated by Owner. If lease is not renewed, MBI shall be granted a reasonable amount of time to remove processed or stockpiled materials.

4. As further consideration for the benefits provided to MBI under this agreement, MBI will work as a steward for Breitung Township and assist with the best development and utilization of materials within the pit. If requested MBI will help with decisions for the best future use and maximize development of the property.

MBI shall strictly follow all federal, state and local laws and regulations applying to its activities under this Agreement. MBI shall not import any outside materials into the Pit without the prior written consent of Owner in each instance. _

5. **MBI's Access to the Pit Across Owner's Lands.** The Owner hereby grants to MBI and its assigns, the rights of ingress to and egress from the Pit by right of way across (i) other lands of the Owner, and (ii) lands of others to which Owner has a right of legal access. Said right of way shall follow such course as is reasonably necessary for convenient access to the Pit.

6. **Warranties.** This Agreement is made without any warranty or representation of any kind by Owner pertaining to the Pit, or the materials to be removed from the Pit by MBI, or any other matter or thing whatsoever applicable to the Pit, materials or the Project. Further, Owner makes no warranty or representation of any kind as to the safe condition of the Pit. MBI warrants and represents to Owner that it has made a diligent investigation of the Pit and accepts the Pit for its operations described in this Agreement on an "as is, where is, with all faults" basis.

Owner warrants that for the term of this Agreement, Owner will not sell any aggregate materials to any party that would be used in competition of the Mesabi Bituminous Inc.

7. **Early Termination.** If MBI shall fail to keep or perform any of the terms, conditions or obligations of this Agreement to be kept and performed by it and if such failure shall continue for seven (7) days after Owner has given written notice specifying the failure complained of by Owner, then, this Agreement shall terminate, without any further notice or other action on the part of Owner.

8. **Notices.** Except as otherwise provided herein, all payments, communications, demands, notices, or objections permitted or required to be given or served under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, at the addresses stated below. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth (10th) day after the giving of such notice, such newly designated address shall be such party's address for the purposes of all communications, demands, notices or objections permitted or required to be given or served under this Agreement.

To MBI:

Mr. Tom Nemanich
Mesabi Bituminous, Inc.
PO Box 728
Gilbert, MN 55741

To Owner:

Breitung Township

9. **Cumulative rights.** Except as may otherwise be provided elsewhere herein, no right or remedy herein conferred on or reserved to MBI or the Owner is intended to be exclusive of any other right or

remedy provided herein or by law, but such rights and remedies shall be cumulative in and in addition to every other right or remedy given herein or elsewhere or hereafter existing at law, in equity, or by statute.

10. **Reasonable consent.** Whenever MBI's or the Owner's consent shall be required herein, such approval or consent shall not be arbitrarily or unreasonably conditioned, delayed, or withheld and shall be deemed to have been given, unless within five (5) days of the request therefor, MBI or the Owner, as appropriate, notify the requesting party that MBI or the Owner, as appropriate, are denying such approval or consent, stating in such notice the reasonable grounds therefor.

11. **Attorneys' fees.** If either party commences an action against the other to enforce any of the terms of this Agreement or because of the breach by the other party of any of the terms hereof, the losing or defaulting party shall pay to the prevailing party its reasonable attorneys' fees, costs, and expenses incurred by it in connection with the prosecution or defense of such action.

12. **Assignment.** MBI may not assign its rights granted hereunder without prior written consent of the Owner.

13. **Binding effect.** This Agreement shall be binding on and shall inure to the benefit of the parties hereto and to the assigns and successors of the parties.

14. **Amendment, modification, and waiver.** No amendment, modification, or waiver of any condition, provision, or term shall be valid or of any effect unless made in writing, signed by the party or parties to be bound or a duly authorized representative and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from a subsequent default.

15. **Document Construction.** Each provision, section, sentence, clause, phrase, and word of this Agreement is intended to be severable. If any provision, section, sentence, clause, phrase, or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement. All captions, headings, or titles in the paragraphs or sections of this Agreement are inserted for convenience of reference only and shall not constitute a part of this Agreement as a limitation of the scope of the particular paragraphs or sections to which they apply.

16. **Minnesota law, Arbitration.** This Agreement shall be construed and enforced in accordance with the laws of the state of Minnesota. Any claim or controversy arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment on the award granted by the arbitrator may be entered in any court having jurisdiction thereof. The place of arbitration shall be Duluth, Minnesota, or any other place mutually agreed to by the parties.

17. **Execution.** This Agreement may be executed in separate counterparts, with facsimile copies of signature pages deemed effective as originals.

Breitung Township

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

On _____, 2024, before me personally appeared Breitung Township, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

(Notary Seal)

NOTARY PUBLIC
My commission expires: _____

DRAFT

[See Additional Signature Page]

Mesabi Bituminous, Inc.

By _____
Tom Nemanich, Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

On _____, 2024, before me personally appeared Tom Nemanich, to me known to be the President of Mesabi Bituminous, Inc., a Minnesota corporation, and the person described in and who executed the foregoing instrument in behalf of the corporation, and acknowledged that he executed the same as the free act and deed of the corporation.

(Notary Seal)

NOTARY PUBLIC
My commission expires _____

DRAFT

EXHIBIT A

See attached pages 1-3.

DRAFT



PROPERTY DETAILS REPORT

St. Louis County, Minnesota



Date of Report: 3/6/2024 10:10:45 AM

General Details

Parcel ID: 270-0020-03360
Document Department: -
Document Number: -
Document Date: -
Plat Name: BREITUNG

Legal Description Details

Plat Name: BREITUNG

Section	Township	Range	Lot	Block
34	62	15	-	-

Description: NE1/4 OF NE1/4 EX PART PLATTED AS SOUDAN & EX PART BEG AT SW COR THENCE N ALONG W LINE 550 FT THENCE S57DEG57'06"E 568.67 FT THENCE S 258 FT TO S LINE THENCE N88DEG50'27"W ALONG S LINE 482.10 FT TO PT OF BEG & EX THAT PART COMMENCING AT THE NE CORNER OF SEC 34; THENCE ON AN ASSIGNED BEARING OF S01DEG28'00"E ALONG E LINE OF NE1/4 OF SEC 34 1329.72 FT TO SE CORNER OF NE1/4 OF NE1/4; THENCE S89DEG38'16"W ALONG S LINE OF NE1/4 OF NE1/4 797.94 FT TO POINT OF BEGINNING; THENCE N32DEG57'39"E 221.83 FT; THENCE N60DEG34'32"E 223.38 FT; THENCE S89DEG38'16"W PARALLEL WITH S LINE OF NE1/4 OF NE1/4 80.37 FT THENCE S68DEG03'31"W 87.98 FT; THENCE S88DEG39'35"W 202.98 FT; THENCE S01DEG32'00"E 258.10 FT TO S LINE OF NE1/4 OF NE1/4; THENCE N89DEG38'16"E ALONG S LINE OF NE1/4 OF NE1/4 42.74 FT TO POINT OF BEGINNING; & EX PART COMMENCING AT THE NE CORNER OF SAID SEC 34 THENCE ON AN ASSIGNED BEARING OF S01DEG28'00"E ALONG THE E LINE OF NE1/4 OF SEC 34 A DISTANCE OF 1329.72 FT TO THE SE CORNER OF SAID NE1/4 OF NE1/4 SAID POINT BEING THE POINT OF BEGINNING; THENCE S89DEG38'16"W ALONG THE S LINE OF SAID NE1/4 OF NE1/4 A DISTANCE OF 797.94 FT; THENCE N32DEG57'39"E 221.83 FT; THENCE N60DEG34'32"E 223.38 FT; THENCE N89DEG38'16"E PARALLEL WITH THE S LINE OF SAID NE1/4 OF NE1/4 A DISTANCE OF 80.37 FT THENCE S68DEG03'31"W 87.98 FT; THENCE S01DEG32'00"E 258.10 FT TO S LINE OF SAID NE1/4 OF NE1/4 A DISTANCE OF 42.74 FT TO THE POINT OF BEGINNING.

Payable Details

Taxpayer Name: TOWN OF BREITUNG
and Address: PO BOX 56
SOUDAN MN 55782

Owner Details

Owner Name: TOWN OF BREITUNG
and Address: PO BOX 56
SOUDAN MN 55782

Payable 2024 Tax Summary

2024 - Net Tax	\$0.00
2024 - Special Assessments	\$0.00
2024 - Total Tax & Special Assessments	\$0.00

Current Tax Due (as of 3/5/2024)

Due May 15		Due		Total Due	
2024 - 1st Half Tax	\$0.00	2024 - 2nd Half Tax	\$0.00	2024 - 1st Half Tax Due	\$0.00
2024 - 1st Half Tax Paid	\$0.00	2024 - 2nd Half Tax Paid	\$0.00	2024 - 2nd Half Tax Due	\$0.00
2024 - 1st Half Due	\$0.00	2024 - 2nd Half Due	\$0.00	2024 - Total Due	\$0.00



PROPERTY DETAILS REPORT

St. Louis County, Minnesota



Date of Report: 3/6/2024 10:10:45 AM

Parcel Details							
Property Address:		-					
School District:		2142					
Tax Increment District:		-					
Property/Homesteader:		-					
Assessment Details (2023 Payable 2024)							
Class Code (Legend)	Homestead Status	Land EMV	Bldg EMV	Total EMV	Def Land EMV	Def Bldg EMV	Net Tax Capacity
776	0 - Non Homestead	\$34,900	\$0	\$34,900	\$0	\$0	-
Total:		\$34,900	\$0	\$34,900	\$0	\$0	0
Land Details							
Deeded Acres:		28.59					
Waterfront:		-					
Water Front Feet:		0.00					
Water Code & Desc:		-					
Gas Code & Desc:		-					
Sewer Code & Desc:		-					
Lot Width:		0.00					
Lot Depth:		0.00					
The dimensions shown are not guaranteed to be survey quality. Additional information can be found at https://apps.stlouiscountymn.gov/webPlats/frame/frnPlatStatPopUp.aspx . If there are any questions, please email PropertyTax@stlouiscountymn.gov .							
Sales Reported to the St. Louis County Auditor							
Sale Date		Purchase Price			CRV Number		
10/1992		\$0 (This is part of a multi parcel sale.)			91412		
Assessment History							
Year	Class Code (Legend)	Land EMV	Bldg EMV	Total EMV	Def Land EMV	Def Bldg EMV	Net Tax Capacity
2023 Payable 2024	776	\$34,900	\$0	\$34,900	\$0	\$0	-
	Total	\$34,900	\$0	\$34,900	\$0	\$0	0.00
2022 Payable 2023	776	\$34,900	\$0	\$34,900	\$0	\$0	-
	Total	\$34,900	\$0	\$34,900	\$0	\$0	0.00
2021 Payable 2022	776	\$30,900	\$0	\$30,900	\$0	\$0	-
	Total	\$30,900	\$0	\$30,900	\$0	\$0	0.00
2020 Payable 2021	776	\$30,900	\$0	\$30,900	\$0	\$0	-
	Total	\$30,900	\$0	\$30,900	\$0	\$0	0.00
Tax Detail History							
Tax Year	Tax	Special Assessments	Total Tax & Special Assessments	Taxable Land MV	Taxable Building MV	Total Taxable MV	
2023	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	
2022	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	
2021	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	



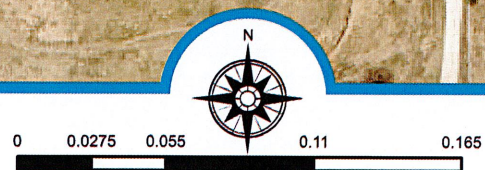
County Land Explorer

St. Louis County, Minnesota



Breitung Pit 2023

Map created using County Land Explorer
www.stlouiscountymn.gov/explorer



County Land Explorer

St. Louis County

www.stlouiscountymn.gov/explorer

Minnesota

Disclaimer

This is a compilation of records as they appear in the Saint Louis County Offices affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein

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