

# EXHIBIT 1

## REAL ESTATE LICENSE AGREEMENT

This REAL ESTATE LICENSE AGREEMENT (this “**License**”), effective as of July 10, 2024, is made by and between United States Steel Corporation, a Delaware corporation (“**Licensor**”), and the City of Duluth, Minnesota, a municipal corporation (“**Licensee**”).

### WITNESSETH:

**WHEREAS**, Licensor owns that certain real property in St. Louis County, Minnesota highlighted in green and, as successor in interest to USX Corporation, that certain real property outlined in yellow, in each case, on the attached **Exhibit A** (“**Licensor’s Property**”);

**WHEREAS**, Licensor’s Property is more commonly described in three parts referred to as the **Outlot L Parcel**, the **Southerly Parcel**, and the **Slag Point Parcel**. A map depicting the Outlot L Parcel is attached as **Exhibit B**, a map depicting the Southerly Parcel is attached as **Exhibit C**, and a map depicting the Slag Point Parcel is attached as **Exhibit D**.

**WHEREAS**, Licensor and Licensee entered into a Letter of Intent for Development Agreement dated August 19, 2020 (“**LOI**”), a copy of which is attached hereto as **Exhibit E**, and which is non-binding upon the parties, but remains as a guide for use by the parties;

**WHEREAS**, the LOI provides, in addition to other obligations, that the Licensor transfer ownership of the Licensor’s Property to Licensee and that Licensee accept ownership from Licensor of the Licensor’s Property;

**WHEREAS**, Licensor has constructed certain recreational amenities on Licensor’s Property that are not yet open for public use, including but not limited to a trailhead with parking spaces, recreational trails, two fishing platforms and kayak landing (collectively, the “**Recreational Amenities**”);

**WHEREAS**, Licensee desires to take possession and use, but not ownership, of Licensor’s Property on July 10, 2024, to allow for limited public use of the Recreational Amenities for a limited period of time; and

**WHEREAS**, subject to the terms of this License, Licensor has agreed to grant to Licensee, a license to use Licensor’s Property for recreational purposes.

**NOW, THEREFORE**, in consideration of all the covenants, terms, and conditions herein contained, and intending to be legally bound, the parties hereto agree as follows:

### **1. Grant of License.**

(A) On and subject to the terms hereof, including the “Rules and Regulations” on **Exhibit F** attached hereto and made a part hereof (which Licensor may reasonably change from time to time upon notice to Licensee), Licensor grants to Licensee a license for the right to use the surface of Licensor’s Property during the Term (defined below) hereof for the limited purpose of maintaining, using, operating, and restoring over and across Licensor’s Property the Recreational Amenities to be used by the general public, including wayfinding and signage. Use of Licensor’s Property for the Recreational Amenities shall be limited to walking, hiking, running, riding non-motorized vehicles (e.g., bicycles) and cross-country skiing for recreational purposes. Use of the Outlot L Parcel shall also include the driving and parking of vehicles in designated spaces. Use of Licensor’s Property for the EPA-organized project completion celebration event, currently scheduled to occur on July 10, 2024, is expressly permitted.



(B) This License and the rights granted hereunder are: (i) “in gross,” non-assignable, and personal to the Licensee and do not create any real property interest in the Licensor’s Property (ii) revocable; (iii) non-exclusive; and (iv) subject to all third parties’ rights in the Licensor’s Property. Licensor reserves all right, title, and interest in and to the Licensor’s Property and all appurtenances thereto not specifically granted herein. Licensor shall have the right to close the Recreational Amenities temporarily, including during an emergency, after giving verbal notice to Licensee, which may be made to Director of Parks, Property and Libraries for the City of Duluth, describing the reason for the closure and the estimated time period of the closure, in each case, without any liability on the part of Licensor. In the event of such temporary closure, Licensee shall post a notice of such closure on each side of the closure on Licensor’s Property and shall post notice of the closure on any website related to use of the Recreational Amenities.

(C) This License is granted for the purpose of allowing the public use of the Recreational Amenities without charge for recreational purposes. Licensor shall have and enjoy all of the protection from liability afforded an owner granting permission for the use of land for recreational purposes as provided in Chapter 604A of Minnesota Statutes and such statutory protection and limitations on duties, including but not limited to those set forth in Minn. Stat. §§ 604A.20 through 604A.27, which are hereby incorporated by reference.

2. **Term and Termination.** Licensee’s right to use the Licensor’s Property shall begin at 12:01 AM on July 10, 2024 and shall terminate on the earlier of: (a) 11:59 PM on December 31, 2024 or (b) the date upon which title to the Licensor’s Property is transferred from Licensor to Licensee, unless sooner terminated in accordance with the terms hereof (the “**Term**”). Notwithstanding the foregoing, Licensor reserves the right to immediately terminate this License and Licensee’s right to use the Licensor’s Property at any time and for any reason by providing written notice to Licensee.

3. **Payments.** Licensee shall directly pay or reimburse Licensor for any utility or similar charges and any ad valorem or other taxes levied against Licensor resulting from Licensee’s use of the Licensor’s Property.

4. **Licensee’s Covenants.** Licensee covenants to Licensor and agrees as follows: (a) Licensee’s use of the Licensor’s Property shall comply with all applicable federal, state, or local laws, rules, regulations, ordinances, and permits; (b) Licensee shall obtain, at its sole expense and provide Licensor with copies of, all required permits for its activities on the Licensor’s Property; (c) Licensee shall not grant, create, or suffer any lien, claim, encumbrance, restriction, or other charge to be placed on the Licensor’s Property or any other property of Licensor; (d) any equipment Licensee may place on the Licensor’s Property and any portion of the Licensor’s Property altered by Licensee shall be maintained in a safe, neat, and orderly condition so as to protect life and property and so as not to create any public or private nuisance or damage or injury to any persons or property; (e) Licensee shall not make any improvements to the Recreational Amenities or otherwise on the Licensed Premises without Licensor’s express prior written consent; (f) Licensee shall sign the Recreational Amenities in such a way that it makes it possible for users to use the Recreational Amenities for the purposes of which they are intended and not become confused or lost; (g) Licensee shall sign the Recreational Amenities to keep all individuals from other property owned by Licensor and to keep unauthorized individuals, including motor vehicles, from Licensor’s Property; (h) Licensee agrees to maintain the Recreational Amenities in a reasonably safe and good condition, and to remove, or cause to be removed, litter and rubbish that may be left as a result of use of the Recreational Amenities; (i) Licensee shall not permit any motorized vehicles on the Southerly Parcel, the Slag Point Parcel, or (other than in the designated parking lot) the Outlot L Parcel, except for vehicles operated by Licensee’s employees or agents or emergency vehicles, in each case, only in the event of an emergency or to conduct the maintenance described in Section 1(A); and (j) upon the expiration hereof, Licensee shall: (i) remove any improvements, excluding all signs installed prior to and during the term of this Agreement,



Licensee placed on the Licensor's Property during the term hereof, if any; and **(ii)** restore the Licensor's Property to substantially the same condition as they existed prior to the date hereof. It is understood that Licensor assumes no duties or obligations of any kind whatsoever with respect to the inspection, maintenance, or care of the Recreational Amenities.

**5. Disclaimers of Warranties Limitation of Liability.** Licensee acknowledges and agrees that: **(i)** LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE LICENSOR'S PROPERTY OR ANY OTHER MATTER WHATSOEVER; AND **(ii)** EXCEPT FOR LICENSOR'S EXPRESS WARRANTIES HEREIN, WHICH ARE LICENSOR'S EXCLUSIVE WARRANTIES: **(a)** THE LICENSOR'S PROPERTY ARE PROVIDED "AS-IS", "WHERE-IS", AND "WITH ALL FAULTS"; **(b)** TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER BY STATUTE, COMMON LAW, COURSE OF DEALING OR PERFORMANCE, TRADE USAGE, OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NOTWITHSTANDING ANYTHING TO THE CONTRARY, AND EXCEPT FOR THOSE LIABILITIES SET FORTH IN SECTION 8(D), IN NO EVENT SHALL LICENSOR BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR OTHER INDIRECT DAMAGES, HOWSOEVER CAUSED

**6. Insurance.** Licensee represents that it is self-insured with regard to general liability to the full extent of statutory limits set forth in Minnesota Statutes Chapter 466 and represents that it is self-insured with regard to Workers Compensation claims.

**7. Indemnification; Defense.** Licensee agrees to and does indemnify, defend, and hold harmless Licensor and its affiliates and each of their equity owners, and each of their officers, directors, employees, agents, and representatives, and each of their heirs, personal representatives, successors, and assigns from and against any and all third party claims, losses, damages, liabilities, deficiencies, costs, penalties, fees, fines, and expenses of any nature whatsoever (including attorney's fees and defense, investigation, discovery, court, and other costs) (collectively, "Claims") attributable to the Recreational Amenities (including use thereof by the public) or arising from or relating to the use of the Licensor's Property by Licensee. For the avoidance of doubt, the foregoing shall apply to Claims of any employee, official, representative, agent, contractor, or subcontractor of Licensee. The terms of this Section shall survive expiration or termination hereof with respect to Claims that arose during the term hereof.

**8. Environmental Laws; Hazardous Substances.**

**(A) Definitions.** For the purposes of this Section, **(i) "Environmental Laws"** means all federal, state, and local environmental health or safety laws, rules, regulations, codes, ordinances, orders, and rules of common law now or any time hereafter in effect, including requirements of governmental authorities regulating, relating to, or imposing liability for, or standards of conduct for, any Hazardous Material, including the Comprehensive Environmental Response, Compensation and Liability Act and any so-called "Superfund" or "Superlien" law; and **(ii) "Hazardous Material"** means any hazardous, toxic, or dangerous substance, waste, or material, whether in solid, liquid, or gaseous form, including asbestos, petroleum products, and any substances and materials defined as hazardous, toxic, or dangerous in (or for purposes of) any Environmental Law.

**(B) Covenant.** Licensee covenants that, during the term of the License, except in compliance with Environmental Laws, **(i)** no Hazardous Substances or flammable or explosive substances shall be used or kept on or about the Licensor's Property or any other property of Licensor, **(ii)** Licensee shall not, without Licensor's prior written consent, bring, introduce, install, store, maintain, use, spill, remove, release, or dispose of any Hazardous Material on or about the Licensor's Property or any other



property of Licensor, (iii) Licensee shall, and its use of the Licensor's Property shall, comply with all Environmental Laws, and (iv) Licensee shall immediately notify Licensor of (a) any violation of any Environmental Law, (b) receipt of any notice or warning from, and/or any visit by, any environmental governmental agency for any reason whatsoever.

(C) Survival. This Section shall survive the expiration or earlier termination hereof.

(D) Licensor's Environmental Indemnity. Notwithstanding anything to the contrary set forth above, the parties intend that Licensor agrees to defend, indemnify and hold harmless Licensee, its officers, employees, and agents harmless from and against any and all costs or expenses, claims or liabilities which arise or result from the presence or release of Hazardous Materials on, in, under or about the Licensor's Property, unless Licensee, its officers, employees, agents, or invitees caused such release.

## 9. Miscellaneous.

(A) **Entire Agreement; Binding Effect.** This License, including any terms and conditions incorporated herein or attached hereto, constitutes the entire agreement between the parties, and there are no representations, oral or written, that have not been incorporated herein. This License shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. No representation, inducement, promise, understanding, condition, or warranty not set forth herein has been made or relied upon by either party.

(B) **Amendment.** This License may be amended, renewed, extended, or canceled only by a written instrument executed on behalf of each of the parties hereto by an authorized representative of each party, and neither party shall, at any time or in any way, assert or contend that any amendment, extension or cancellation hereof (or any part or parts, including this Subsection) has been made other than by a written instrument so executed.

(C) **Assignment.** Licensee may not transfer or assign any of its rights and obligations hereunder, in whole or in part, without the prior written consent of Licensor.

(D) **Notices.** Notices hereunder shall be given by hand delivery or by overnight mail, postage prepaid, as addressed below and shall be effective when received. Either party may change its notice address by written notice to the other party of such change. Notice made via email may satisfy the requirements in this Section only if the receiving party waives in reply email the personal, overnight, or certified mail delivery requirements of this Section. Except as otherwise provided in this Agreement, a notice is effective only (i) on receipt by the receiving party, and (ii) if the party giving the notice has complied with the requirements of this Section.

### **If to Licensor:**

USS Real Estate  
600 Grant Street  
Pittsburgh, PA 15219-2800  
Attn: General Manager – Real Estate

### **With a copy to:**

United States Steel Corporation  
600 Grant Street  
Pittsburgh, PA 15219-2800  
Attn: Counsel - Real Estate  
Email: [contract.legal.notices@uss.com](mailto:contract.legal.notices@uss.com)



**If to Licensee:**

City of Duluth  
Attn: Director of Parks, Property and Libraries  
411 W. First St., Room 422  
Duluth, MN 55802

**(E) References.** Except as otherwise specifically indicated: all references to Section and Subsection numbers refer to Sections and Subsections hereof; all references to Exhibits refer to the Exhibits hereto, irrespective of whether the same are actually attached hereto, all of which are made a part hereof and incorporated herein by reference; the words “herein,” “hereof,” “hereto,” “hereunder,” etc. refer to this License as a whole and not to a particular Section or Subsection hereof; and the word “including” shall mean “including, without limitation”. Headings used herein are for convenience only and shall not be used to construe the meaning of any part hereof.

**(F) Construction; Venue.** This License shall be governed by and performed in accordance with the laws of the state in which the Licensor’s Property is located, without giving effect to its conflicts of law provisions. Each party irrevocably consents to the exclusive jurisdiction of the federal and state courts sitting in or for the county in which the Licensor’s Property are located for the resolution of any conflicts arising hereunder, agrees that such courts are the proper and convenient venue, and waives any claim that such venue is inconvenient.

**(G) Counterpart.** This License may be signed in one or more counterparts, and by electronic transmission, all of which shall be treated as one and the same original agreement.

**(H) Severability.** If any provision hereof is found to be invalid or otherwise unenforceable in any court of competent jurisdiction, the allegedly invalid or unenforceable provision shall be deemed valid and enforceable to the maximum extent permitted by law and shall be deemed to be amended to the minimum extent necessary to make it valid and enforceable in such jurisdiction, and the alleged invalidity and/or unenforceability in such jurisdiction shall not affect the validity or enforceability of any other provision hereof in such jurisdiction or the validity or enforceability of the allegedly invalid and/or unenforceable provision, or of any other provision hereof, in any other jurisdiction.

**(I) Survival.** The following provisions hereof shall survive the expiration or earlier termination hereof: **(i)** all provisions hereof that specifically state that they shall survive the expiration or earlier termination hereof, and **(ii)** all provisions that, by their nature, should be reasonably anticipated by the parties to survive the expiration or earlier termination hereof.

**(J) Recordation.** Neither party shall be permitted to record this License in the official records of any jurisdiction, including the jurisdiction in which the Licensor’s Property are located.

*[Remainder of Page Intentionally Blank]*



**Signature Page to Real Estate License Agreement:**

**IN WITNESS WHEREOF**, the parties have executed this License as of the date above.

**LICENSEE:**

City of Duluth

By: \_\_\_\_\_  
Its Mayor

Attest: \_\_\_\_\_  
Its City Clerk  
Date Attested: \_\_\_\_\_

Countersigned:

By: \_\_\_\_\_  
Its Auditor

Approved as to form:

By: \_\_\_\_\_  
Its City Attorney

**LICENSOR:**

United States Steel Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**Exhibit A**  
**Depiction of Licensor's Property**



USX Property  
US Steel Property

APPROXIMATE U.S. HARBOR LINE

L6

L7

**ORIGINAL MEANDER LINE**

## MEDIAL LINE BETWEEN GOVERNMENT LOTS

**APPROXIMATE -  
SHORELINE**

15

1

-DESCRIPTION AREA

**APPROXIMATE SHORELINE**

**PROLONGED EAST/WEST 1/4 LINE  
SECTION 35-49-15**

## POINT OF BEGINNING

**East Right of Way Line**  
**Northern Pacific Railway**

**ORIGINAL MEANDER LINE**

ORIGINAL MEANDER LINE

100.00

RAILWAY

G.L.5

THE SOUTH LINE OF G.L.5 S35, T49N, R15W

POINT OF COMMENCEMENT

NORTH QUARTER CORNER  
SECTION 02-48-15

POINT OF BEGINNING

G.L.1

THE NORTH LINE OF G.L. 1 S02, T48N, R15W

G.L. 2-219  
SECTION 2

NW 1/4 2  
SECTION  
T48N R15W

THE WEST LINE OF G.L.3 S02, T48N, R15W

G.L.3

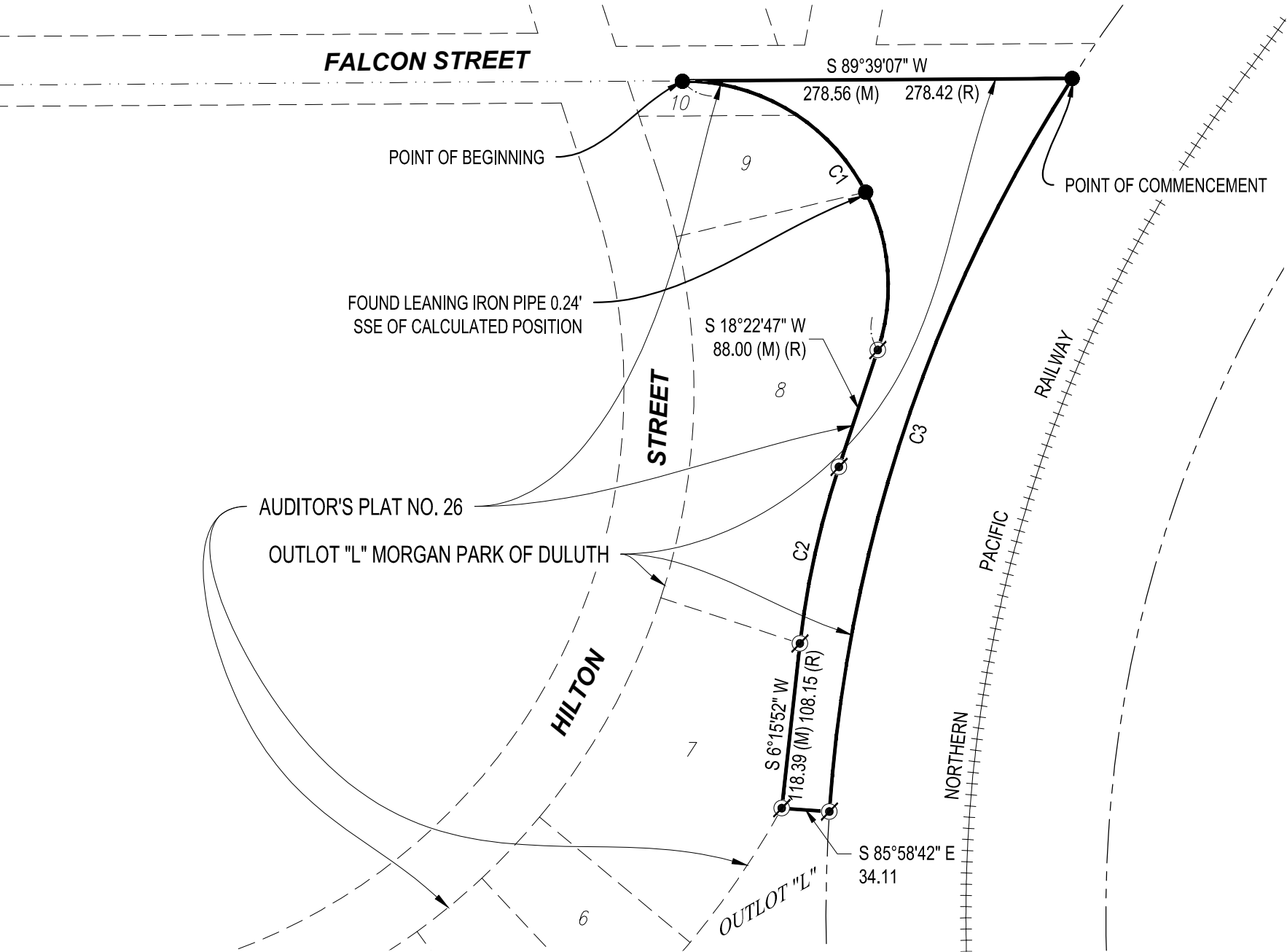


**Exhibit B**  
**Depiction of Outlot L Parcel**



Certificate of Survey

UNITED STATES STEEL CORPORATION  
part of Outlot L Morgan Park of Duluth  
Section 35, T49N, R15W of the 4th P.M.  
St. Louis County, Minnesota

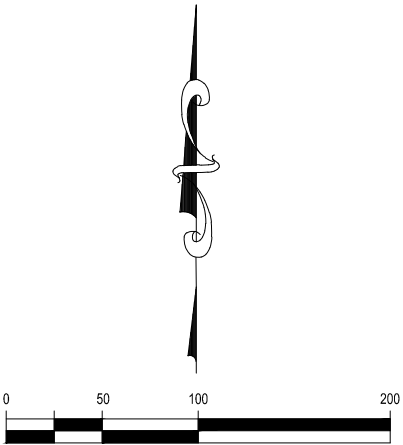


That part of Outlot "L" Morgan Park of Duluth, City of Duluth, St Louis County, MN lying northerly and easterly of the following described line:

Commencing at the Northeast Corner of said Outlot "L"; thence South 89 degrees 39 minutes 07 seconds West along the north line of said Outlot "L", a distance of 278.56 feet to an iron pipe at the point of curvature along the north line of Lot 10 of Auditor's Plat No. 26 and being the Point of Beginning of the line to be described; thence 277.42 feet along the easterly line of said Auditor's Plat No. 26 being a non-tangential curve concave southwest having a radius of 146.19 feet, a central angle of 108 degrees 43 minutes 41 seconds, and a chord bearing South 35 degrees 59 minutes 03 seconds East; thence continuing along said easterly line South 18 degrees 22 minutes 47 seconds West, a distance of 88.00 feet; thence continuing along said easterly line 129.38 feet along a tangential curve concave east having a radius of 629.14 feet and a central angle of 11 degrees 46 minutes 59 seconds; thence continuing along said easterly line South 06 degrees 15 minutes 52 seconds West, a distance of 118.39 feet; thence South 85 degrees 58 minutes 42 seconds East, a distance of 34.11 feet to the easterly line of said Outlot "L" and said line there terminating.

LEGEND

- BOUNDARY LINE, THIS SURVEY
- BLOCK LINE
- LOT LINE
- SIXTEENTH SECTION LINE
- RAILROAD
- RAILROAD RIGHT-OF-WAY LINE
- FOUND IRON PIPE
- SET REBAR



(SCALE IN FEET)  
Basis of Bearing is Grid North,  
St. Louis County Transverse  
Mercator 96 Coordinate System.

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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: 06/19/2024

DATE PREPARED: 06/19/24
PROJ NO: 200606
FILE: 200606vSurV
SHEET 1 of 1 SHEETS



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

CURVE TABLE							
CURVE	RADIUS (M)	RADIUS (R)	CENTRAL ANGLE (M)	CENTRAL ANGLE (R)	ARC LENGTH (M)	ARC LENGTH (R)	CHORD BEARING
C1	146.19	146.19	108°43'41"	118°00'00"	277.42	301.08	S 35°59'03" E
C2	629.14	629.14	011°46'59"	011°50'22"	129.38	130.00	S 12°29'02" W
C3	1102.67	1102.67	028°58'20"	NA	557.58	NA	N 18°19'53" E



**Exhibit C**  
**Depiction of Southerly Parcel**



# EXHIBIT C

## Southerly Parcel

UNITED STATES STEEL CORPORATION  
part of Government Lot 5  
Section 35, T49N, R15W of the 4th P.M.  
St. Louis County, Minnesota

CURVE TABLE				
CURVE	RADIUS	CENTRAL ANGLE	ARC LENGTH	CHORD BEARING
C1	2764.93	2°41'38"	130.00	N 01°02'05" W
C2	2764.93	8°35'10"	414.34	S 06°40'29" E

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 80°56'13" W	75.00
L2	N 56°22'59" W	40.00
L3	N 21°07'28" W	54.00
L4	N 14°22'05" E	44.00
L5	N 00°31'59" E	80.00
L6	N 04°39'13" E	100.00
L7	N 29°25'10" E	120.00



0 50 100

(SCALE IN FEET)

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

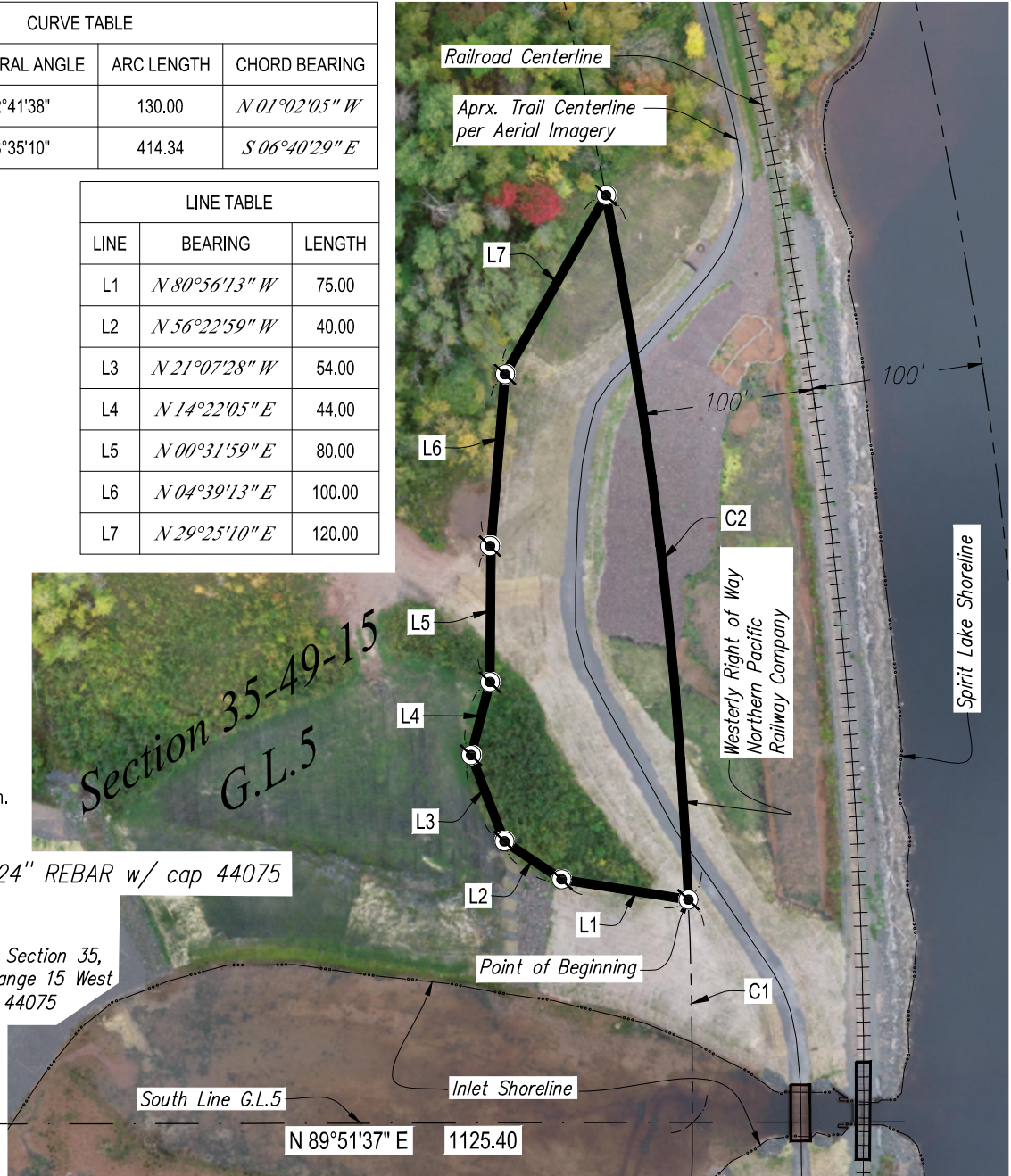
⊗ = SET 5/8"x24" REBAR w/ cap 44075

South Quarter Corner Section 35,  
Township 49 North, Range 15 West  
5/8" Rebar with cap 44075



Point of Commencement

Section 35-49-15  
G.L.5



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: 06/07/2024

DATE PREPARED: 06/07/24

PROJ NO: 230705

FILE: 230705vSurv

SHEET 1 of 1 SHEETS



PERFORMANCE  
DRIVEN DESIGN.

LHBcorp.com

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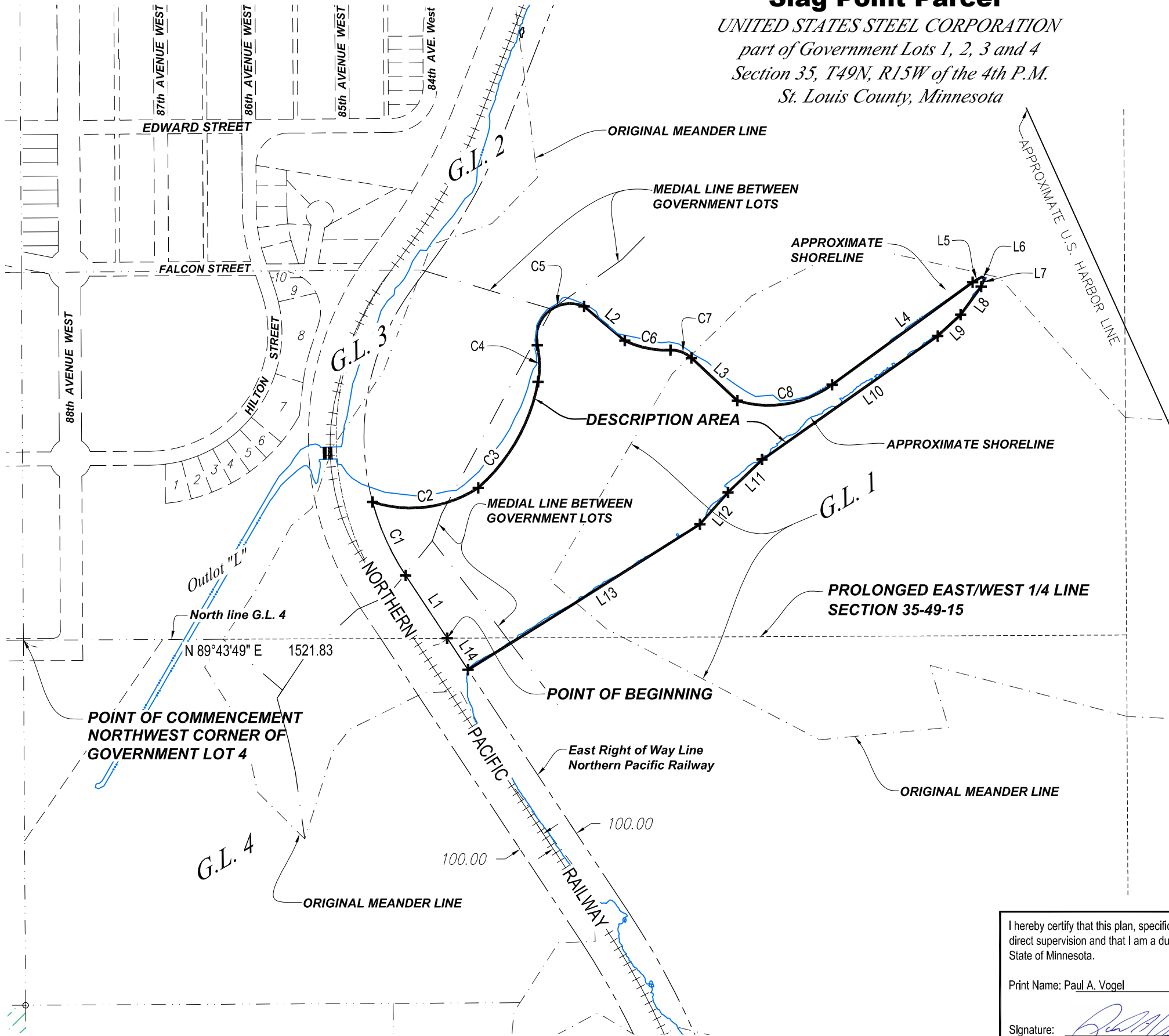


**Exhibit D**  
**Depiction of Slag Point Parcel**



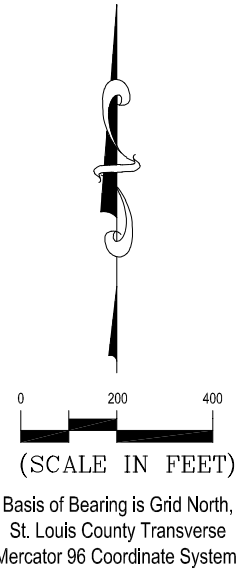
EXHIBIT D  
Slag Point Parcel

UNITED STATES STEEL CORPORATION  
part of Government Lots 1, 2, 3 and 4  
Section 35, T49N, R15W of the 4th P.M.  
St. Louis County, Minnesota



CURVE TABLE				
CURVE	RADIUS	CENTRAL ANGLE	ARC LENGTH	CHORD BEARING
C1	902.67	018°28'37"	291.09	N 24°15'48" W
C2	442.00	051°20'26"	396.06	N 82°23'01" E
C3	670.00	038°04'36"	445.26	N 29°28'15" E
C4	325.00	023°23'52"	132.72	N 01°15'59" W
C5	122.00	126°38'30"	269.66	N 50°21'20" E
C6	354.00	027°21'47"	169.06	S 78°21'22" E
C7	105.00	044°56'59"	82.37	S 69°33'46" E
C8	385.00	053°12'04"	357.49	N 80°28'24" E

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 33°30'07" W	269.99
L2	S 49°55'39" E	191.47
L3	S 47°05'16" E	225.16
L4	N 53°52'22" E	625.10
L5	N 60°27'02" E	37.40
L6	S 57°46'15" E	10.50
L7	S 20°07'27" W	31.00
L8	S 36°12'24" W	125.00
L9	S 47°11'46" W	112.00
L10	S 54°46'55" W	775.00
L11	S 46°12'40" W	166.30
L12	S 41°27'58" W	152.50
L13	S 57°45'12" W	533.00
L14	N 33°30'07" W	135.91



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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: 09/27/2023

DATE PREPARED: 09/27/23
PROJ NO: 200606
FILE: 230705vSurV
SHEET 1 of 1 SHEETS



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



**EXHIBIT E**  
**Letter of Intent for Development Agreement**



# EXHIBIT E



August 19, 2020

Mr. Noah Schuchman  
Chief Administrative Officer  
City of Duluth  
411 West First Street, Room 402  
Duluth, Minnesota 55802

**Re: Letter of Intent for Development Agreement**

Dear Mr. Schuchman:

This letter of intent (this **"Letter"**) sets forth the terms on which United States Steel Corporation, a Delaware corporation (**"USS"**), and the City of Duluth, a political subdivision of the State of Minnesota (the **"City"**), would attempt to negotiate a mutually-acceptable development agreement (the **"Development Agreement"**) regarding USS' development of land within the Lake Superior and Mississippi Railroad right of way running from the north shore of Mud Lake to the northeastern extent of the USS sediment cleanup area identified as Parcel IDs 010-2746-01600, 010-2730-00150, and 010-2746-00620 in **Exhibit A** attached hereto and incorporated herein (the **"Property"**), which is owned by the City and runs through and within USS' former Duluth Works in Duluth, St. Louis County, MN, and adjacent property owned by USS. USS' development of the Property as hereinafter described (the **"Project"**) will be part of the Spirit Lake Great Lakes Legacy Act project which will involve environmental remediation of the Duluth Works site. The City and USS are each referred to herein as a **"Party"** and together, the **"Parties."**

**1. USS Obligations.** Pursuant to the Development Agreement, USS would:

(A) Fully fund design, construct or restore to its current condition in the case of rail infrastructure, including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith the construction of 0.2 miles of railroad track only and of 1.4 miles of railroad track and trail next to the rail on the Property in conformance with the following specifications:

- (i) Rail only: The construction or reconstruction in conformance with the specifications set forth in Subparagraph iii. below of approximately 0.2 miles of railroad trackage on that northernmost portion of the Property that lies within the sediment cleanup area.
- (ii) Rail and Trail: The construction or reconstruction in conformance with the specifications set forth in Subparagraphs iii. and iv. below of approximately 1.4-miles of railroad trackage and recreational trail in conjunctions therewith on that portion of the City-owned riverfront within the sediment cleanup area from the southern end of the sediment cleanup area on the shore of Mud Lake to the boundary of the Property.
- (iii) When complete, the portions of the rail line where Project work actually occurs, including but not limited to the rail, ties, ballast and subgrade in those areas will meet relevant American Railway Engineering and Maintenance of Way Association (AREMA)



recommended practice and the federal regulatory standards contained in the FRA Regulation 49 CFR Part 213 for Class 1 Track, 10 MPH excursion passenger rail service. Project work affecting the railroad occurs where construction access roads are constructed crossing the track and where up to two structures are constructed to convey the passage of water for Unnamed Creek and Wire Mill Pond discharges. Structures constructed to support the railroad and convey the current excursion passenger rail service over drainage or waterways will be designed for Cooper's E-40 loading and 10 MPH excursion passenger rail service speed in accordance with relevant AREMA recommended practice.

- (iv) The trail will be ten feet wide, surfaced with crushed stone, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages...* Except as approved by the City's Director of its Department of Property, Parks, and Libraries (the "Director"), the edge of the trail closest to the railroad track will be located 15 feet from the centerline of the railroad track. On a case-by-case basis, the Director, in the exercise of his or her discretion, may approve reducing the distance to no less than 8.5 feet from the centerline of the railroad track when and only to the extent that he or she determines that such a reduction is reasonably justified by engineering or cost considerations and conforms to safety standards

(B) Fully fund, design, construct including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith, the construction of a neighborhood trail connector extending from the main trail in the rail right of way to the paved terminus of Falcon Street. The connector will be ten feet wide, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages.* The connector will be surfaced with crushed stone per MN DNR standards from the main trail in the rail right-of-way to the paved terminus of Falcon Street.

(C) Fully fund, design and construct, including wetlands mitigation and, environmental remediation as required and all other costs of work associated therewith the construction of specifically identified elements of the new Slag Point Park as generally depicted in **Exhibit C** attached hereto and incorporated herein, provided that USS will not be obligated to, but may, in USS' sole discretion, construct the road and parking lot shown on Exhibit C in the future in association with redevelopment of USS' neighboring property. As shown in Exhibit C, to the extent that it is compatible with the final remedy at the Property, the park shall include a natural surface multi-use loop trail, a sand-surfaced area located on the shore of the shallow sheltered bay near the intersection of the peninsula and the mainland extending into the water graded to allow cost-effective addition of an ADA compliant canoe/kayak launch after the road and parking lot are constructed, natural looking contours from the shoreline to the height of the peninsula, and plantings of vegetation with shallow root structures consistent with the integrity of the CDF. Any portions of the trail constructed will be six feet wide, surfaced with crushed stone, constructed to MN DNR standards and compliant with ADA accessibility standards as described in *State of Minnesota, Department of Natural Resources, 2007. "Trail Planning, Design, and Development Guidelines." Trails & Waterways Division, 500 Lafayette Road, St. Paul, MN 55155-4052. 306 pages.* The surface of the peninsula projecting out into the St. Louis River as generally shown on Exhibit C, will support a recreational use standard as defined by MPCA regulations.



(D) Convey to the City the property as shown in **Exhibit B**, which consists of 3 pages (as to be more accurately described by future survey) from the boundary of the City-owned rail right-of-way to the top of the bluff line subject to the provision that USS will retain exclusive responsibility for any contaminants that may be present above a recreational use standard as defined by MPCA regulations as long as the property remains undeveloped green space.

(E) In association with the work described in 1(A), 1(B), and 1(C), engage appropriate City staff as technical advisors throughout each phase of the Project including design, bidding, and construction administration. Final Project designs shall be subject to the Director's approval prior to construction, which approval shall not be reasonably withheld, conditioned, or delayed.

(F) Provide supporting information for a public process to develop an incremental master plan envisioning the long-term use and improvement of USS' neighboring property.

(G) Provide a \$105,000 payment to the City of Duluth to be used exclusively to design, fabricate, and install wayfinding and interpretive signage on the City-owned riverfront within the cleanup area, including the new Slag Point Park described in 1(C), per the St. Louis River Corridor interpretive plan the City is developing in collaboration with the Fond du Lac Band of Lake Superior Chippewa.

**2. City Obligations.** As a key stakeholder in the Project, the City desires to see the Project completed expeditiously and understands that USS will expend significant resources to complete items 1(A-F). Accordingly, the Development Agreement would provide that the City would:

(A) Publicly support the Project and its participants.

(B) Take ownership of the new Slag Point Park along with maintenance of its surface and any constructed amenities, subject to the following:

(i) USS shall retain responsibility for the existence of and any required remediation of any contamination located on said property and for the maintenance of and operation of the Confined Disposal Facility ("CDF") to be constructed thereon by USS;

(ii) Grant long term access to USS for continued maintenance of the CDF that USS intends to construct in Slag Point Park;

(iii) Not engage in any work or activities on the Slag Point Park property which would violate the restrictions/requirements of a final, to-be-determined EPA-mandated Operations and Maintenance Plan for the CDF; and

(iv) Cooperate with USS in USS's efforts and undertakings to provide reasonable security related to the integrity of the CDF located beneath Slag Point Park and to limit trespassers to USS' neighboring property due to increased recreational activities.

(E) Agree that the Property described in item 1(D) will constitute green space in any future redevelopment of USS' neighboring property by USS or its successors or assigns.



(F) Cooperate with future activity to redevelop USS' neighboring property and agree to actively engage in discussions concerning redevelopment incentives such as TIF formation, infrastructure funding, etc.

(G) Provide necessary City approval of a secondary site access road on the western side of the Property with a "connection" to Precision Ave subject to USS' receipt of all necessary approvals from other regulatory agencies, to the provisions of the City's Uniform Development Code and to the City Engineer's roadway design and construction standards

(H) Assist USS with researching available funding for Project infrastructure improvements (storm water, trails, railroad bridges, etc.) for the Property. If any sources are identified and USS prepares a complete grant application the City will sign onto the application as the Public sponsor, provided that USS agrees to fund any costs required of a sponsor in order to be eligible for such funding and provided further that the City shall have the right to submit applications for other City projects in competition with such applications.

(I) To the extent permissible by applicable law, the City's formally adopted Comprehensive Plan and the provisions of its Uniform Development Code, the City will consider all requests from USS to grant relief, exceptions, exemptions, variances, etc. from City ordinances requiring permits for construction of the Project.

3. **Termination.** This Letter may be terminated by either Party at any time, by providing written notice of such termination to the other party.

4. **Costs.** Each party would be responsible for its own legal or other fees associated with negotiating and finalizing the Development Agreement.

5. **Governing Law.** This Letter shall be governed by and construed in accordance with the substantive and procedural laws of the jurisdiction in which the Property is situated, without application of its conflicts of law provisions.

6. **Effect of this Letter.** This Letter: is intended only as the Parties' expression of interest regarding the Possible Transaction; is not intended to, and does not, contractually bind the Parties; does not constitute an offer or commitment by either Party to submit a definitive proposal or to negotiate in good faith to the completion of a binding Development Agreement; the Parties shall not be contractually bound unless and until they enter into a formal, written Development Agreement, which must be in form and content satisfactory to each Party and to each Party's legal counsel, in its sole discretion, and which must be approved by each Party's executive management / City Council; and no past or future action, course of conduct, or failure to act relating to the Possible Transaction, or relating to the negotiation of the terms of the Possible Transaction or any Development Agreement, will give rise to or serve as the basis for any obligation or other liability on the part of either Party.

The proposal presented by this Letter shall terminate on the date that is thirty (30) days following the date of this Letter, unless sooner accepted by the City.

If the foregoing proposal is acceptable to the City, please sign the enclosed copy of this Letter and return it to the undersigned, upon USS' receipt of which, USS will provide a draft of its form Development Agreement for the City's consideration.



Mr. Noah Schuchman  
August 19, 2020  
Page 5

Very truly yours,

United States Steel Corporation,  
a Delaware corporation

By: 

Name: Mark R. Rupnow

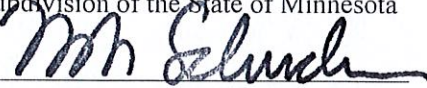
Title: Sr. Director Environmental Remediation



Mr. Noah Schuchman  
August 19, 2020  
Page 6

ACCEPTED, this 31 day of August, 2020

City of Duluth,  
a political subdivision of the State of Minnesota

By: 

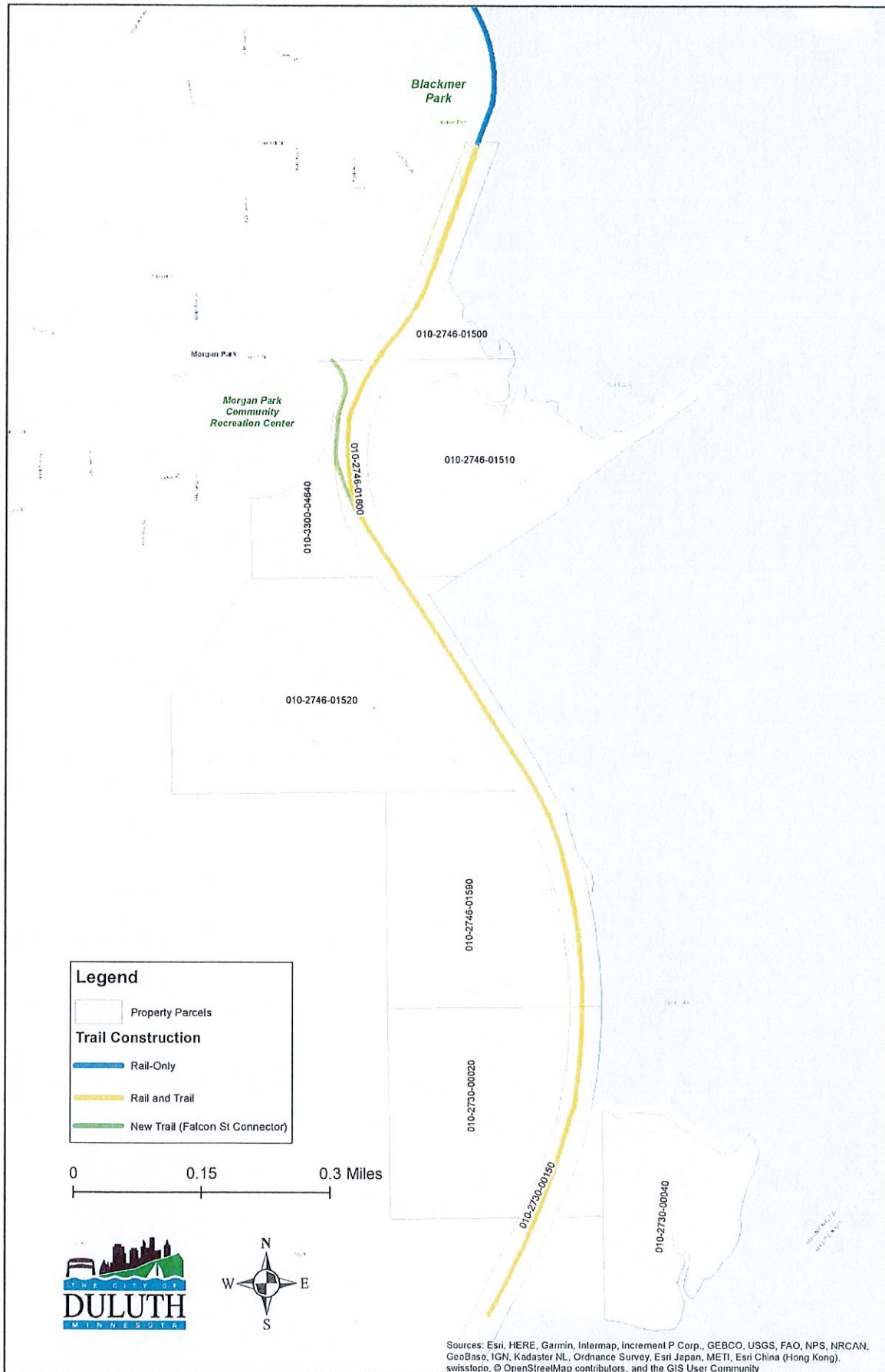
Name: Noah Schuchman

Title: Chief Admin officer



# Letter of Intent for Development Agreement

## Exhibit A





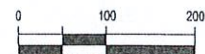
# EXHIBIT B

U.S. STEEL



AREA= 0.744 ACRES

NOTE: CONTOURS SHOWN  
ARE BASED ON LIDAR FLIGHT.



(SCALE IN FEET)

Basis of Bearing is Grid North,  
Minnesota State Plane - North Zone (NAD83/96)  
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: 8/17/2020

DATE PREPARED: 8/17/20

PROJ NO: 180612

FILE: 180612vExhib

SHEET 1 of 1 SHEETS



PERFORMANCE  
DRIVEN DESIGN.

LHBcorp.com

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



# EXHIBIT B

U.S. STEEL



ACRES= 15.041 ACRES

NOTE: CONTOURS SHOWN  
ARE BASED ON LIDAR FLIGHT.



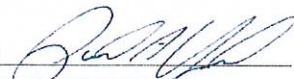
(SCALE IN FEET)

Basis of Bearing is Grid North,  
Minnesota State Plane - North Zone (NAD83/96)  
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: 8/17/2020

DATE PREPARED: 8/17/20

PROJ NO: 180612

FILE: 180612vExhib

SHEET 1 of 1 SHEETS



PERFORMANCE  
DRIVEN DESIGN.  
LHBcorp.com

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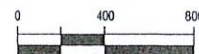
# EXHIBIT B

U.S. STEEL



AREA= 43.088 ACRES

NOTE: CONTOURS SHOWN  
ARE BASED ON LiDAR FLIGHT.



(SCALE IN FEET)

Basis of Bearing is Grid North,  
Minnesota State Plane - North Zone (NAD83/96)  
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: 8/17/2020

DATE PREPARED: 8/17/20

PROJ NO: 180612

FILE: 180612vExhib

SHEET 1 of 1 SHEETS



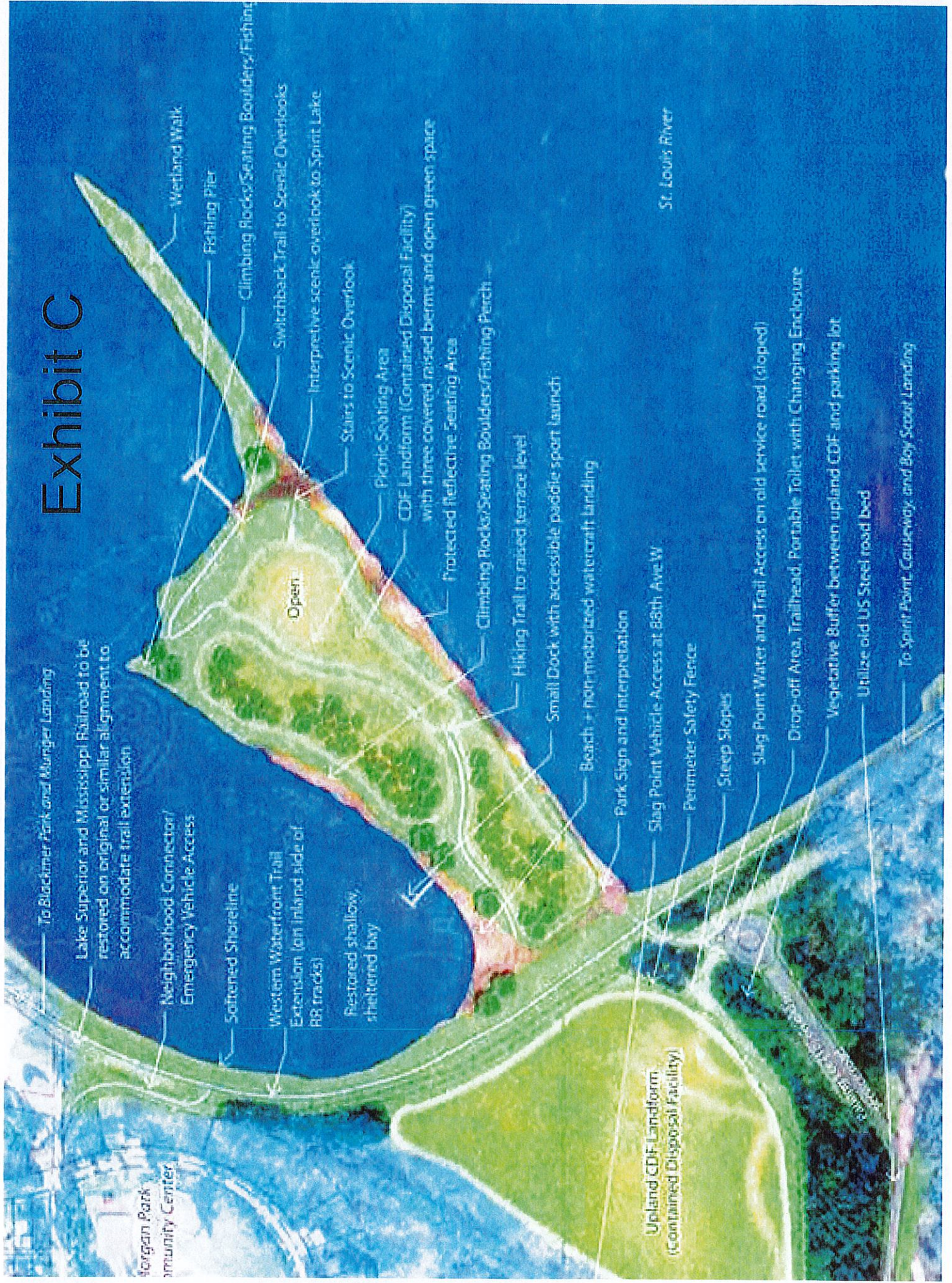
PERFORMANCE  
DRIVEN DESIGN.

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# Exhibit C





## **Exhibit F**

### **Rules and Regulations**

Licensee shall not, and shall not permit any party acting by, through, or for Licensee to, take any of the following actions on the Licensors' Property without Licensors' prior written consent:

- (a) conduct or engage in any activity that could be alleged to constitute a trespass, nuisance, or other tort, or any violation of federal, state, county, or municipal law, rule, or regulation; for the avoidance of doubt, recreational use of the Recreational Amenities by the general public for no charge is expressly permitted on the Licensors' Property;
- (b) interfere with Licensors' or any other licensee's, tenant's, or other occupant's use of the Licensors' Property or any other lands owned by Licensors;
- (c) sell or distribute alcoholic beverages or other intoxicating substances on or from the Licensors' Property;
- (d) disturb the peace in any manner;
- (e) except in the normal course of the operation of the Recreational Amenities as authorized hereunder, invite or allow other entities or individuals to enter upon or use the Premises; however, for the avoidance of doubt, the EPA-organized project completion celebration event scheduled to occur on July 10, 2024, is expressly permitted on the Licensors' Property;
- (f) discharge any firearms or explosives;
- (g) store inoperable machinery, including vehicles, appliances, or equipment;
- (h) store construction materials of any nature, unless the same is to be used by Licensee within thirty (30) days after Licensors has approved such construction activity as provided herein;
- (i) burn any trash, garbage, brush, trees, or other debris; provided, however, that the use of a fireplace with a proper chimney or screen is permitted for recreational use only, but not for the disposal of trash, garbage, brush, trees, or other debris. Licensee shall immediately report any open fires to the appropriate fire department and to Licensors;
- (j) keep any livestock without Licensors' prior written consent. In the event such consent is granted, livestock shall be contained within the boundaries of the Licensors' Property by appropriate fencing; or
- (k) cut or otherwise cause any damage to any timber or any improvements on the Licensors' Property without Licensors' prior written consent. Any such consent shall not release Licensee from its obligations to repair or compensate Licensors for such damages. Upon demand, Licensee shall promptly pay Licensors, its successors and assigns, for the appraised value of all pre-merchantable and/or merchantable timber cut, trimmed, or damaged by Licensee in the exercise of its rights granted hereunder, which appraisal may be governed by one or more timber purchase and cutting Licenses entered into by Licensors and a third party. Licensee shall be solely responsible for removing, at its expense, any trees on the Licensors' Property that pose a reasonable risk of harm to Licensee or to any other persons or property on or near the Licensors' Property. Licensors agrees that Licensee shall not be liable to Licensors for any damages or compensation for the removal of such trees by Licensee done in good faith.