STATE OF MINNESOTA

EXECUTIVE COUNCIL

MEETING PACKET

Tuesday, September 22, 2026

9:00 a.m.

Location: Minnesota Senate Building, Room 1150

EXECUTIVE COUNCIL MEETING

Tuesday, September 22, 2026
9:00 am

Location: TBD

AGENDA

ITEM

- Approval of Executive Council Meeting Minutes……………………………………………………*1*
  APPROVAL

  March 26, 2026
  July 15, 2026

- Request to Approve Collateral for State Funds………………………………………………………*2*
  APPROVAL

- Request to Approve Designation of State Warrant Processing Services……………………………...*3*
  APPROVAL

- Request to Approve Refunding Bonds……………………………....……………………………..*4*
  APPROVAL

- Request to Approve Amendment of State Taconite Iron Ore Mining Lease to United Taconite LLC...*5*
  APPROVAL

EXECUTIVE COUNCIL MEETING

ITEM 1

Approval of Executive Council Meeting Minutes

March 26, 2026 Special Meeting

July 15, 2026 Emergency Meeting

Executive Council

APPROVAL

September 22, 2026

MINUTES OF THE EXECUTIVE COUNCIL
THE STATE OF MINNESOTA
Thursday, March 26, 2026

In attendance: Governor Tim Walz
Lieutenant Governor Peggy Flanagan
State Auditor Julie Blaha
Secretary of State Steve Simon
Attorney General Keith Ellison

At approximately 12:02 p.m., Governor Walz called the meeting of the Executive Council to order. A quorum was present.

Governor Walz brought forth the first agenda item, approval of the Executive Council meeting minutes from December 2, 2025.

The Governor called for discussion. Hearing none, he called for a motion to approve. Auditor Blaha so moved. The motion to approve the minutes dated December 2, 2025, passed unanimously by voice vote.

Governor Walz then recognized Minnesota Management and Budget Assistant Commissioner Jennifer Hassemer to present the request for approval of collateral for State funds, under Minnesota Statutes, section 9.031, subdivisions 2 and 3. Assistant Commissioner Hassemer was recognized for as much time as she may consume.

Assistant Commissioner Hassemer provided an overview of the agenda item.

Governor Walz called for discussion regarding the request. Hearing none, he called for a motion to approve. Attorney General Ellison so moved. The motion to approve the collateral for State funds passed unanimously by voice vote.

Governor Walz welcomed any final comments and announced the remaining dates of the 2026 Executive Council meetings. Hearing none, he called for a motion to adjourn. Lieutenant Governor Flanagan so moved. The motion passed unanimously by voice vote.

Governor Walz adjourned the meeting at approximately 12:04 p.m.

MINUTES OF THE EMERGENCY MEETING OF THE EXECUTIVE COUNCIL
THE STATE OF MINNESOTA
Wednesday, July 15, 2026

In attendance: Governor Tim Walz
Lieutenant Governor Peggy Flanagan
State Auditor Julie Blaha
Secretary of State Steve Simon
Attorney General Keith Ellison

At approximately 9:40 AM, Governor Walz called the meeting of the Executive Council to order. As Chair of the Executive Council, Governor Walz determined that the requirements of Minnesota Statutes, Section 13D.021, had been met, allowing the meeting to be conducted via interactive technology.

Governor Walz acknowledged the issuance of Executive Order 26-08 on July 12, 2026, declaring a peacetime emergency and continuing assistance to communities impacted by wildfires in northern Minnesota. The Department of Public Safety (DPS) and Department of Natural Resources (DNR) requested an extension of the peacetime emergency.

Governor Walz recognized DPS Commissioner Bob Jacobson, DNR Commissioner Sarah Strommen, and DPS Assistant Commissioner John Cunningham to provide an update on the wildfire situation and response efforts. Commissioner Strommen reported that 17 active fires were burning in northeastern Minnesota, covering approximately 55,000 acres, with challenging conditions caused by extreme heat, dry vegetation, high winds, and remote terrain. Officials provided an overview of the coordinated local, state, federal, Tribal, and international response, including ongoing evacuation efforts and assistance to campers affected by wildfires near the Canadian border.

Members of the Executive Council discussed the expected duration of the fires, steps the public could take to prevent additional wildfires, and the importance of following evacuation orders. Officials emphasized that the continuation of the peacetime emergency would allow state agencies and partners to continue coordinating resources and supporting affected communities.

Governor Walz called for a motion to approve the request to extend Executive Order 26-08 for 30 days. State Auditor Blaha moved the request. A roll call vote was taken, with each member voting as follows:

- Attorney General Keith Ellison - AYE
- Secretary of State Steve Simon - AYE
- State Auditor Julie Blaha - AYE
- Lieutenant Governor Peggy Flanagan - AYE
- Governor Tim Walz – AYE

The motion carried, and the extension of the peacetime emergency was approved for 30 days.

Governor Walz called for any further discussion from members of the Executive Council. Members of the Executive Council expressed gratitude to the first responders and local, state, Tribal, federal, international, and other partners involved in the wildfire response and emphasized the importance of continued support for affected communities.

Hearing no further discussion, Governor Walz called for a motion to adjourn. State Auditor Blaha moved to adjourn. A roll call vote was taken, with each member voting as follows:

- Attorney General Keith Ellison - AYE
- Secretary of State Steve Simon - AYE
- State Auditor Julie Blaha - AYE
- Lieutenant Governor Peggy Flanagan - AYE
- Governor Tim Walz - AYE

The motion carried and the meeting was adjourned at approximately 10:04 AM.

EXECUTIVE COUNCIL MEETING

ITEM 2

Request to Approve Collateral for State Funds

Minnesota Management and Budget

APPROVAL

September 22, 2026

MANAGEMENT AND BUDGET

Office Memorandum

Date: September 8, 2026

To: Tamar Gronvall
Executive Secretary
Executive Council

From: Erin Campbell
Commissioner
EC

Phone: 651-259-3816

Subject: Approval of Collateral for State Funds

As required by Minnesota Statutes, Section 9.031, subdivisions 2 and 3, the Department of Management and Budget (MMB) requests that the Executive Council approve the following list of collateral used to secure state funds on deposit at its September 22, 2026, meeting.

Collateral to be approved by the Executive Council, under Minnesota Statutes, Section 9.031, subdivisions 2 and 3:

US Bank, N.A.

$325,000,000.00	FHLB Cincinnati	LOC 585380
$175,000,000.00	FHLB Cincinnati	LOC 587216
$325,000,000.00	FHLB Cincinnati	LOC 587439
$225,000,000.00	FHLB Cincinnati	LOC 588709

Merchants Bank, N.A.

$10,000,000.00	First Horizon	3622AEJ80 GNMA II Pool #788487

Pioneer Bank

$1,379,356.60	UBB	31418DMU3 FNMA Pool MA3970

Associated Bank

$238,175.18	Federal Reserve Bank of Boston	38384ULX5 GNR 2024-136DA

Frandsen Bank & Trust

$665,000.00	Bank of North Dakota	587686QF6 City of Mercedes Texas GO

APPROVED BY EXECUTIVE COUNCIL

DATE ____________________________

BY ______________________________
Executive Secretary

EXECUTIVE COUNCIL MEETING

ITEM 3

Request to Approve Designation of State Warrant Processing Services

Minnesota Management and Budget

APPROVAL

September 22, 2026

MANAGEMENT AND BUDGET

Office Memorandum

Date: September 8, 2026

To: Tamar Gronvall
Executive Secretary
Executive Council

From: Erin Campbell
Commissioner EC

Phone: (651) 259-3816

Subject: **Designation of State Warrant Processing Services**

As required by Minnesota Statutes, Section 9.031, Department of Management and Budget (MMB) requests that the Executive Council designate the following account at its September 22, 2026 meeting.

The Department of Management and Budget (MMB) previously completed a request for proposal (RFP) process for the warrant clearing services of the state. The Warrant Clearing Services account is used by the MMB – Accounting Services Division to process the payments of state warrants.

The Executive Council previously approved MMB's request to award this contract to Wells Fargo, N.A. at its December 10, 2024 meeting. Due to unforeseen challenges reaching agreement on contract language, MMB terminated those negotiations and negotiated with the next highest-scoring responder, U.S. Bank.

MMB recommends that the Warrant Clearing Services account be awarded to U.S. Bank. The average annual estimated cost is approximately $200,000. The contract will run approximately five (5) years through March 31, 2031.

APPROVED BY EXECUTIVE COUNCIL

DATE ____________________________

BY ______________________________
Executive Secretary

EXECUTIVE COUNCIL MEETING

ITEM 4

Request to Approve Refunding Bonds

Minnesota Management and Budget

APPROVAL

September 22, 2026

MANAGEMENT AND BUDGET

Office Memorandum

Date: September 10, 2026

To: Tamar Gronvall
Executive Secretary
Executive Council

From: Erin Campbell
Commissioner
EC

Phone: 651-259-3816

Subject: Approval of Refunding Bonds

Minnesota Statutes, Section 16A.66, subdivision 1, authorizes the Commissioner of Management and Budget ("MMB"), with the approval by resolution of the Executive Council, to issue state general obligation bonds to refund any outstanding general obligation bonds and the interest on them. MMB is requesting that the Executive Council approve the attached resolution at its September 22, 2026 meeting.

MMB regularly reviews the feasibility of refunding outstanding general obligation bonds to reduce the state's upcoming debt service obligations. MMB anticipates the next opportunity to potentially refund existing general obligation bonds will be in FY2028.

The additional bond issues that may have potential for refunding in the future include:

Bond Issue	Original Principal	Unrefunded Maturities	Unrefunded Coupon Rates
Series 2022A August 23, 2022	$251,775,000	2027-2042	5.00%
Series 2022B August 23, 2022	$220,000,000	2027-2042	3.50% - 5.00%
Series 2022D August 23, 2022	$106,660,000	2027-2032	5.00%
Series 2023A August 10, 2023	$160,725,000	2027-2043	5.00%
Series 2023B August 10, 2023	$264,000,000	2027-2043	4.00% - 5.00%
Series 2023D August 10, 2023	$329,145,000	2027-2033	5.00%
Series 2023E August 10, 2023	$255,320,000	2027-2033	5.00%
Series 2024A August 20, 2024	$879,630,000	2027-2044	5.00%
Series 2024B August 20, 2024	$352,750,000	2027-2044	4.00% - 5.00%
Series 2024D August 20, 2024	$190,245,000	2027-2034	5.00%
Series 2024E August 20, 2024	$141,165,000	2027-2034	5.00%
Series 2025A October 7, 2025	$542,330,000	2027-2045	5.00%
Series 2025B October 7, 2025	$294,915,000	2027-2045	4.00% - 5.00%
Series 2025D October 7, 2025	$234,675,000	2027-2035	5.00%
Series 2025E October 7, 2025	$158,730,000	2027-2035	5.00%
Series 2026A September 22, 2026	$646,495,000	2027-2046	5.00%
Series 2026B September 22, 2026	$256,285,000	2027-2046	4.625% - 5.00%
Series 2026D September 22, 2026	$121,220,000	2027-2036	5.00%

RESOLUTION AUTHORIZING
ISSUANCE OF GENERAL OBLIGATION
STATE REFUNDING BONDS

WHEREAS, Minnesota Statutes, Section 16A.66 authorizes the Commissioner of Management and Budget, with the approval by resolution of the Executive Council, to issue state general obligation bonds in accordance with Minnesota Statutes, Section 16A.641 to refund any outstanding state general obligation bonds and interest thereon; and

WHEREAS, the Commissioner of Management and Budget desires, now or in the future, to hold a state bond sale in accordance with Minnesota Statutes, Section 16A.641;

NOW THEREFORE BE IT RESOLVED by the Executive Council of the State of Minnesota on September 22, 2026, that the Commissioner of Management and Budget is authorized to sell and issue General Obligation State Refunding bonds of the state to refund in advance of their maturity, all or part of the following outstanding general obligation bonds of the state;

Original Principal	Bonds	Issue and Date
$251,775,000	General Obligation State Various Purpose Bonds	Series 2022A August 23, 2022
$220,000,000	General Obligation State Trunk Highway Bonds	Series 2022B August 23, 2022
$106,660,000	General Obligation State Various Purpose Refunding Bonds	Series 2022D August 23, 2022
$160,725,000	General Obligation State Various Purpose Bonds	Series 2023A August 10, 2023
$264,000,000	General Obligation State Trunk Highway Bonds	Series 2023B August 10, 2023
$329,145,000	General Obligation State Various Purpose Refunding Bonds	Series 2023D August 10, 2023
$255,320,000	General Obligation State Trunk Highway Refunding Bonds	Series 2023E August 10, 2023
$879,630,000	General Obligation State Various Purpose Bonds	Series 2024A August 20, 2024
$352,750,000	General Obligation State Trunk Highway Bonds	Series 2024B August 20, 2024
$190,245,000	General Obligation State Various Purpose Refunding Bonds	Series 2024D August 20, 2024
$141,165,000	General Obligation State Trunk Highway Refunding Bonds	Series 2024E August 20, 2024
$542,330,000	General Obligation State Various Purpose Bonds	Series 2025A October 7, 2025
$294,915,000	General Obligation State Trunk Highway Bonds	Series 2025B October 7, 2025
$234,675,000	General Obligation State Various Purpose Refunding Bonds	Series 2025D October 7, 2025
$158,730,000	General Obligation State Trunk Highway Refunding Bonds	Series 2025E October 7, 2025
$646,495,000	General Obligation State Various Purpose Bonds	Series 2026A September 22, 2026
$256,285,000	General Obligation State Trunk Highway Bonds	Series 2026B September 22, 2026
$121,220,000	General Obligation State Various Purpose Refunding Bonds	Series 2026D September 22, 2026

all in accordance with and as authorized by Minnesota Statutes, Section 16A.641.

APPROVED BY EXECUTIVE COUNCIL

DATE ____________________________

BY ______________________________
Executive Secretary

EXECUTIVE COUNCIL MEETING

ITEM 5

Request to Approve Amendment of State Taconite Iron Ore Mining Lease to United Taconite LLC

Minnesota Department of Natural Resources

APPROVAL

September 22, 2026

A. Request to Approve Amendment of State Taconite Iron Ore Mining Lease to United Taconite LLC

It is the Department of Natural Resources' recommendation that the State Executive Council approve an amendment to a state taconite iron ore mining lease to United Taconite LLC. The amendment affects 116.93 acres of tax forfeited land and minerals at the United Taconite operation located between the cities of Virginia and Eveleth, Minnesota, in St. Louis County. The amendment proposes an extension of the lease term, updates to the rental, base royalty rate, and the royalty escalator, and deletion of antiquated terms.

Authority

Minnesota Statutes, section 93.1925, subdivision 1 provides as follows:

> Subd. 1. **Conditions required.** When the commissioner finds that the best interests of the state will be served and the circumstances in clause (1), (2), or (3) exist, the commissioner, with the approval of the Executive Council, may issue an iron ore or taconite iron ore mining lease through negotiations to an applicant. A lease may be issued through negotiations under any of the following circumstances:
>
> (1) the state taconite iron ore is adjacent to taconite iron ore owned or leased for mining purposes by the applicant and the commissioner finds that it is impracticable to mine the state taconite iron ore except in conjunction with the mining of the adjacent ore;
>
> (2) the lands to be leased are primarily valuable for their natural iron ore content; or
>
> (3) the state's mineral ownership interest in the lands to be leased is an undivided fractional interest and the applicant holds under control a majority of the remaining undivided fractional mineral interests in the lands to be leased.

For this lease amendment, it is the first circumstance described in Minnesota Statutes, sec. 93.1925, subd. 1, that is applicable.

Background Information

United Taconite LLC ("United Taconite") operates a taconite mine and pellet plant between the cities of Virginia and Eveleth, Minnesota. The mine began operations in 1965 as part of the EVTAC Mining Company. United Taconite is owned and operated by Cleveland-Cliffs Inc., which acquired the mine in 2008 after earlier ownership by Laiwu Steel Group. The company's Thunderbird Mine site in Eveleth is central to its operations, with ore transported by rail about 10 miles to the Forbes processing plant. United Taconite employs 430 people. State Taconite Iron Ore Mining Lease Number T-5080-N is the only state mining lease held by United Taconite.

Pursuant to Minnesota Statutes, section 93.1925, subd. 2, United Taconite filed a request with the Commissioner of Natural Resources on June 25, 2026, to extend the term of State Taconite Iron Ore Mining Lease Number T-5080-N, which covers 116.93 acres of tax forfeited lands and minerals.

The state owns all of the surface and mineral rights of the parcels leased under State Taconite Iron Ore Mining Lease Number T-5080-N. The state-owned lands and minerals are located in the Northeast Quarter of Southwest Quarter (NE1/4-SW1/4), Lot Three (3), and Southeast Quarter of Southwest Quarter (SE1/4-SW1/4) of Section 19, Township 58 North, Range 17 West in St. Louis County. The state's ownership of the parcels is due to forfeitures for non-payment of real estate taxes. Lands and minerals forfeited for the non-payment of real estate taxes are state-owned lands and minerals, held in trust for the taxing districts. The Commissioner of Natural Resources has the authority to lease such lands and minerals under Minnesota Statutes, secs. 93.04 and 93.335.

The map attached as "Exhibit A-i" shows the location of the state-owned parcels leased under State Taconite Iron Ore Mining Lease Number T-5080-N in St. Louis County, Minnesota.

The DNR finds that it would be impractical to mine the state taconite iron ore except in conjunction with the mining of the adjacent ore controlled by United Taconite. The DNR finds it is in the best interests of the state to extend the term of State Taconite Iron Ore Mining Lease Number T-5080-N for an additional twenty-five years, update the base royalty rate, and update the royalty escalator. The base royalty rate and escalator formula will be the same as the terms the State negotiated in 2023 with another fully owned company of Cleveland-Cliffs Inc.

Terms of the State Taconite Iron Ore Mining Lease Amendment

Below is a summary of the lease terms which will be revised with the proposed amendment to State Taconite Iron Ore Mining Lease Number T-5080-N. If approved, the terms of the amendment will go into effect on March 1, 2027.

Length of Lease

The amendment would extend the term of State Iron Ore Mining Lease Number T-5080-N for an additional twenty-five years, with a new lease expiration date of February 28, 2052. With the addition of twenty-five years to the original lease term, the total lease term would be fifty years. State law allows a maximum term of 50 years for a state taconite iron ore mining lease.

Rental

The annual rental rate would be $3,600 per government lot or forty. This rental rate is an increase of $1,100 per government lot or forty from the lease's original 2002 agreement. The increased rental rate reflects rising property values in recent years. In accordance with

Minnesota Statutes, sec. 93.20, the annual rental payment may be credited against royalties due for ore mined under the same lease during that same year.

Royalty Rate and Escalator

The current base royalty rate for State Taconite Iron Ore Mining Lease Number T-5080-N is \$0.475 per ton. The amendment of the lease will raise the base royalty rate to \$1.00 per ton, which is in line with other recent negotiated base royalty rates.

The royalty escalator clause is also being updated in the lease amendment. At the time of the issuance of the original lease agreement in 2002, the DNR negotiated an escalator provision based on 50% of the change in the Producer Price Index for Iron Ores and 50% of the change in the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group. The DNR believes that the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group is still an equitable reflection of changes in the market for steel, however, the Producer Price Index for Iron Ores is no longer an equitable reflection of changes in the market prices for Great Lakes iron ore.

The royalty rate for the amended lease is proposed to be increased based only upon the change in the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group from a base of 170.000, a negotiated figure. This is the escalator which has been used in recent negotiations of state taconite iron ore mining leases approved by the State Executive Council involving Hibbing Taconite and Cleveland-Cliffs Minnesota Land Development LLC. If the new escalator was applied to the third quarter 2026 royalty using the new base royalty of \$1.00 per ton and applying the new royalty escalator, the royalty would be \$2.2006 per ton. This is an increase of \$0.9165 from the current escalated royalty rate. The new base royalty rate and new escalator will be applied to the lease starting on March 1, 2027.

Antiquated Terms Deleted

The amendment also deletes terms which are no longer applicable to the lease. The base royalty rate found in paragraph 6(b) of the original lease is no longer applicable. Likewise, paragraph 7(a) regarding the royalty escalator is being deleted since it was valid only through June 30, 2003. The deletion of these antiquated terms assists in making the current terms of the proposed lease amendment easier to read and understand, while also providing consistency to paragraph references contained elsewhere in the lease.

Attached as "Exhibit A-ii" is a copy of the Amendment to State Taconite Iron Ore Mining Lease Number T-5080-N, to be issued for the state-owned lands and minerals located in the Northeast Quarter of Southwest Quarter (NE1/4-SW1/4), Lot Three (3), and Southeast Quarter of Southwest Quarter (SE1/4-SW1/4) of Section 19, Township 58 North, Range 17 West in St. Louis County.

Revenue Distribution

The proposed lease amendment is for 116.93 acres of state-owned lands and minerals forfeited for non-payment of real estate taxes. Mineral lease revenue on tax-forfeited lands and minerals is split as follows: 20% to the minerals management account and 80% to the local taxing districts. The 80% is split 4/9 to the school district, 3/9 to the county, and 2/9 to the township or city in which the leased lands lie. The tax-forfeited lands and minerals leased lie within the Rock Ridge school district, St. Louis County, and the city of Virginia.

An estimate of mineable crude taconite on the leased property is approximately 25 million tons. This lease could generate approximately $55 million in royalty payments to the local taxing districts over the extended length of the lease term.

Conclusion

It is the Department of Natural Resources' conclusion that it is in the best interests of the state to amend State Taconite Iron Ore Mining Lease Number T-5080-N to extend the lease term, update the rental, base royalty rate, and royalty escalator, and delete antiquated terms. United Taconite has met the requirements to qualify for a negotiated state taconite iron ore lease in that it holds under exclusive control taconite iron ore that is adjacent to the state taconite iron ore. It would be impractical to mine the state ore except in conjunction with that ore.

It is the Department of Natural Resources' recommendation that the State Executive Council approve the issuance of an amendment to State Taconite Iron Ore Mining Lease Number T-5080-N to United Taconite LLC to be mined as part of the United Taconite LLC operation in St. Louis County.

RESOLUTION

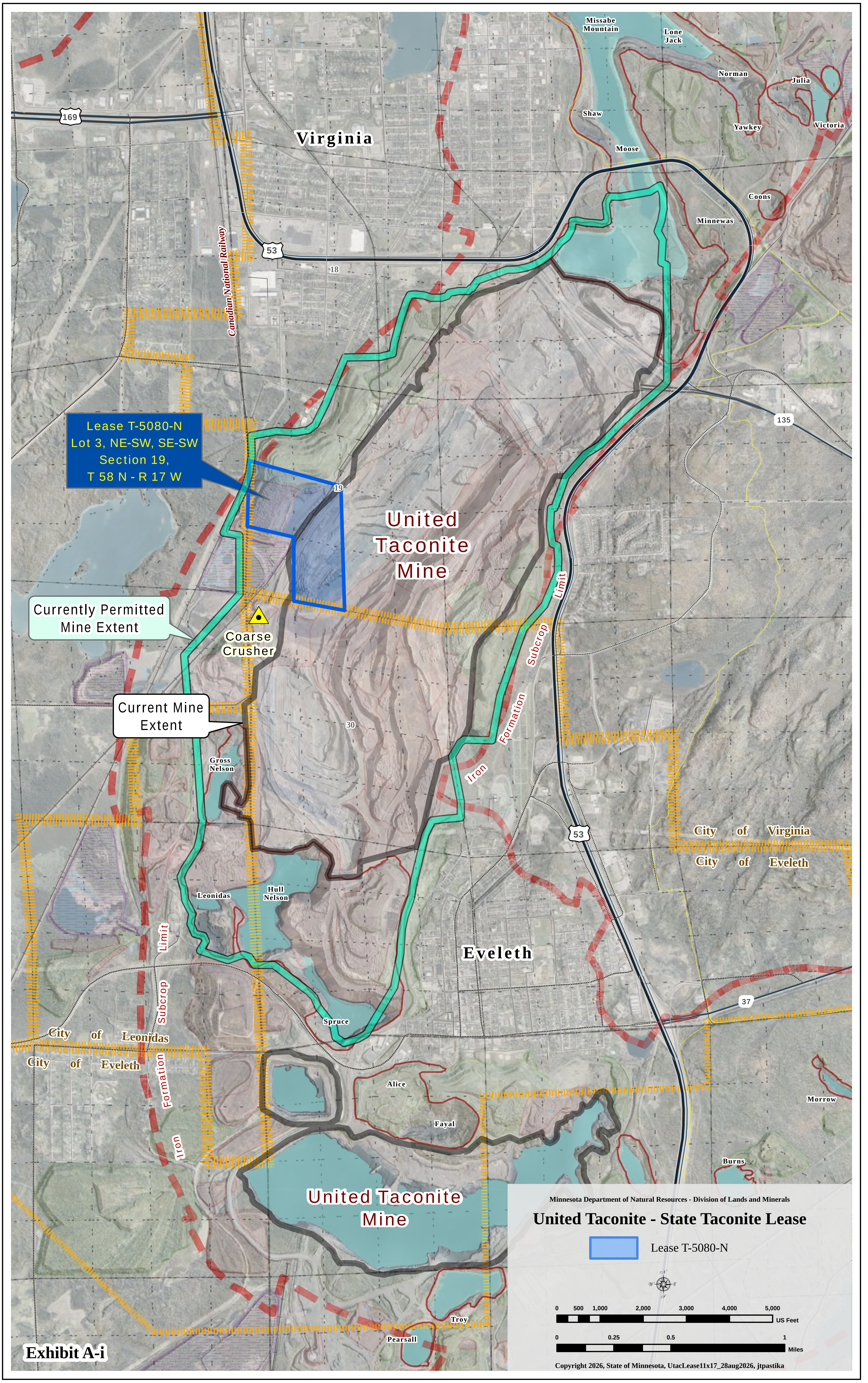
RESOLVED, by the Executive Council of the State of Minnesota, at its meeting on September 22, 2026, that it approves the following amendment that is recommended by the Commissioner of Natural Resources:

> Second Amendment to State Taconite Iron Ore Mining Lease No. T-5080-N held by United Taconite LLC.

on the terms set forth in the proposed amendment, which was submitted and filed with the Secretary of the Council for the Council's September 22, 2026, meeting; and the Commissioner of Natural Resources is hereby authorized and directed to execute such amendment on behalf of the State of Minnesota.

____

Executive Secretary
State Executive Council



Virginia
United Taconite Mine
Lease T-5080-N
Lot 3, NE-SW, SE-SW
Section 19,
T 58 N - R 17 W
Currently Permitted
Mine Extent
Coarse
Crusher
Current Mine
Extent
Canadian National Railway
Limit
Subcrop
Formation
Iron
Eveleth
City of Virginia
City of Eveleth
City of Leonidas
City of Eveleth
United Taconite
Mine
Missabe Mountain
Lone Jack
Norman
Julia
Shaw
Yawkey
Victoria
Moose
Coons
Minnewas
Gross Nelson
Leonidas
Hull Nelson
Spruce
Alice
Fayal
Morrow
Burns
Troy
Pearsall
169
53
18
19
30
135
37
Minnesota Department of Natural Resources - Division of Lands and Minerals
United Taconite - State Taconite Lease
Lease T-5080-N
0 500 1,000 2,000 3,000 4,000 5,000
US Feet
0 0.25 0.5 1
Miles
Copyright 2026, State of Minnesota, UtacLease11x17_28aug2026, jtpastika
Exhibit A-i

STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS AND MINERALS

SECOND AMENDMENT TO
TACONITE IRON ORE MINING LEASE NUMBERED T-5080-N
ISSUED UNDER THE AUTHORITY OF
MINNESOTA STATUTES 2025, SECTIONS 93.1925 AND 93.20

This agreement, made this _____ day of _______________, 2026, and effective March 1, 2027, by and between THE STATE OF MINNESOTA, under authority and subject to the provisions of Minnesota Statutes 2025, sections 93.1925, and 93.20, acting by and through its Commissioner of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota, 55155-4045, hereinafter called "party of the first part", and, UNITED TACONITE LLC, a Delaware limited liability company, 200 Public Square, Suite 3300, Cleveland, Ohio 44114, hereinafter called "party of the second part";

WITNESSETH

By reason of an assignment from Eveleth Mines, LLC dated December 3, 2003, the party of the second part currently holds State Taconite Iron Ore Mining Lease Numbered T-5080-N issued on March 7, 2002, as amended, which was set to expire on February 28, 2027.

The parties mutually agree to amend said lease to extend the term of the lease and to amend other terms and conditions of the lease.

By resolution adopted on the 22nd day of September, 2026, the State Executive Council approved the terms and conditions hereinafter set forth, a copy of which resolution is attached hereto and marked "Exhibit A."

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO, as follows:

1. **Paragraph 1 is amended to read as follows:**

   1.TERM; DESCRIPTION OF MINING UNIT. That the party of the first part, for and in consideration of the covenants and conditions hereof, to be kept and performed by the party of the second part, does hereby lease and demise unto the party of the second part for the period of March 7, 2002 through February 28, 2052, the following described land, situated in the County of Saint Louis, in the State of Minnesota, to-wit:

   > Northeast Quarter of Southwest Quarter (NE1/4-SW1/4), Lot Three (3), and Southeast Quarter of Southwest Quarter (SE1/4-SW1/4), Section Nineteen (19), Township Fifty-eight (58) North, Range Seventeen (17) West of the Fourth Principal Meridian.

2. **Paragraph 4 is amended to read as follows:**

   4. RENTALS. The party of the second part covenants and agrees to pay to the party of the first part rental for said premises at the rate of $10,800 per year for the term hereof. Such rental shall

be payable quarterly on or before the 20th day of April, July, October, and January each year during the term hereof. Each quarterly payment shall cover the rental at the rate hereinbefore specified for the calendar quarter or fraction thereof ending on the last day of the calendar month next preceding the due date for such payment. The rental for any fraction of a quarter shall be computed proportionately at the applicable rate. Any amount paid for rental accrued during any calendar year shall be credited on any royalty that may become due for taconite iron ore removed hereunder during the same calendar year but no further, and any amount paid for such royalty in excess of such credit during such year shall be credited on rental, if any, subsequently accruing during such year but no further.

3. Paragraph 6(a) is amended to read as follows:

6. ROYALTY PAYABLE. (a) On a ton of taconite iron ore, regardless of its iron content, the royalty shall be $1.00, subject to the escalator provisions of paragraph 7 herein.

4. Paragraph 6(b) is intentionally deleted.

5. Paragraph 7(a) is intentionally deleted.

6. Paragraph 7(b) is amended to read as follows in its entirety:

(b) The royalties to be paid by the party of the second part to the party of the first part on taconite iron ore removed in each calendar quarter that the lease remains in force as hereinbefore specified shall be subject to increase determined in accordance with subparagraph (1) below:

(1) Reference shall be made to the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group (1982=100)(Commodity Code No. WPU101), as originally published (unrevised) by the Bureau of Labor Statistics of the United States Department of Labor, or any succeeding federal agency publishing such index, for the first month in the calendar quarter for which royalty payment is to be made. If the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group exceeds 170.000, which is a negotiated value (hereafter called the "PPI-I&S Base Index"), the excess shall be computed and this excess shall become the numerator of a fraction, the denominator of which shall be the PPI-I&S Base Index, and the resulting fraction shall be multiplied by the royalty rate per ton payable on the ore mined and removed during any such quarter.

For example, if the PPI-I&S for July of 2027 is 374.100, the additional amount for the third calendar quarter 2027 would be computed as follows:

((374.100-170.000)/170.000) x $1.00 = $1.2006 amount added to the base royalty

$1.2006 + $1.00 = $2.2006

In this example, the royalty rate for the third quarter of 2027 would be $2.2006.

In no event shall the royalty payable hereunder be less than the minimum base royalty of $1.00.

7. Paragraph 7(c) is amended to read as follows:

(c) In the event some other period than 1982 is used as a base of 100 in determining the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group, for the purposes of this lease this index shall be adjusted so as to be in correct relationship to the appropriate base. In the event the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group is not published by any federal agency, the index to be used as aforesaid shall be that index independently published, which, after necessary adjustments, if any, provides the most reasonable substitute for this index, it being intended to substitute for the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group (1982=100)(Commodity Code No. WPU101) an index that most accurately reflects fluctuations in the prices of iron and steel in the manner reported by the Producer Price Index for the Iron and Steel Subgroup of the Metals and Metal Products Group at the time of the issuance of this lease.

All other terms and conditions of the lease remain unchanged.

IN TESTIMONY WHEREOF, the parties hereto have hereunto set their hands in triplicate the date and year first above written.

Signed in Presence of:

STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

____

By ______________________________________
Ted Anderson, Assistant Director
Division of Lands and Minerals

____
As to State of Minnesota

STATE OF MINNESOTA)
) SS.
COUNTY OF __________)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2026, by Ted Anderson, Assistant Director, Division of Lands and Minerals, Department of Natural Resources, on behalf of the State of Minnesota.

____
Notary Public
My commission expires:__________________

Exhibit A-ii

Signed in Presence of:	UNITED TACONITE LLC
______________________	By______________________________ Chad R. Asgaard, President
______________________ As to United Taconite LLC	

STATE OF ____________)
) SS.
COUNTY OF __________)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2026, by Chad R. Asgaard, President, of UNITED TACONITE LLC, a Delaware limited liability company, on behalf of the company.

____
Notary Public
My commission expires:__________________

Office of Commissioner of Natural Resources
STATE OF MINNESOTA

I hereby certify that this instrument was filed in this office on ____________________________

By ____

This Instrument was drafted by:

DEPT. OF NATURAL RESOURCES
Division of Lands and Minerals
500 Lafayette Road
St. Paul, MN 55155 4045