
MESABI IRON COMPANY

to

BANKERS TRUST COMPANY

ARNOLD HOFFMAN

ARTHUR G. LOGAN

GILBERT M. HAAS

and

EARL KNUDSEN

Trustees

AGREEMENT OF TRUST

Dated as of July 18, 1961

MESABI TRUST

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AGREEMENT OF TRUST

AGREEMENT OF TRUST made and entered into as of the 18th day of July, 1961, by and between MESABI IRON COMPANY, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), party of the first part, and BANKERS TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York, having its principal office at 16 Wall Street, in the Borough of Manhattan, the City of New York, State of New York, ARNOLD HOFFMAN, residing at 101 Central Park West, in the City, County and State of New York, ARTHUR G. LOGAN, residing at Barley Mill Road, Greenville, New Castle County, State of Delaware, GILBERT M. HAAS, residing at 10 Collamore Terrace, West Orange, Essex County, State of New Jersey, and EARL KNUDSEN, residing at 2455 Old Washington Road, Bridgeville, Allegheny County, Commonwealth of Pennsylvania, as Trustees, (hereinafter sometimes called the "Trustees"), parties of the second part;

WHEREAS, the Company and Reserve Mining Company, a Minnesota corporation (herein called "Reserve") are parties to an Assignment dated July 25, 1939 of a mining lease dated October 1, 1917 between East Mesaba Iron Company and Dunka River Iron Company, as lessors, and Claude W. Peters, as lessee, as amended and supplemented (herein called the "Peters Lease", which is more particularly described in Exhibit A annexed hereto and hereby made a part hereof and a composite copy of which is attached hereto as Schedule 1) of certain lands situated in the County of St. Louis, State of Minnesota, which are particularly described in the Peters Lease; and

WHEREAS, the Company and Reserve have entered into an agreement dated April 27, 1960 amending the said Assignment of the Peters Lease, dated July 25, 1939 (which Assignment as so amended is herein called the "Amended Assignment of Peters Lease", is more particularly described in Exhibit B annexed hereto and hereby made a part hereof and a composite copy of which is attached hereto as Schedule 2); and

WHEREAS, the Amended Assignment of Peters Lease provides, among the terms and provisions set forth therein, for the payment by Reserve to the Company of certain royalties on shipments by Reserve of minerals produced after December 31, 1959 from certain lands described therein; and

WHEREAS, the Company and Reserve are parties to an Assignment dated July 25, 1939 of a mining lease dated May 1, 1916, between Cloquet Lumbar Company, as lessor, and Claude W. Peters, as lessee, (herein called the "Cloquet Lease" which is more particularly described in Exhibit C annexed hereto and hereby made a part hereof and a copy of which is attached hereto as Schedule 3) of certain lands situated in the County of St. Louis, State of Minnesota, which are more particularly described in the Cloquet Lease, and said Assignment of Cloquet Lease (herein called the "Assignment of Cloquet Lease") is more particularly described in Exhibit D annexed hereto and hereby made a part hereof and a copy thereof is attached hereto as Schedule 4; and

WHEREAS, the Company, by an indenture of trust of even date herewith, more particularly described in Exhibit E annexed hereto and hereby made a part hereof, (herein called the "Land Trust") has conveyed to the trustees named therein its 20% fee interest in the lands subject to the Peters Lease and the fee interest in other leased lands, situated in the County of St. Louis, State of Minnesota, and other property, more particularly described in said Land Trust for the benefit of the Trustees herein and upon the other terms and conditions set forth therein including, among other provisions, the collection of all of the rents, royalties, income and proceeds of the corpus of said Land Trust and after the payment of all liabilities, obligations and other expenses set forth in said Land Trust, the distribution and payment of the net income provided therein to the Trustees under this Agreement of Trust; and

WHEREAS, the Company will have no business to conduct but principally will be concerned with matters relating to the receipt of the payments payable from time to time by Reserve pursuant to the Amended Assignment of Peters Lease (there being no separate amounts payable by Reserve to the Company under the Assignment of Cloquet Lease) and the receipt of the distributions payable to the beneficiary by the trustees of the Land Trust and, after the payment of Company's liabilities and expenses, the distribution of such amounts remaining thereafter pro rata to its shareholders; and

WHEREAS, the Company and its shareholders have determined that it is in their best interests that the Company create this trust and transfer to the Trustees all of the Company's right, title and interest in the Amended Assignment of Peters Lease, Assignment of Cloquet Lease, beneficial interest in the Land Trust and all the other assets and property hereinafter set forth to be held in trust for the benefit of the Trust Certificate holders, upon the terms and conditions herein set forth in order to preserve the Trust Estate and collect the income therefrom for such Trust Certificate holders, and that the Company wind up its affairs, distribute its assets to its shareholders subject to its liabilities existing at, or arising out of or from any act or transaction of the Company prior to, the date of such distribution to the extent the same are not separately provided for by the Company and be dissolved under the laws of the State of Delaware; and

WHEREAS, all things necessary to constitute these presents a valid Agreement of Trust according to its terms, have been done and performed, and the execution of this Agreement and the execution, authentication and delivery of the Trust Certificates have in all respects been duly authorized, and the Company, in the exercise of the legal right and power in it vested, has executed this Agreement and the Trustees propose to make, execute, issue and deliver the Trust Certificates in accordance with the provisions hereof;

NOW, THEREFORE, THIS AGREEMENT OF TRUST WITNESSETH, that, in order to declare the terms and conditions upon which this trust is created and the Trust Certificates are to be issued and received, and in consideration of the premises, and the acceptance of the Trust Certificates by the holders thereof and the transfer and assignment to the Trustees of all the property and assets herein described, the sum of One Dollar (\$1) and other good and valuable considerations duly paid to the Company by the Trustees at the execution of these presents, the receipt of all of which is hereby acknowledged, and for the purposes set forth herein, the Company covenants and agrees with the Trustees, for the equal and proportionate benefit of the respective holders from time to time of the Trust Certificates, as follows:

ARTICLE I
TRANSFER TO THE TRUSTEES

Section 1.1 *Transfer to the Trustees.* The Company agrees to and by these presents does give, grant, bargain, sell, warrant, alien, demise, release, convey, assign, transfer, set over and confirm unto the Trustees, and to their successors in said trust and to their assigns, forever, all and singular, the following described properties (which initially are included in the "Trust Estate" as herein defined), to wit:

I

The Amended Assignment of Peters Lease, more particularly described in Exhibit B annexed hereto; and

II

The Assignment of Cloquet Lease, more particularly described in Exhibit D annexed hereto; and

III

The entire beneficial interest of the Land Trust, more particularly described in Exhibit E annexed hereto; and

IV

The property described in Exhibit F annexed hereto and hereby made a part thereof; and

V

Also, all and singular, the appurtenances and rights belonging to or appertaining to the aforesaid properties or any part thereof; with the reversions, remainders, tolls, rents, revenues, issues, income, products and profits thereof, and all the right, title, estate, interest and claims which the Company now has or may hereafter acquire in and to the aforesaid properties, and every part and parcel thereof, excluding, however, any royalties payable to the Company during July, 1961 for the period prior to July 1, 1961.

TO HAVE AND TO HOLD the Trust Estate unto the Trustees and their successors and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts and for the uses and purposes set forth herein for the equal proportionate benefit of all holders of the Trust Certificates to be issued hereunder, subject, however, to the payment of the liabilities and obligations of the Company hereinafter set forth.

AND the Trustees agree to and do hereby accept such properties and such trust.

Section 1.2 *Instruments of Further Assurance.* The Company and such persons as shall have the right and power after the dissolution of the Company will, upon reasonable request of the Trustees, execute, acknowledge and deliver such further instruments and do such further acts as may be necessary or proper more effectively to carry out the purposes of this Agreement, to transfer any property intended to be covered hereby and to vest in the Trustees, their successors and assigns, the estate, powers, instruments or funds in trust hereunder.

Section 1.3 *Assumption of Liabilities of Company.* The Trustees covenant and agree to pay and discharge when due the liabilities and obligations of the Company set forth in Exhibit G annexed hereto and hereby made a part hereof.

Section 1.4 *Payment of Transferee Liabilities.* If any liability shall be asserted against the Trustees as the Transferees of the Trust Estate, on account of any claimed liability of or through the Company, the Trustees may use such part of the Trust Estate as may be necessary in contesting any such liability and in payment thereof.

Section 1.5 *Acceptance of Incidental Property.* Subject to the limitations expressed herein, the Trustees may from time to time receive and accept as part of the Trust Estate any property or rights which may accrue or come to them in connection with the Trust Estate and such property or rights so received or accepted shall constitute a part of the Trust Estate for the uses and purposes set forth herein.

ARTICLE II DEFINITIONS

Section 2.1 *Certain Terms Defined.* For all purposes of this instrument, unless the context otherwise requires:

Agreement or Agreement of Trust shall mean this instrument as originally executed or as it may from time to time be amended pursuant to the terms hereof.

Company shall mean Mesabi Iron Company, a corporation organized under the laws of the State of Delaware and intended to be dissolved after the execution of this instrument.

Corporate Trustee shall mean Bankers Trust Company and its successor or successors which shall become such in the manner hereinafter prescribed.

Shareholders shall mean the holders of record of the shares of the outstanding capital stock of the Company at the close of business on the date fixed by the Company for the determination of stockholders thereof entitled to receive distribution of the Trust Certificates to be issued hereunder, each such shareholder owning the number of Units equal to ten (10) times the number of shares of stock of the Company owned of record by such shareholder on such date.

Trust Certificate or *Trust Certificates* shall mean any Trust Certificate or Certificates, as the case may be, issued under this Agreement of Trust.

Trust Certificate holder, or holders of Trust Certificates, or any similar terms, shall mean the registered owner of a Trust Certificate, as shown by the registration books maintained by the Trustees.

Trust Estate shall mean all the property held from time to time by the Trustees under this Agreement of Trust.

Trust Moneys shall mean all rents, royalties, income, proceeds and other receipts of or from the Trust Estate, including but not limited to (i) royalties or payments made under the Amended Assignment of Peters Lease, (ii) payments made by the trustees of the Land Trust, (iii) compensation for any part of the Trust Estate taken by eminent domain, (iv) proceeds of sale of any part of the Trust Estate, (v) proceeds of insurance upon any part of the Trust Estate, and (vi) interest earned on any moneys or securities held by the Trustees under this Agreement of Trust.

Trustees shall mean the parties of the second part hereto and their successors which or who shall become such in the manner hereinafter prescribed.

Except where the context otherwise requires, words importing the masculine gender shall include the feminine and the neuter, if appropriate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations. All references herein to "Articles", "Sections" and other subdivisions refer to the corresponding Articles, Sections and other subdivisions of this instrument; and the words "herein", "hereof", "hereby", "hereunder" and words of similar import, refer to this instrument as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE III TRUST CERTIFICATES

Section 3.1 *Issuance of Trust Certificates.* The beneficial interests hereunder shall be divided into 13,120,010 equal undivided portions (herein called "Units") which shall be evidenced by the Trust Certificates. The Trustees shall forthwith issue such Trust Certificates as directed by the Company. The number of Units represented by any single Trust Certificate shall be designated on said Trust Certificate. No fractional part of a single Unit shall be issued but in lieu thereof the Trustees may make such provision with respect to fractions of Units as they may deem appropriate.

Section 3.2 *Rights of Trust Certificate Holders.* The registered owner of each Trust Certificate shall be entitled to participation according to the number of his Units in the rights and benefits due to a Trust Certificate holder hereunder. Each Trust Certificate holder or transferee of any Trust Certificate shall take and hold the same subject to all the terms and provisions of this Agreement of Trust. The Trust Certificates and the interest of the Trust Certificate holders therein and all rights and benefits evidenced thereby, are hereby declared and shall be in all respects personal property and upon the death of an individual Trust Certificate holder his interest as represented by a Trust Certificate shall pass to his legal representative and such death shall in no wise terminate or affect the validity of this Agreement. A Trust Certificate holder shall have no title to, right to, possession of, management of, or control of, the Trust Estate

