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# Soudan Underground Mine State Park

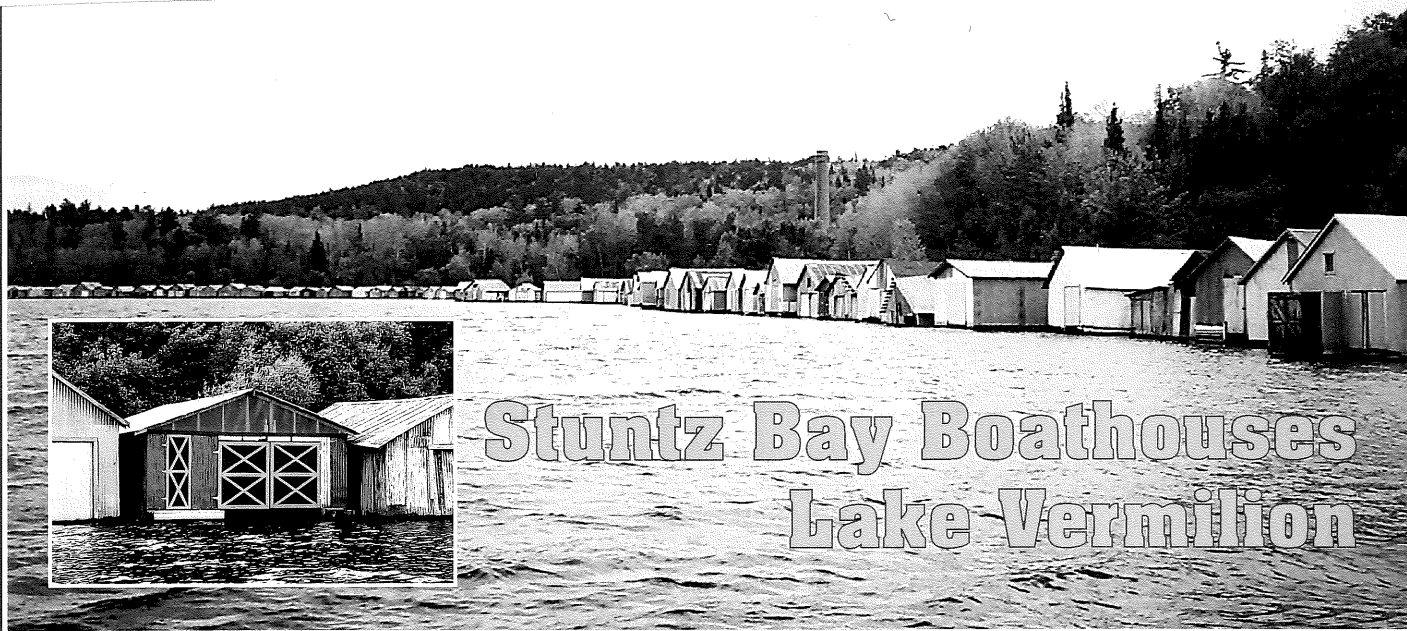
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Soudan Underground Mine State Park



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Stuntz Bay Boathouses  
Lake Vermilion

## Report to the Senate and House Environment and Natural Resource Policy and Finance Committees

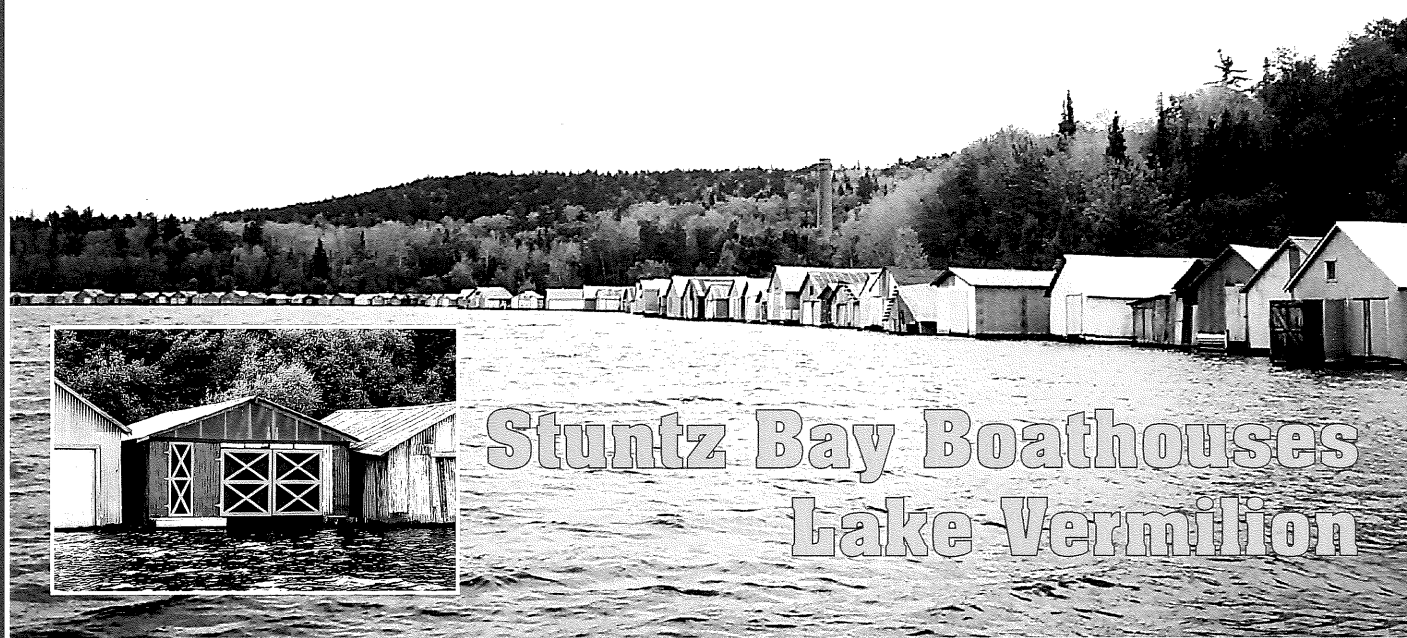


by  
**Minnesota Department of Natural Resources  
Division of Parks and Recreation  
January 2001**

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2001



**Minnesota Department Of Natural Resources**

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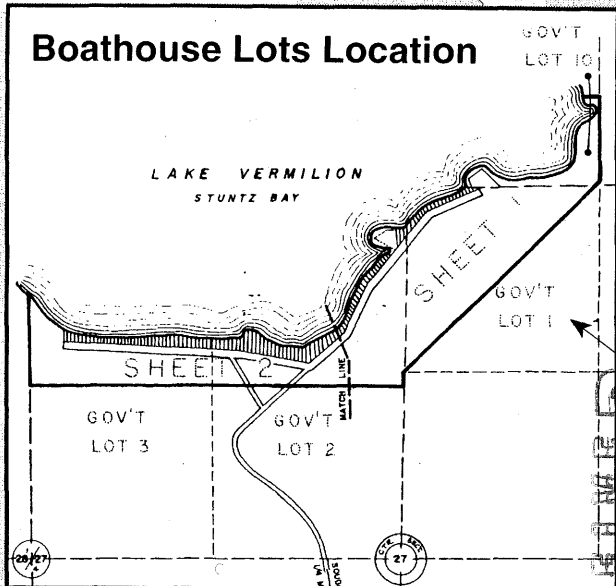
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## Boathouse Lots Location



# SOUDAN UNDERGROUND MINE STATE PARK

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STATE OFFICE BUILDING  
ST. PAUL, MN 55155

Vermilion Lake

Long Island

Stuntz Bay

McKinley Park

## TRAILS

- ..... Hiking/Skiing
- Snowmobiling
- Interpretive

## FACILITIES

- Information/Office
- Picnic Area
- Interpretive Center
- Parking
- Overlook
- Monument
  - 1. Alaska Shaft & Engine House
  - 2. Smoke Stack & Compressor House
  - 3. Breitung Pit
- Geological Feature
  - Soudan Iron Formation
- Private Property
  - Public Use Prohibited (except on designated trails)

OPEN-PIT MINES

SOUDAN

Soudan Mine Monument

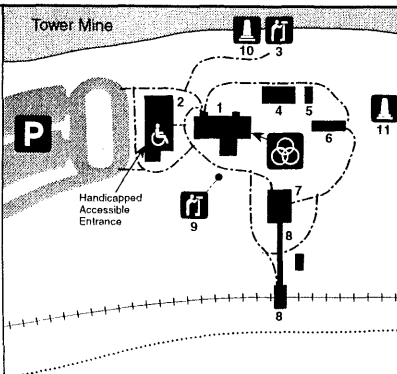


0 .1 .2 .3 .4 .5 Miles

0 .1 .2 .3 .4 .5 Kilometers

## TOUR OF MINE SURFACE FACILITIES

1. Visitor Center/Dry House  
Underground Tour Information
2. Engine House (hoisting apparatus)
3. Overlook of Open-Pit Mines
4. Mine Shaft Headframe
5. Mine Rescue Station
6. Drill Shop
7. Crusher House
8. Railroad Trestle & Stockpile
9. Overlook of Soudan
10. MN Historical Society Monument
11. National Historic Site Monument



to TOWER  
1 mile

to ELY, 20 miles





LAKE VERMILION  
STUNTZ BAY

[illegible]

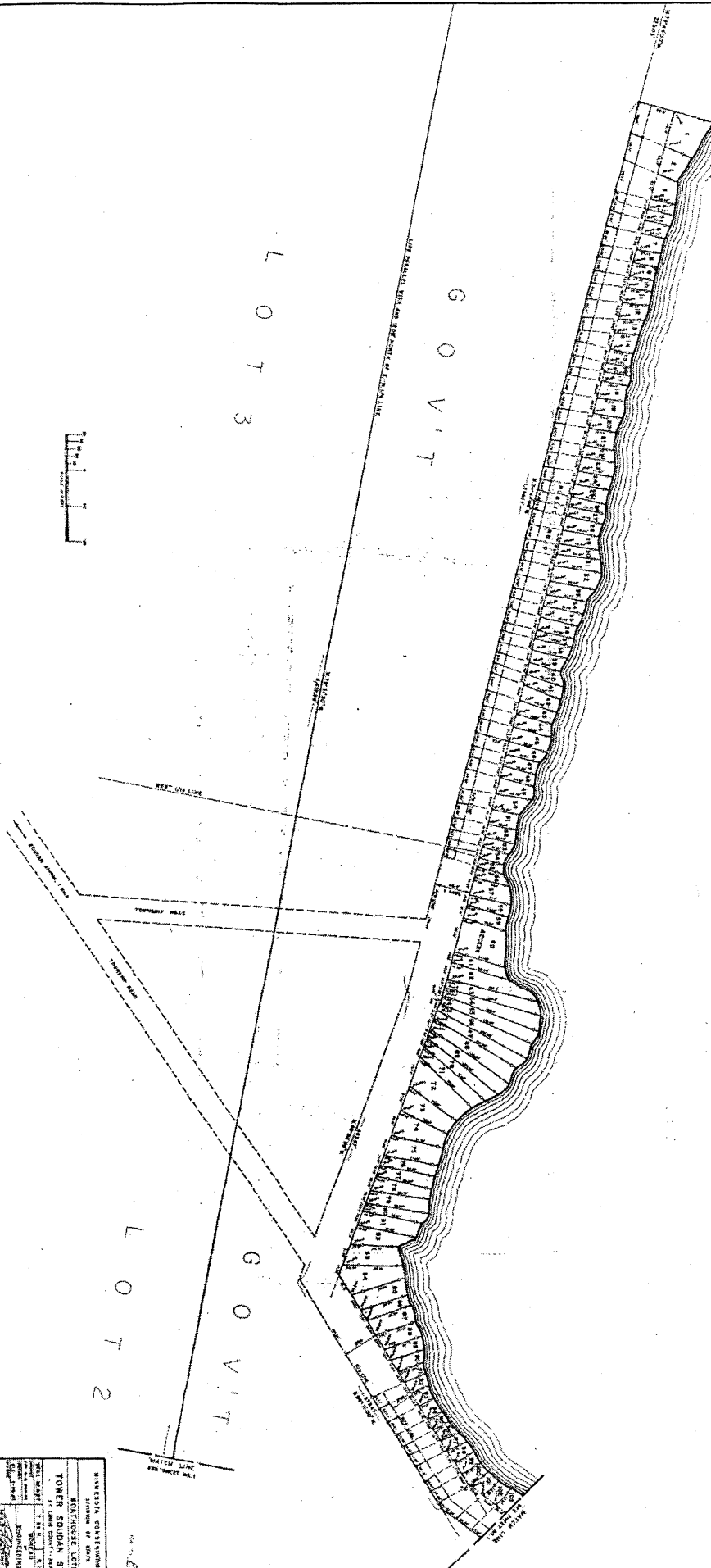
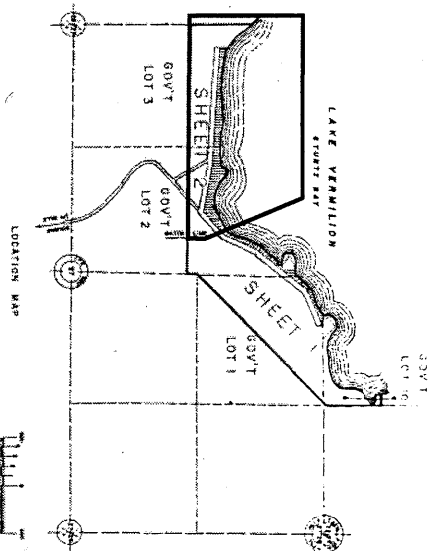




The diagram shows a multi-stage amplifier circuit. The first stage is a common-emitter amplifier using a BC107 transistor, biased with a voltage divider network (R1=10k, R2=10k) and a collector load resistor (RC=10k). Its emitter is bypassed by a capacitor CE1=100µF. The output of this stage is coupled to the base of a second stage, which is a Darlington pair composed of two BC107 transistors. This second stage also has a voltage divider bias (R3=10k, R4=10k), a collector load resistor (RC=10k), and an emitter bypass capacitor (CE2=100µF). The output of the Darlington pair is connected to the bases of two more BC107 transistors configured as a push-pull output stage. These transistors have their emitters tied together and connected to ground through a resistor RE=10k. Their collectors are connected to a common point, which is then connected to a load resistor RL=16Ω. A coupling capacitor C1=100µF connects the output of the second stage to the bases of the output transistors. Diode D1 is shown in parallel with the load resistor RL.

LAKE VERMILION

STUNTZ BAY



3

[illegible]





## **I. INTRODUCTION**

### **PARK DESCRIPTION**

Soudan Underground Mine State Park is located in the border lakes landscape region of northeastern Minnesota, twenty-three miles southwest of Ely in St. Louis County. The park boundary includes approximately 1,200 acres currently owned by the State of Minnesota and administered by the DNR, Division of Parks and Recreation. The park is listed on the National Registry of Historic Places because of the significant cultural resources remaining from the underground mining era.

This Minnesota State Park is situated on a rugged ridge on the south shore of Lake Vermilion and offers a unique combination of recreational opportunities including picnicking, hiking, snowmobiling and the only underground iron ore mine tour in the country. Scenic stands of white and red pine mixed with some balsam, aspen and birch, cover the upland areas. The lowlands are dominated by white cedar interspersed with balsam, tamarack, black spruce, ash and muskeg.

The park is home to northern songbirds, loons, hawks and owls. Mammals that inhabit the park include white-tailed deer, black bear, timber wolves, fishers and many smaller animals. The history of the area is rich and varied, ranging from logging, to a "gold rush," to iron ore mining which removed 15.5 million tons alone from the Soudan Mine. The mine ceased iron ore production in 1962 and was donated to the State of Minnesota by the U.S. Steel Corporation in 1963 when it became a state park. Soudan Underground Mine Park personnel strive to preserve, interpret and display the first iron ore mine in Minnesota and the cultural heritage of the men and women who came seeking a new life in America.





## **HISTORICAL SIGNIFICANCE OF THE BOATHOUSES**

In 1965, United States Steel Corporation (USSC) issued 156 boathouse leases on a portion of the shoreline in Stuntz Bay on Lake Vermillion near Tower, Minnesota. These leases were issued to employees of the company who worked in the iron ore mines primarily in the local area. USSC was reportably motivated to issue these leases as a way of recognizing the miners for their years of hard and dedicated work in the local mines. As stated in the lease, the lot was to be used for boathouse purposes and for no other purpose. (See Appendix, Exhibit A)

The leases were issued for a maximum period of 50 years or until the year 2015. They could also terminate at the earlier date of either 20 years following the death of the original lessee or, if transferred by the original lessee, 20 years from the date of transfer.

The leases provided for the construction of floating boathouses so that the lessee could store a boat and other related equipment inside and thereby maintain easy and quick access to Lake Vermillion. General access to the lake was and still is an important part of being able to use Lake Vermillion whether it be for fishing and other sporting activities or for maintaining a means to reach lake property not accessible by road. With the numerous islands and lengthy and irregular shoreline on the lake, many privately owned properties are accessible only by water.

This use has continued at many of the boathouses and has often been handed down from family member to family member while several have been transferred to others. Despite the limited term of the USSC leases, the current lessees who are members of the original lessees' family consider the lease and boathouse to be an inheritance which would remain in their family. It has become an issue for them of upholding not only the tradition of the boathouse as a family activity, but also upholding the memory and recognition of the reasons why their family was given the boathouse lease originally. Though the boathouses and associate site are not formally listed as having historical significance on either the state or federal registers, they continue to memorialize the hard work of their relatives in the mines and remain as tangible physical monuments to their heritage as mine workers.



## MANAGEMENT RECOMMENDATIONS

The lands included in the boathouse lot plat were part of a larger donation to the State of Minnesota by United Steel Corporation for the purpose of establishing a state park. Along with development of the Soudan Mine for interpretation and enjoyment by the general public, the other lands in the parks such as the lakeshore frontage land can offer many other recreational and meaningful benefits to the public.

It is clear that the boathouse lot leases and the on-the-ground site issues are in need of increased long-term management and administrative measures. Additional resources in terms of staff time and money are needed beyond what has been available in the past. The interests of the boathouse lot lessees, the Department of Natural Resources and the general public would be better served if a commitment were made to on-going and cooperative administration of this program.

There exists an organization known as the Stuntz Bay Association, which has attempted to organize the boathouse lessees in order to help resolve issues which arise. This group may provide an efficient and constructive communication link between the boathouse lessees as a group and the DNR Division of Parks and Recreation.

Therefore, the Department makes the following recommendations:

1. That the Minnesota Department of Natural Resources, through its Division of Parks and Recreation, in cooperation and partnership with the Stuntz Bay Association, jointly develop a management plan for the boathouse lot leases and the associated boathouse structures and other on-site issues.

These issues include, but are not limited to, access road maintenance, parking, vehicle circulation considerations, public use of the area, public use of the boat ramps, future plans for the area by the Division of Parks and Recreation, laws and regulations affecting work in or near protected public waters, storing construction materials and assorted equipment, control of litter and other refuse, unauthorized use of the boathouses or other public land, boathouse maintenance especially





as it affects other structures and coordination with other agencies.

2. That legislation authorize a portion of the boathouse lot lease fee proceeds to be dedicated and used to fund part of a position which will initiate and complete the management planning process described in #1 above as well as carry out long-term management and administrative tasks. The portion of the lease fees dedicated for this purpose is recommended to be 70% of the total fees collected or approximately \$8,400/year at the current fee collection rate. As lease fee proceeds increase due to conversion of the original no-fee leases to the new DNR lease, the amount of dedicated funding for management of the leases will increase accordingly at the 50% rate. At a 100% fee collection rate total fees collected will be approximately \$45,000 in the year 2015.

Initially, it is not intended that this recommendation provide funding for the entire cost of this management activity. Much of the cost for this position and considerable other staff costs will continue to be included in regular department operations budgets.

Specifically, the funding needed for this lease management activity as recommended has the following estimated breakdown:

| Activity   | First Year   | Each Year Following  |
|--|--|--|
| Work with the Stuntz Bay Association lessees and others to develop the boathouse lot lease management plan | Hours (25%) 520<br>Rate/hour. <u>\$23.00</u><br>Total \$11,960 |  |
| Maintain close communication with boathouse lot lessees, ie. mail, phone, site visits                      | Hours (12.5%) 260<br>Rate/hour <u>\$23.00</u><br>Total \$5,980 | Hours (25%) 520<br>Rate/hours <u>\$23.00</u><br>Total \$11,960 |
| Coordinate between DNR, other agencies and lessees   | Hours (12.5%) 260<br>Rate/hour <u>\$23.00</u><br>Total \$5,980 | Hours (25%) 520<br>Rate/hours <u>\$23.00</u><br>Total \$11,960 |



The annual start-up cost of a position to conduct these three broad management activities is estimated to be \$23,920 per year. This position would exist for the life of the leases and terminate concurrent with the leases.

3. That the Department of Natural Resources maintain an open discussion with United States Steel Corporation about the future possibilities of including land east of Soudan Mine Underground State Park into the statutory boundary.

Discussions to this point have not been completed and since considerable interest has been shown in this possibility by the local citizens advisory group and the State Legislature, the Department recommends that this course of action continue. (Refer to State Park Boundary

Expansion on page 21)



## **II. Discussion of Boathouse Lot Leases**

### **SIGNIFICANCE OF THE LEASES TODAY**

When the lands containing the underground mine and other cultural resources were put into the Soudan Underground Mine State Park, they also qualified for inclusion on the National Registry of Historic Places, as a National Historic Landmark. This status recognized that the activities directly related to underground mining were worth recognizing and preserving for future generations.

This recognition and preservation status was not extended to the boathouse site on the shores of Lake Vermillion. It was considered to be a temporary ancillary development and not an integral part of the mining activity. The actual boathouse site and structures were not recognized as needing similar preservation and interpretation as does the mine and its associated development.

Over the years since the leases were issued, there has been a transition in the use to which many boathouses have been put from mostly access for fishing to gaining access to valuable lakeshore and island property. This means that as the value of these types of properties have risen, so has the value of the leases and boathouses from which access is gained. Approximately 3/4 of the existing boathouses are used to gain access to other lakeshore and private island property on the lake.

Several lessees have responded recently with information which clearly ties the ownership of a boathouse site lease to the ownership of other property on the lake. Many properties on the lake have been sold with the boathouse and site lease transferred from seller to buyer as part of that real estate transaction.

This situation has developed as a normal part of the lakeshore development and real estate values process. It has occurred rather quietly and had grown to fairly large proportions before it was generally known. Now, it is likely the main reason why many of the lessees do not want the leases to terminate.





## **LEASE COMPARISON DISCUSSION**

As mentioned earlier, the original USSC leases were written to terminate on the earlier of three possible dates. These are: 20 years following the death of the original lessee if no transfer is made; 20 years from the date of transfer from the original lessee or in the year 2015. Upon the expiration of the original leases, a new lease could be issued by the Department of Natural Resources (DNR) under the provisions of Minnesota Statutes Section 92.50 and other applicable statutes. These leases were issued for a term of ten (10) years with provisions for renewal every ten (10) years until the year 2015. The year 2015 was chosen to coincide with the final expiration date of the original leases issued by United States Steel Corporation (USSC). (See Appendix, Exhibit B)

The original USSC lease and the subsequent state lease differ in several ways which have affected the administration of the leases by the DNR as well as the acceptance of the new leases by the lessees.

Exhibit C in the Appendix compares some of the more significant lease terms.

Two important differences are also discussed below.

1. The original or USSC lease did not specify how a transfer or assignment of the lease could be made, whereas the miscellaneous or DNR lease contains provisions for transfers which require prior written consent from the DNR. Specific lease assignment forms are provided to the DNR lessee which require notarized signatures and multiple copies. These assignment procedures are necessary so that the DNR can establish and maintain accurate records of lessees as the boathouses change hands.
2. Another significant difference between the USSC lease and the DNR lease involves the lease fee required in the DNR lease. While the original USSC lease did not require that a fee be paid, the DNR lease has a lease fee provision in order that the general public interest be served from private use of public land. This is probably the second largest concern that the lessees have when



converting from the USSC lease to the DNR lease the largest concern being the long term longevity of the boathouse leases themselves.

The lease fees have been updated since 1998 to reflect a reasonable return for this use of public lakeshore from the earlier rate of \$25 per year to a current rate of \$175 per year. The new fees have been determined to be comparable with fees paid for similar boat access and storage in the immediate area. The rates are part of a fee schedule which is provided to each lessee and which reflects a rate increase of \$25 per year until the year 2009. (See Appendix, Exhibit D)





### **III. DISCUSSION OF 2000 LEGISLATION**

#### **SIGNIFICANT CHANGES MADE**

For many years, the persons leasing the lots from the DNR for their boathouses have been concerned about how long the leases would continue and some of them have communicated this to the legislators representing their districts.

As a result, the Minnesota State Legislature enacted a law in the 2000 Legislative session which changed the term of the leases from the previous 2015 expiration date to the lifetime of the current lessee. (See Appendix, Exhibit E) The law also provided for one transfer to a person within the third degree of kindred or to first cousins. The Department of Natural Resources notified the lessees of the changes and explained how it would affect them.

Subsequently, some issues concerning the new legislation were raised by key legislators. As a result, the DNR has agreed to work with the legislators to ensure that clarifying language is prepared for the 2001 legislative session. (See Appendix, Exhibit F) Also, a revised boathouse lease has been developed that includes the changes and is being used when an existing lease expires. (See Appendix, Exhibit G)

#### **IMPACT OF THE CHANGES**

The effect of the change is that the term of the lease will run for as long as the current lessee retains the lease plus the lifetime of the person to whom it is subsequently transferred. This means that the leases could be in effect for approximately 75 to 100 years. Also, since each existing lease contract contains its own unique expiration date, the legislated changes could only become effective as each lease expires. Further, the existing leases contain provisions which allow them to be transferred or assigned to someone else. This means that each lease could expire on a different date and if there had been prior assignments, there will be different lessees at the time of expiration. Therefore, the DNR



intends to apply the law to each lease when it terminates. This will result in the "current lessee" being determined at that time instead of the "current lessee" when the new law changes were enacted.

The Department of Natural Resources has been working with the key legislators representing the affected districts and has drafted specific language which addresses this issue. This language is attached as (See Appendix, Exhibit H) and is intended to clarify the term of the lease as being for the lifetime of the person to whom the lease is transferred.



## **IV. BOATHOUSE SITE MANAGEMENT**

### **CONDITION OF THE BOATHOUSES**

The current physical condition of the boathouses range from very well maintained to those receiving little or no maintenance. As can be seen from the photos on the following page, some of the structures have received recent extensive maintenance in contrast to structures nearby which are in a state of extreme disrepair and perhaps in need of removal to prevent damage to adjacent structures. Two or three other structures are somewhat marginally maintained to the point of needing considerable immediate maintenance.

The average condition of the boathouses can most accurately be described as functional with painting and floatation systems being the most needed maintenance repairs. It appears that if most or all structures were painted, the appearance of the boathouses, particularly from the lake side, would be greatly improved.

Boathouse maintenance or repair is regulated by the Minnesota DNR, Division of Waters. Depending on whether a boathouse is floating or whether it is anchored in any way to the bed of public waters, the statutory authority to require a permit is found in two places.

For structures that are anchored to the bed of a public water, M.S. 1036.245, Subd. 1, applies and for floating structures, M.S. 1036.245, Subd. 4, applies.

Certain rules address DNR's regulatory authority which are located in MN Rules Section 6115. If maintenance or repair work is undertaken on structures anchored to the lake bed with some form of foundation, the rules that apply are found at 6115.0211, Subd. 7, and if work is undertaken on floating structures, the rules that apply are found at 6115.0211 Subd. 6a.

When a boathouse lessee or owner decides to undertake making improvements or maintaining their boathouse, they are encouraged to consult with the Area Hydrologist in the DNR Division of Waters, currently located in the Eveleth Office of the DNR.







photo 1



photo 2







photo 3



photo 4

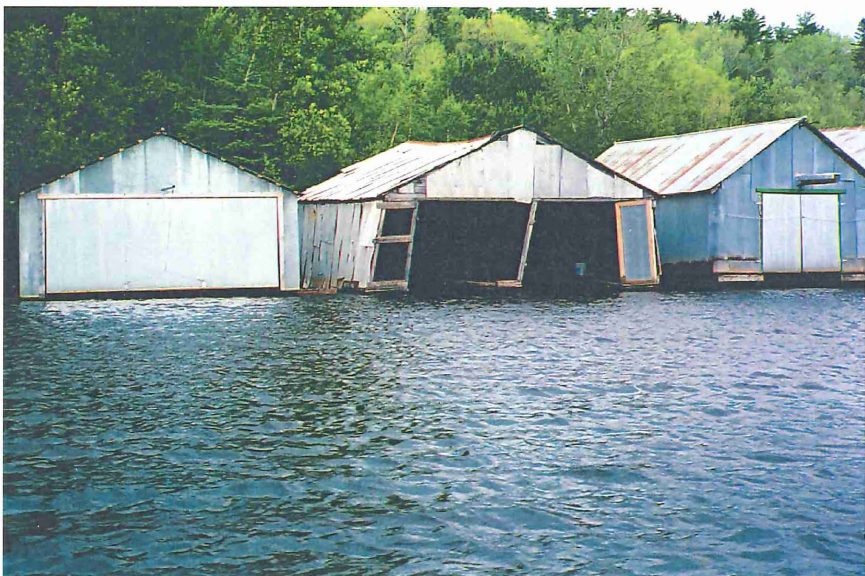


photo 5







photo 6



photo 7







photo 8



photo 9





## **PRIVATE AND PUBLIC USE**

The boathouse lots are located on State Park land owned and managed for public use according to statutes governing how State Park areas are used. Since the lots are leased to private individuals, the use of the area in the boathouse plat is mostly private use. There are some exceptions to this since the area is accessible by anyone.

There exists a boat launching ramp which consists of 2 leased lots about halfway between the row of boathouses with a graveled approach and concrete slab ramp. The boat ramp and access site is leased, maintained and operated by the Stuntz Bay Association with fees collected from both boathouse lot lessees and from boat ramp users. It receives considerable use by both the general fishing public and the boathouse lessees as well. The boathouse lessees as well as other lakeshore and island owners who need to transport building and maintenance material back and forth from their properties, put a very heavy demand on this access point which also results in the heavy use of the access by commercial barge operators hired by lakeshore owners. Other than the boat launching ramp, use of the area is limited to the needs of the boathouse lessees.

In the current effort to develop a Park Management Plan, the local citizens advisory committee and DNR Park planning personnel are limited in their options for public use of this area. Many of the normal and typical park development opportunities would conflict with the normal use of this area for boathouse lot lease use. It may be possible to overcome some of these conflicts by working with the Stuntz Bay Association and the boathouse lot lessees in the development of the management plan for this specific area.

## **ACCESS AND PARKING ISSUES**

The access road to the boathouses is a public road and is open to anyone. The road is well maintained and graveled with more than adequate width for vehicles and trailers. The Stuntz Bay Association has assumed much responsibility for the maintenance of this road to include graveling, blading and



brushing as needed. Approaching the lake on a steep downhill slope, it can present problems during wet and icy conditions. Unlimited access via the access road can also present problems in the area of the boathouses for parking space and circulation or free movement of traffic. During high use times, especially in the warm weather months, considerable congestion and limited parking space is experienced. Coupled with use of the parking and road areas for storage and piling of materials to be used somewhere else, unlimited access and limited parking space can create very unmanageable situations. These are some examples which require frequent problem resolution and which should be addressed in a boathouse site management plan.

### **LONG TERM MANAGEMENT**

Since the boathouse leases were issued in 1965, lease administration and management has consisted mainly of reacting and responding to critical problems, due dates or directed actions.

These responsibilities have fallen on the State Park personnel for the on-the-ground issues and on Lands and Minerals Division staff in the regional and St. Paul offices for the lease administration types of actions.

Typically, the state parks personnel deal with problems which demanded immediate attention and as time permitted. Separated from normal parks operations, boathouse leases create an addition to an already heavy workload. Consequently, many persistent day to day problems associated with the boathouse lease site are without adequate attention and resolution. As shown later in this section, other more pro-active and positive measures to deal with this situation are not possible under current staffing levels.

The regional and central office Real Estate staff have also been limited to doing the necessary tasks in the maintenance of records and processing of lease fee payments. Since they are not located near the boathouse sites, they are not available on a day to day basis to follow any other issues to resolution. This boathouse lease activity is one of many such real estate activities for which they are responsible.



Some of the situations which do not receive enough time commitment are: lease transfers made without DNR knowledge, lessees passing away without DNR knowledge, multiple lessees not on record, changes in the use of the boathouse and address changes with no notification. Most of these situations, if known, would result in a change in the records for the affected lease. Since many of these go unreported for large periods of time, the records are similarly inaccurate resulting in unauthorized lease situations. Following is a list of some of the ongoing long term proactive tasks which would greatly improve the administration and management of these boathouse lot leases.

- A. Contact all boathouse lessees at least once each year so that a consistent and dependable line of communication is developed.
- B. Promote fairness and follow-through with the lessees on all issues especially those involving lease fees and maintenance.
- C. Establish a periodic site visit schedule especially during high use times in order to help resolve problems and improve communication with lessees.
- D. Coordinate resolution of issues with other agencies and DNR staff.
- E. Develop and maintain a close working relationship with DNR lease processing staff so that records are current and lessees are kept informed of their lease status.
- F. Coordinate the removal of all abandoned or hazardous boathouse structures.
- G. Continue to locate lessees who may be delinquent in lease payments, who are not the lessee of record and who do not have the appropriate lease in effect. Do this through mailings, courthouse research, discussions with other lessees, post office inquiries, phone inquiries, and on-site visits.
- H. Develop a preferred level of maintenance standard for the boathouses using input from both lessees and the appropriate government bodies.



## **V. BOATHOUSE LOT LEASE ADMINISTRATION**

### **CURRENT STATISTICS**

|  |     |
|--|-----|
| Number of Platted Lakeshore Lots       | 158 |
| Number of Original Leases              | 156 |
| Number of Current Leases               | 149 |
| Number of Discontinued Leases          | 7   |
| Number of Remaining Original Leases    | 86  |
| Number of Old DNR Miscellaneous Leases | 46  |
| Number of New DNR Miscellaneous Leases | 17  |

### **LEASE RECORDS**

The above numbers reflect what is contained in the records maintained by the Department of Natural Resources. Also, the computer generated report (See Appendix, Exhibit K) is a master list of all the current lessees of boathouse lots.

This master lease list shows the lease number, name of lessee, address of the lessee, annual lease fee, the effective date of the current lease, the expiration date of each lease and the township and range of the boathouse lot plat.

The lease number denotes which type of lease each lessee has. The middle three digits distinguish between the original US Steel lease (070), the old DNR miscellaneous lease (016) and the new DNR miscellaneous lease (071).

Note on the report the absence of an annual fee for the 070's and the expiration date of 2099 for the 071's which represents a lifetime lease under the new law changes. The year 2099 is used in the electronic record files since an actual expiration date is not know.





The difference in lease fees for certain leases reflects the time since each lease was issued. All lessees who pay lease fees will pay the same amount beginning July 1, 2001. The fee at that time will be \$200 as seen on the lease rate schedule (See Appendix, Exhibit D).

Also from the report, it can be seen that the overwhelming majority of lessees, approximately 120 lessees, still reside in the immediate area (within 50 miles) of the boathouses. The remaining 13 lessees reside in other Minnesota locations and only 6 lessees live outside the state. This information tends to support the belief that most leases are still in the original family line and that the boathouses receive considerable use by the lessees.

The Department of Natural Resources is currently attempting to gather additional information about the lessees which is not yet in the files or data shown to better manage the lease program. It is interested in determining how many lessees are the owners of lakeshore or island property to which access is gained from the boathouse lot and how often the lessees use the boathouse for other activities such as fishing, hunting and boating.

Additionally, we are asking the lessees to provide the information about the status of the original leaseholders. Particularly, whether the original leaseholder is still living and, if not, the date he or she passed away, and a copy of the person's death certificate. This information is relevant in determining whether or not an original US Steel lease has expired and if a new DNR miscellaneous lease needs to be issued. From the statistics seen earlier, 86 lessees are not paying fees at this time while 63 lessees are paying lease fees. In the past, this information has been difficult to acquire.



## COMMUNICATION WITH LESSEES

Since the new law changes in the 2000 Legislative session, the DNR Lands and Minerals Division and Division of Parks and Recreation personnel have been working together to improve communications with the lessees and gathering necessary information. The department has allocated time and money for making direct contact with the lessees using mass mailings, follow-up phone calls and personal contacts. Many lessees have learned about the details of all three types of leases such as, how one lease expires and a new one is issued. As an example, many lessees who are not the original lessee and have not been issued a DNR Miscellaneous Lease, have never seen the original US Steel lease and are unaware of its provisions for expiration, transfer and maintenance. Consequently, they are unaware of the significance that the date when the original lessee passed away has on the expiration of the lease as discussed earlier. Therefore, in developing closer and more direct communication with the lessees, the department will be able to inform them of their status and make corrections if necessary. Also, future actions and communications with lessees will be more productive.



## **VI. STATE PARK BOUNDARY EXPANSION**

### **STATE PARK BOUNDARY**

The existing statutory boundary of Soudan Underground Mine State Park includes approximately 1150 acres. Of the total, 934 acres is state owned park land, 216 acres is other private land including 179 acres of USSC land. Forty acres of land is also owned and administered by the park outside the boundary.

The 934 acres of state park land includes the plat of the boathouse lots. The platted area contains 8 acres with 3,470 feet of lakeshore frontage. (See Appendix, Exhibit J)

### **POTENTIAL BOUNDARY MODIFICATIONS**

State park boundaries are established by the Minnesota Legislature. Statutory boundaries serve to identify lands appropriate for inclusion in the park.. State parks are authorized to negotiate for acquisition of land only within the boundary. The state does not have the authority to acquire park land except from willing sellers. Inclusion in a park boundary does not limit what private landowners can do with their property. It does give the owners a ready buyer if a price can be agreed upon.

Boundary modifications are considered during all state park management planning processes. Although this plan can recommend boundary changes, only the Minnesota Legislature can change park boundaries. When an addition to a park is considered, the DNR Division of Parks and Recreation will contact private landowners that would be within a proposed boundary and ask for their documented support. Without the support of the community, the Division of Parks and Recreation will not request the boundary change from the Minnesota Legislature.



## **DISCUSSION WITH UNITED STATES STEEL**

As directed by the legislature in the attached legislation (See Appendix, Exhibit E), DNR Division of Parks and Recreation personnel have begun discussions with USSC representatives. Exhibit I in the Appendix is a copy of recent correspondence which includes the scope of the discussions.

The Department of Natural Resources has recommended in the preceding management recommendations section of this report that the discussions and information sharing which have been initiated with United States Steel Corporation be continued.





# EXHIBIT A

## BOATHOUSE LOT LEASE

This Agreement, made as of the 6th day of September 1965 by and between UNITED STATES STEEL CORPORATION, a New Jersey corporation, party of the first part, hereinafter called the "Lessor," and

whose address is

Minnesota.

party of the second part, hereinafter called the "Lessee." WITNESSETH:

That in consideration of the conditions, covenants, and agreements hereof to be kept, paid, and performed by the Lessee, the Lessor does hereby let and lease unto the Lessee the surface of the parcel of land situated in the County of St. Louis, State of Minnesota, described as follows, to-wit:

A parcel of land in Government Lot 3 Section 27, Township 62 North, Range 15 West, known as Boathouse Lot as shown on the Lessor's map of said land, entitled the "Tower-Soudan Boathouse Site," on file in the office of the Lessor at 700 Wolvin Building, Duluth, Minnesota, which parcel of land is hereinafter called the "said premises";

to be used for boathouse purposes and for no other purpose; for the term equal to the life of the Lessee named herein and twenty (20) years thereafter; provided that in the event the Lessee named herein should make or allow any alienation, including a sublease, voluntarily or involuntarily, of the beneficial interest in this lease, then this lease shall terminate at the earlier time of twenty (20) years from the date of such alienation; and provided, further, that in any event this lease shall terminate fifty (50) years from the date hereof.

This lease is granted with the reservation in the Lessor of a right of way for private road as shown on said map entitled "Tower-Soudan Boathouse Site" for means of ingress to and egress from other lots shown on said map; and the Lessor does hereby further grant to the Lessee, for ingress to and egress from the land herein leased to the Lessee, the use of the private roads shown on said map.

This lease is granted with the further reservation in the Lessor of the privilege to use the said premises, and the power to grant to others the privilege to use the same, for telephone, telegraph, electric light or power purposes or for water or gas mains, sewers, ditches, highways or other public uses.

The Lessee agrees to pay before delinquency all taxes and assessments, general or special, levied or assessed upon the said premises and on any property located thereon and taxed in connection therewith for the year 1966 (payable in 1966) and for each subsequent year during the continuance of this lease.

The Lessee agrees that until the termination of this lease Lessee shall keep the said premises in a neat and clean and respectable condition, and that Lessee shall, at Lessee's own cost and expense, remove therefrom all ashes, garbage, refuse, and debris that may from time to time accumulate thereon, and that in the use of said premises Lessee shall at all times conform to and comply with the laws and municipal ordinances affecting the same and that Lessee shall not commit or permit any nuisance upon said premises.

The Lessee agrees to protect, save harmless and indemnify the Lessor from all claims and demands of every person or persons whatsoever either for injury or damage, or claims thereof, to persons or property on account of anything whatsoever occurring in or on the said premises during the continuance of this lease, or arising out of the use and occupancy of said premises by the Lessee.

It is further agreed that if the Lessee should breach any of the conditions hereof, or fail to keep and perform any of the covenants or agreements herein contained and by the Lessee to be paid, kept or performed, or cease to use the said premises for Lessee's personal use for the purpose aforesaid, then and in any such event the Lessor shall have the right to terminate this lease upon thirty (30) days' written notice to the Lessee. The notice of termination for whatever default may be served upon the Lessee personally, or by certified or registered mail, or by posting the same upon the said premises, and this agreement and lease shall terminate at the expiration of the time set forth in such written notice after the service thereof.

The Lessee may terminate this lease at any time on the condition, however, that the Lessee shall give to the Lessor at least ten (10) days' prior notice in writing of the intention so to terminate and on the further condition that the Lessee shall pay, when due, all taxes payable by the Lessee hereunder.

The Lessee affirms the fact to be, and as part of the consideration hereof, expressly agrees that Lessee has no right, title, claim, interest, or easement in, to, over or upon any part of the said premises except only such as accrues to Lessee by virtue of this lease and then only for the term hereof and subject to the conditions hereof. Upon the termination of this lease, whether by limitation or upon notice as herein provided, the Lessee agrees forthwith to yield up and deliver possession of said premises without further notice or legal process for that purpose.

It is mutually agreed that if, at the expiration or any other termination of this lease, the Lessee will not be in default under any of the terms and conditions hereof, then and in such event, but not otherwise, the Lessee shall have the right, within the period of thirty (30) days after such expiration or termination, time being of the essence hereof, to remove from said premises all buildings and structures of every kind owned by the Lessee; and upon the expiration of said period of time all such buildings and structures not so removed shall be deemed to have been abandoned by the Lessee and shall become the absolute property of the Lessor.

The Lessee agrees that any delay on the part of the Lessor in enforcing any of the conditions or covenants of this lease, or in terminating this lease, shall not be construed as a waiver of any of the rights or powers of the Lessor hereunder.

It is further understood and agreed that this instrument expresses all of the terms, conditions, and promises under which the Lessee occupies the said premises.

It is expressly agreed that the foregoing terms and conditions of this lease shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed, in duplicate, as of the day and year first above written.

In Presence of:

UNITED STATES STEEL CORPORATION,

by

Vice President

Assistant Secretary

STATE OF MINNESOTA, }  
County of St. Louis. } ss.

On this       day of       , 1965, before me, a Notary Public within and for said County and State, personally appeared       to me personally known, who, being by me duly sworn, did say that he is Vice President of UNITED STATES STEEL CORPORATION, a New Jersey corporation, the corporation named in the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said       acknowledged said instrument to be the free act and deed of said corporation.

STATE OF MINNESOTA, }  
County of St. Louis. } ss.

On this       day of       , 1965, before me, a Notary Public within and for said County and State, personally appeared       to me known to be the person described in and who executed the foregoing instrument, and acknowledged that       he executed the same as HIS free act and deed.

E. J. PRISK  
Notary Public, St. Louis County, Minnesota  
My Commission Expires September 25, 1971

LEASE

UNITED STATES STEEL  
CORPORATION

to

Description: Lot       , TOWER-  
SOUDAN BOATHOUSE SITE

# EXHIBIT B



|              |
|--------------|
| Lease Number |
| Field Unit   |

## MISCELLANEOUS LEASE

This lease, executed in quadruplicate by and between the State of Minnesota, under the authority and subject to the provisions of M.S. 92.50 and other applicable statutes, acting by and through its Commissioner of Natural Resources, hereinafter called LESSOR and; the LESSEE as named below.

|  |                      |                  |
|--|----------------------|------------------|
| LESSEE   |                      |                  |
| LESSEE ADDRESS (No. & Street, RFD, Box No., City, State, Zip Code) |                      |                  |
| LEASE FEE  | FEE PAYMENT SCHEDULE |                  |
| TERM   | EFFECTIVE DATE       | TERMINATION DATE |
| PURPOSE OF LEASE   |                      | COUNTY           |

### IT IS AGREED AS FOLLOWS:

1. **PREMISES:** The LESSOR in consideration of the terms, conditions and agreements contained herein, and the payment of the LEASE FEE to be paid by the LESSEE, hereby leases to the LESSEE, subject at all times to sale, lease and use for mineral or other purposes the following described premises to wit:

and herein referred to as the "Premises".

2. **TERMS:** The terms LESSOR, LESSEE, LESSEE ADDRESS, LEASE FEE, FEE PAYMENT SCHEDULE, TERM, EFFECTIVE DATE, TERMINATION DATE, PURPOSE OF LEASE and STATUTORY AUTHORITY, used herein shall be described above and are incorporated herein.
3. **LEASE PERIOD:** This lease shall be in effect for the TERM, beginning on the EFFECTIVE DATE and ending on the TERMINATION DATE, unless terminated earlier under provisions of this lease.
4. **USE OF PREMISES:** LESSEE shall use the Premises only for PURPOSE OF LEASE.
5. **LEGAL OBLIGATIONS:** This lease is not to be construed to relieve the LESSEE of any obligations imposed by law.
6. **INCUMBRANCE:** This lease is subject to all existing easements, right-of-ways, licenses, leases and other incumbrances upon the Premises and LESSOR shall not be liable to LESSEE for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.
7. **MAINTENANCE:** The LESSEE shall maintain the Premises in good repair, keeping them safe and clean, removing all refuses and debris that may accumulate. LESSEE shall comply with all laws affecting the Premises, including local ordinances and state regulations. No timber shall be cut, used, removed or destroyed by the LESSEE without first obtaining written permission from the LESSOR.

8. **TERMINATION:** This lease may be terminated at any time by mutual agreement. A lease entered pursuant to Minn. Stat. Sections 84.153, except those with employees of the Department of Natural Resources, or 89.17 may be cancelled at any time by LESSOR upon three months written notice. A lease entered pursuant to Minn. Stat. Section 92.50 may be cancelled for just cause at any time by LESSOR upon six months written notice. A lease to any employee of the Department of Natural Resources shall be on a month to month basis and may be cancelled at any time the employee's services may be terminated.
- LESSEE shall, on the TERMINATION DATE, or earlier as provided for in this lease, peacefully and quietly surrender the Premises to the LESSOR in as good condition and repair as on the EFFECTIVE DATE. If the LESSEE fails to surrender the Premises on the termination of this lease, the LESSOR may eject or remove the LESSEE from the Premises and the LESSEE shall indemnify the LESSOR for all expenses incurred by the LESSOR. In addition, LESSEE shall remove all LESSEE'S property from the Premises upon termination and any property remaining shall be considered abandoned and shall be disposed of by the LESSOR according to law. If this lease is terminated prior to the TERMINATION DATE, the LESSEE shall not be relieved of any obligation incurred prior to termination.
9. **HOLDOVER:** LESSEE shall pay to the LESSOR a sum equal to the monthly rent plus fifty (50) percent of the monthly rent for each month that LESSEE holds the Premises after termination of this lease without authorization by LESSOR. This sum shall be liquidated damages for the wrongful holding over. LESSEE acquires no additional rights by holding the Premises after termination and shall be subject to legal action for removal.
10. **LEASE PAYMENTS:** The LESSEE shall pay to the Minnesota State Treasurer through the LESSOR the LEASE FEE, which is due and payable according to the FEE PAYMENT SCHEDULE. The LESSOR may assess penalties and interest as provided for by law or in this lease on any payments over thirty (30) days past due.
11. **UTILITIES:** LESSEE shall pay for all utilities furnished on the Premises for the term of this lease, including electric, gas, oil, water, sewer and telephone.
12. **ALTERATIONS:** The LESSEE shall make no changes, alterations nor improvements to the Premises or to any structure thereon without the prior written consent of the LESSOR. Any changes, alterations or improvements in or to the Premises shall be at the LESSEE'S sole expense.
13. **NO WAIVER:** No delay on the part of the LESSOR in enforcing any conditions in this lease, including termination for violation of the terms of this lease, shall operate as a waiver of any of the rights of the LESSOR.
14. **TAXES:** The LESSEE shall pay, when due, all taxes assessed against or levied upon the Premises or upon the fixtures, improvements, furnishings, equipment and other personal property of the LESSEE located on the Premises during the TERM of this lease.
15. **LIABILITY:** This lease shall not be construed as imposing any liability on the LESSOR for injury or damage to the person or property of the LESSEE or to any other persons or property, arising out of any use of the Premises, or under any other easement, right-of-way, license, lease or other incumbrance now in effect. The LESSEE shall indemnify and hold harmless the LESSOR from all claims arising out of the use of the Premises whether such claims are asserted by civil action or otherwise.
16. **NOTICES:** Any notice given under this lease shall be in writing and served upon the other party either personally or by depositing such notice in the United States mail with the proper first class postage and address. Service shall be effective upon the depositing the notice in the United States mails. The proper mailing address for the purposes of serving notice on the LESSOR shall be to the Commissioner, Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota 55155-4037, and on LESSEE shall be as stated in the LESSEE'S ADDRESS.
17. **TRANSFERS:** This lease shall extend to, and bind the successors, heirs, legal representative and assigns of the LESSOR and LESSEE. In addition, the LESSEE shall not without the LESSOR'S prior written consent: a) assign, convey, mortgage, pledge, encumber or otherwise transfer this lease or any interest under it; b) allow any transfer or any lien upon the LESSEE'S interest by operation of law; c) sublet the Premises or any part thereof; d) permit the use or occupancy of the Premises or any part thereof by anyone other than the LESSEE.
18. **PUBLIC RECREATION USE:** The LESSEE agrees and understands that the public land leased herein shall be open to public recreational uses, as defined by M.S. 87.021, not inconsistent with the purposes of this lease. The LESSEE shall not unreasonably refuse permission to any person to enter upon the lands leased herein for reasonable public recreational uses without first obtain the written permission of the LESSOR. If the LESSOR authorizes the prohibition of any public recreational uses, the prohibition shall apply to all persons including the LESSEE.
19. **CONSTRUCTION OF LEASE:** If any clause or provision of this lease is or becomes illegal, invalid or unenforceable because of present or future laws or any rule or regulation of any governmental body, the intentions of the LESSOR and LESSEE hereinafter that the remaining parts of this lease shall not be affected thereby.

20. ADDITIONAL TERMS:

TESTIMONY WHEREOF, the parties have set their hands in quadruplicate.

STATE OF MINNESOTA  
DEPARTMENT OF NATURAL RESOURCES

ALLEN GARBER  
COMMISSIONER

|   |      |
|---|------|
| Authorized Signature for the Commissioner | Date |
|---|------|

JEFFREY C. HANSON, MANAGER

|  |      |
|--|------|
| Lessee (Individual's Name or Name of Entity) | Date |
| Authorized Signature & Title (if an Entity)  | Date |
| Authorized Signature & Title (if an Entity)  | Date |

APPROVED AS TO FORM AND EXECUTION

MIKE HATCH  
ATTORNEY GENERAL

|                                      |      |
|--------------------------------------|------|
| Assistant Attorney General Signature | Date |
|--------------------------------------|------|



# EXHIBIT C

## COMPARISON CHART

| Lease Provisions Being Compared | US Steel Lease   | Old DNR Miscellaneous Lease  | Revised DNR Miscellaneous Lease*   |
|---------------------------------|--|--|--|
| Transfers/Assignments           | Lease can be assigned multiple times until lease expires.  | Lease can be assigned multiple times until lease expires.  | Lease can be assigned only once to person within the third degree of kindred or to first cousins.  |
| Lease Fees                      | No lease fees are paid to lessor. (Personal property tax is paid to county)  | An annual lease fee is paid to the DNR according to a fee schedule which is adjusted every five years. (Personal property tax is paid to county) | An annual lease fee is paid to the DNR according to a fee schedule which is adjusted every five years. (Personal property tax is paid to county) |
| Lease Expiration                | Lease expires on the earlier date of: <b>1.</b> 20 years from date of death of original lessee. <b>2.</b> 20 years from date of first transfer by lessee.<br><b>3.</b> In the year 2015. | Each lease expires on its 10 year anniversary date until the year 2015.  | Lease expires on the date of the death of the lessee.  |
| Boathouse Maintenance           | Lessee maintains in a neat and clean condition and complies with laws and ordinances affecting refuse disposal.  | Lessee maintains in a neat and clean condition and complies with laws and ordinances affecting refuse disposal.                                  | Lessee maintains in a neat and clean condition and complies with laws and ordinances affecting refuse disposal.                                  |
| Lease Renewal                   | No specific renewal provisions are included in this lease. Lease converts to DNR miscellaneous lease upon expiration.  | Lease can be renewed every 10 years until the year 2015.   | No specific renewal provisions are included in this lease.   |

\*The revised lease was necessitated by new legislation (See Exhibit E)





# EXHIBIT D

## FEE SCHEDULE

Lease #

| START DATE | END DATE  | AMOUNT DUE |
|------------|-----------|------------|
| 8/1/2000   | 6/30/2001 | \$160.00   |
| 7/1/2001   | 6/30/2002 | \$200.00   |
| 7/1/2002   | 6/30/2003 | \$225.00   |
| 7/1/2003   | 6/30/2004 | \$250.00   |
| 7/1/2004   | 6/30/2005 | \$275.00   |
| 7/1/2005   | 6/30/2005 | \$300.00   |
| 7/1/2006   | 6/30/2007 | \$325.00   |
| 7/1/2007   | 6/30/2008 | \$350.00   |
| 7/1/2008   | 6/30/2009 | \$375.00   |



# EXHIBIT E

## LEGISLATIVE LANGUAGE 1999-2000 SESSION

### Sec. 4. (BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE PARK)

(a) Notwithstanding Minnesota Statutes, section 85.011; 85.012, subdivision 1; and 86A.05, subdivision 2, the leased boathouse lots located at Stuntz Bay in the Soudan Underground Mine State Park are extended for the lifetime of current leaseholder. The Commissioner of Natural Resources shall not cancel a lease, except for noncompliance with the lease agreement.

(b) A lease, described under paragraph (a), may be transferred only once by the current leaseholder to a person within the third degree of kindred according to civil law or to first cousins. When possession is transferred, the transferee shall notify the commissioner and pay to the Department of Natural Resources as annual lease fee. The commissioner may offer and, after agreement with the leaseholder, lease equivalent alternative boathouse sites to leaseholder.

(c) By January 15, 2001, the Commissioner of Natural Resources shall report to the Senate and House Environment and Natural Resources Policy and Finance Committees on boathouse leases in state parks. The report shall include information on:

- (1) the number of boathouse leases;
- (2) the number of leases that have forfeited;
- (3) the expiration dates of the leases;
- (4) the historical significance of the boathouses;
- (5) recommendations on the inclusion of the land described in paragraph (d) within the park boundary; and
- (6) any other relevant information on the leases

(d) the commissioner of natural resources shall contact U.S.X. Corporation and local units of government regarding the inclusion of the following land within Soudan Underground Mine State Park;

- (1) all lands located South of Vermillion Lake shoreline in Section 13, Township 62 North, Range 15 West;
- (2) all lands located South of Vermillion Lake shoreline in the S 1/2 SE 1/4 of Section 14, Township 62 North, Range 15 West;
- (3) NE 1/4 SE 1/4 and E 1/2 NE 1/4 of Section 22, Township 62 North, Range 15 West;
- (4) all lands located South of Vermillion Lake shoreline in Section 23, Township 62 North, Range 15 West;
- (5) all of Section 24, Township 62 North, Range 15 West;
- (6) all lands North of Trunk Highway No. 169 located in Section 25, Township 62 North, Range 15 West;
- (7) all lands North of Trunk Highway No. 169 located in Section 26, Township 62 North, Range 15 West;
- (8) NE 1/4 SE 1/4 and SE 1/4 NE 1/4 of Section 27, Township 62 North, Range 15 West; and;
- (9) NE 1/4 of Section 19, Township 62 North, Range 14 West.





# Minnesota Department of Natural Resources

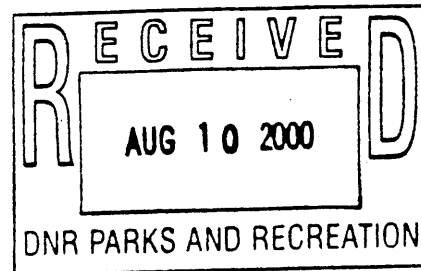
OFFICE OF THE COMMISSIONER

500 Lafayette Road

St. Paul, Minnesota 55155-4037

August 9, 2000

The Honorable Doug Johnson  
State Senator  
1136 Lagoon Road  
Tower, MN 55790



Dear Senator Johnson:

I appreciate your position on the Soudan boathouse leases and your willingness to work towards a good solution. I also appreciate your understanding of the DNR position based on legislation that does not reflect the original intent.

As we discussed, the legislation can be revised and clarified to meet our objectives during the 2001 legislative session. We will work with you to ensure that the correct language is prepared.

It does not appear that any of the current leaseholders will be harmed by waiting until the language is clarified. However, some people will need new leases during the interim and transfers will also take place. We will continue to accommodate these and process them as usual. We will structure this new lease document so that legislative changes that are made next year can be incorporated at that time.

We will send a letter of clarification to the boathouse leaseholders explaining our intentions. The work to identify the current leaseholders will continue in accordance with the legislation.

I believe we have a solution that will meet all of the needs. Thank you again for your patience and willingness to work with us. Please contact me at any time if you want to discuss this or any other department issue.

Sincerely,

A handwritten signature in cursive script that reads 'Allen Garber'.

Allen Garber  
Commissioner





# EXHIBIT G



|                   |
|-------------------|
| Lease Number      |
| 144-071-Lease #   |
| Field Unit        |
| Soudan State Park |

## BOATHOUSE LEASE

This lease, executed in quadruplicate by and between the State of Minnesota, under the authority and subject to the provisions of Minnesota Statutes, sec. 92.50, and other applicable statutes, and Laws of 2000, Chapter 486, section 4 acting by and through its Commissioner of Natural Resources, hereinafter called LESSOR and; the LESSEE as named below.

|  |   |                                      |
|--|---|--------------------------------------|
| LESSEE   |   |                                      |
| Lessee   |   |                                      |
| LESSEE ADDRESS (No. & Street, RFD, Box No., City, State, Zip Code) |   | Telephone Number (include Area Code) |
| Address  |   | Tel #                                |
| LEASE FEE  | FEE PAYMENT SCHEDULE \$ due upon execution and thereafter as stated in paragraph 20. Payments are due on or before July 1 of each year. |                                      |
| See paragraph 20   |   |                                      |
| TERM   | EFFECTIVE DATE  | TERMINATION DATE                     |
| For the life of Lessee   |   | Terminates upon the death of Lessee  |
| PURPOSE OF LEASE   | COUNTY  |                                      |
| Boathouse site   | St. Louis   |                                      |

### IT IS AGREED AS FOLLOWS:

- PREMISES:** The LESSOR in consideration of the terms, conditions and agreements contained herein, and the payment of the LEASE FEE to be paid by the LESSEE, hereby leases to the LESSEE, subject at all times to sale, lease and use for mineral or other purposes the following described premises to wit:  
  
A parcel of land in Government Lot of Section , Township North, Range West, St. Louis County known as Boathouse Lot , as shown on the Lessor's map of said land, entitled the "Tower Soudan Boathouse Site," on file in the office of the Lessor.  
  
and herein referred to as the "Premises".
- TERMS:** The terms LESSOR, LESSEE, LESSEE ADDRESS, LEASE FEE, FEE PAYMENT SCHEDULE, TERM, EFFECTIVE DATE, TERMINATION DATE, PURPOSE OF LEASE and STATUTORY AUTHORITY, used herein shall be described above and are incorporated herein.
- LEASE PERIOD:** This lease shall be in effect for the TERM, beginning on the EFFECTIVE DATE and ending on the TERMINATION DATE, unless terminated earlier under provisions of this lease.
- USE OF PREMISES:** LESSEE shall use the Premises only for PURPOSE OF LEASE.
- LEGAL OBLIGATIONS:** This lease is not to be construed to relieve the LESSEE of any obligations imposed by law.
- INCUMBRANCE:** This lease is subject to all existing easements, right-of-ways, licenses, leases and other incumbrances upon the Premises and LESSOR shall not be liable to LESSEE for any damages resulting from any action taken by a holder of an interest pursuant to the rights of that holder thereunder.
- MAINTENANCE:** The LESSEE shall maintain the Premises in good repair, keeping them safe and clean, removing all refuses and debris that may accumulate. LESSEE shall comply with all laws affecting the Premises, including local ordinances and state regulations. No timber shall be cut, used, removed or destroyed by the LESSEE without first obtaining written permission from the LESSOR.

8. **TERMINATION:** This lease terminates under any of the following conditions: FIELD(Terminates)

- a. This lease terminates upon the death of \_\_\_\_\_, who is/are the LESSEE as of August 1, 2000. The executor of the estate or the LESSEE's heirs must promptly notify the LESSOR of the death of the LESSEE. If this lease has been transferred to another party in accordance with paragraph 17 herein, that LESSEE must immediately notify the LESSOR the death of the LESSEE named above.
- b. This lease may be terminated at any time by mutual agreement.
- c. Upon six months written notice, this lease may be terminated by the LESSOR for noncompliance with the terms of this lease by the LESSEE.

LESSEE shall, on the TERMINATION DATE, or earlier as provided for in this lease, peacefully and quietly surrender the Premises to the LESSOR in as good condition and repair as on the EFFECTIVE DATE. If the LESSEE fails to surrender the Premises on the termination of this lease, the LESSOR may eject or remove the LESSEE from the Premises and the LESSEE shall indemnify the LESSOR for all expenses incurred by the LESSOR. In addition, LESSEE shall remove all LESSEE'S property from the Premises upon termination and any property remaining shall be considered abandoned and shall be disposed of by the LESSOR according to law. If this lease is terminated prior to the TERMINATION DATE, the LESSEE shall not be relieved of any obligation incurred prior to termination.

9. **HOLDOVER:** LESSEE shall pay to the LESSOR a sum equal to the monthly rent plus fifty (50) percent of the monthly rent for each month that LESSEE holds the Premises after termination of this lease without authorization by LESSOR. This sum shall be liquidated damages for the wrongful holding over. LESSEE acquires no additional rights by holding the Premises after termination and shall be subject to legal action for removal.
10. **LEASE PAYMENTS:** LESSEE shall pay to the Minnesota State Treasurer through the LESSOR the LEASE FEE, which is due and payable according to the FEE PAYMENT SCHEDULE. The LESSOR may assess penalties and interest as provided for by law or in this lease on any payments over thirty (30) days past due.
11. **UTILITIES:** LESSEE shall pay for all utilities furnished on the Premises for the term of this lease, including electric, gas, oil, water, sewer and telephone.
12. **ALTERATIONS:** The LESSEE shall make no changes, alterations nor improvements to the Premises or to any structure thereon without the prior written consent of the LESSOR. Any changes, alterations or improvements in or to the Premises shall be at the LESSEE'S sole expense.
13. **NO WAIVER:** No delay on the part of the LESSOR in enforcing any conditions in this lease, including termination for violation of the terms of this lease, shall operate as a waiver of any of the rights of the LESSOR.
14. **TAXES:** The LESSEE shall pay, when due, all taxes assessed against or levied upon the Premises or upon the fixtures, improvements, furnishings, equipment and other personal property of the LESSEE located on the Premises during the TERM of this lease.
15. **LIABILITY:** This lease shall not be construed as imposing any liability on the LESSOR for injury or damage to the person or property of the LESSEE or to any other persons or property, arising out of any use of the Premises, or under any other easement, right-of-way, license, lease or other incumbrance now in effect. The LESSEE shall indemnify and hold harmless the LESSOR from all claims arising out of the use of the Premises whether such claims are asserted by civil action or otherwise.
16. **NOTICES:** Any notice given under this lease shall be in writing and served upon the other party either personally or by depositing such notice in the United States mail with the proper first class postage and address. Service shall be effective upon the depositing of the notice in the United States mails. The proper mailing address for the purposes of serving notice on the LESSOR shall be to the Commissioner, Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota 55155-4037, and on the LESSEE it shall be as stated in the LESSEE'S ADDRESS.
17. **TRANSFERS:** This lease shall extend to, and bind the successors, heirs, legal representative and assigns of the LESSOR and LESSEE. In addition, the LESSEE shall not without the LESSOR'S prior written consent: a) assign, convey, mortgage, pledge, encumber or otherwise transfer this lease or any interest under it; b) allow any transfer or any lien upon the LESSEE'S interest by operation of law; c) sublet the Premises or any part thereof; d) permit the use or occupancy of the Premises or any part thereof by anyone other than the LESSEE. This lease may only be transferred one time. The transfer may only be to a person within the third degree of kindred according to civil law. (The third degree of kindred includes first cousins.) When submitting the transfer agreement to the LESSOR for consent, the LESSEE must also submit documentation proving this relationship.



**DRAFT**

## **EXHIBIT H**

### **PROPOSED LEGISLATIVE LANGUAGE 2001 SESSION**

#### **(BOATHOUSE LEASES: SOUDAN UNDERGROUND MINE STATE PARK)**

(a) In 1965, United States Steel Corporation conveyed land to the State of Minnesota that was included in the Soudan Underground Mine State Park, with certain lands in Stuntz Bay subject to leases outstanding for employee boathouse sites.

(b) Notwithstanding Minnesota Statutes, section 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph (a), the Commissioner of Natural Resources shall offer a new lease to the party in possession at the time of lease expiration, or, if there has been a miscellaneous lease issued by the Department of Natural Resources due to the expiration of a lease described under paragraph (a), upon its expiration to the lessee. The new lease shall be issued under the terms and conditions of Minnesota Statutes, section 92.50, with the following limitations:

- (1) The terms of the lease shall be for the lifetime of the party being issued a renewed lease and, if transferred, for the lifetime of the party to whom the lease is transferred.
- (2) The new lease shall provide that the lease may only be transferred once, and the transfer must be to a person within the third degree of kindred or first cousin according to civil law.
- (3) The commissioner shall limit the number of lessees per lease to no more than two persons who have attained the current legal age.

At that time of the new lease, the commissioner may offer, and after agreement with the leaseholder, lease equivalent alternative sites to the leaseholder.

- (c) The commissioner shall not cancel a boathouse lease described under paragraph (a) and (b) except for noncompliance with the lease agreement.

**REPEALER** Laws 2000, Chapter 486, section 4 (a) and (b) is repealed.



# EXHIBIT I



STATE OF  
**MINNESOTA**

## DEPARTMENT OF NATURAL RESOURCES

218-327-4412

Region II Headquarters  
1201 East Highway 2  
Grand Rapids, Minnesota 55744

November 1, 2000

**MR. DENNIS HENDRICKS  
U.S. STEEL GROUP  
NORTHERN LANDS AND MINERALS  
P.O. BOX 417  
MT. IRON, MN 55768**

Dear Dennis,

A number of weeks ago, we met to discuss the possible inclusion of the USX land on the east end of Soudan Underground Mine State Park to the statutory boundary of the park. The park is going through a management plan review and in working with a local citizens' advisory board, they suggested we consider the possibility of including the USX land in the park.

The group's specific interest in this area of the management plan is to look at options to protect shoreline of Lake Vermilion and the possibility of providing additional recreational opportunities for visitors to the park.

Including the property in the park does not impact the private landowner. A statutory boundary is a legislative boundary that the state legislature establishes giving the Parks Division direction as to the properties that may be of state park quality. It gives the Division of State Parks the opportunity to be considered as a potential buyer in the event that the owner is ever interested in selling the property.

You asked some specific questions about the legal impact of being within a statutory boundary and how being within a statutory boundary of a state park would affect the Ferrous/Non Ferrous rules. I contacted our Bureau of Minerals and asked them to research the Ferrous/Non Ferrous rules as they apply to statutory boundaries. I also contacted our Attorney General's office to get a response as to how being in a statutory boundary relates to any state laws or regulations. I have included copies of their responses for your information.



Mr. Dennis Hendricks - page 2

November 1, 2000

I hope that the information provided explains in enough detail to answer the questions that you raised at the meeting.

The citizens' group is interested in working with your company in including it in the statutory boundary if you are interested. You mentioned at the meeting that we had that you would be providing the information that I responded with to your corporate office for their consideration. If you need any additional information, please give me or Park Manager Paul Wannarka a call.

Thank your for your consideration.

Very truly yours,

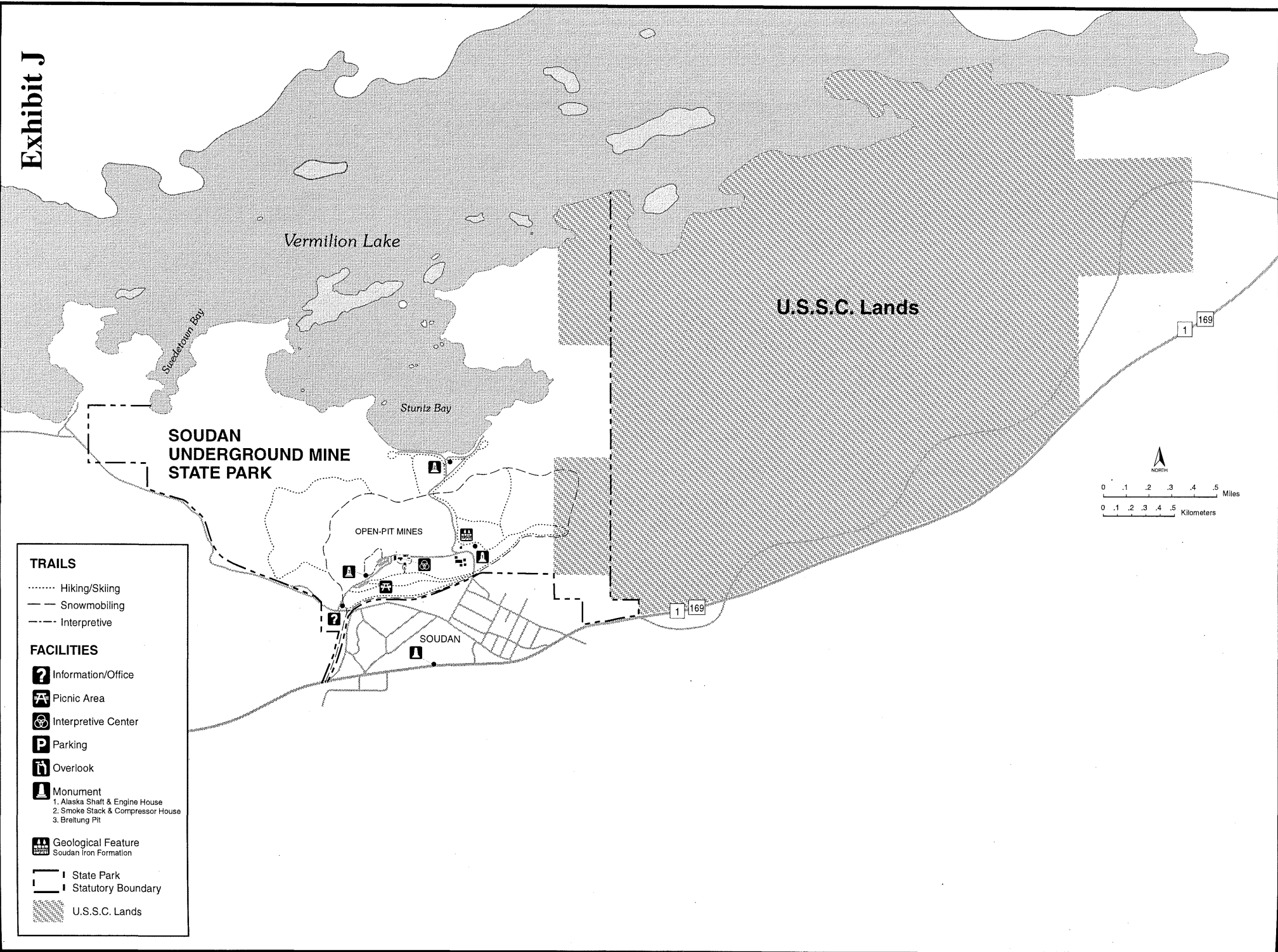


**JAMES A. WILLFORD**  
Regional Parks Manager

Enclosures - 2

- c. Bill Morrissey, Director of State Park
- Paul Maurer, Regional Parks Operation Supvr
- Paul Wannarka, Soudan Underground Mine Manager
- Soudan Citizens' Advisory Board









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DATE: 12/07/00  
TIME: 12:47:36

EXHIBIT K

MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
BUREAU OF REAL ESTATE MANAGEMENT  
LEASE MASTER LIST - BY PURPOSE  
AS OF 12/07/2000

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RANGES SELECTED:  
CONTRACT TYPE... 16-16 MISC LEASE: PRIVATE TO MISC LEASE: PRIVATE  
COUNTY..... -99 ALL  
REGION/AREA... -9 99 ALL  
LAKE ID..... -999999 ALL  
PURPOSE..... 216-216 BOAT HOUSE LEASE TO BOAT HOUSE LEASE

| PURPOSE      | - | 216 BOAT HOUSE LEASE   |   |     |            |            | -EFF.DATE- | -EXP.DATE- |       |
|--------------|---|------------------------|---|-----|------------|------------|------------|------------|-------|
| LEASE        | # | NAME                   | ADDRESS                                     | ADM | ANNUAL FEE | CO         | 40 LT SEC  | TWP RGE    | ACRES |
| 144-016-0656 |   | GARY AUBOL             | 6689 HIGHWAY 53, VIRGINIA, MN55792          | 43  | 175.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 23 3 27 | 62.0N 15W  |            |       |
| 144-016-0657 |   | DAVID W. PEITSO        | P.O. BOX 154, SOUDAN, MN55782-0154          | 43  | 175.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 23 3 27 | 62.0N 15W  |            |       |
| 144-016-0658 |   | MARK STEFANICH         | BOX 24, SOUDAN, MN55782                     | 43  | 175.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0659 |   | DANNY J HILL           | 10 1ST AVE, PO BOX 116, SOUDAN, MN55782     | 43  | 175.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0660 |   | JACK AND CLAIRE RODDY  | BOX 384, SOUDAN, MN55782                    | 43  | 175.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0661 |   | DENNIS AND ELAINE PASS | 1230 EAST MADISON STREET, ELY, MN55731      | 43  | 200.00     | 9/09/1995  | 6/30/2005  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0723 |   | IRENE JONES            | 731 HAZEL ST, LIVERMORE, CA94550            | 43  | 150.00     | 9/03/1997  | 6/30/2007  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0727 |   | GEORGE PELISKA         | 410 N. 15TH ST., VIRGINIA, MN55790          | 43  | 175.00     | 6/23/1997  | 3/31/2007  |            | .00   |
|              |   |                        |   |     |            | 69 23 3 27 | 62.0N 15W  |            |       |
| 144-016-0728 |   | KEITH & LINDA CARLON   | BOX 644, BUHL, MN55713                      | 43  | 175.00     | 4/24/1997  | 4/23/2006  |            | .00   |
|              |   |                        |   |     |            | 69 23 3 27 | 62.0N 15W  |            |       |
| 144-016-0729 |   | JOSEPH M PODERZAY      | 15 SUPERIOR STREET, BOX 445, SOUDAN, MN5578 | 43  | 175.00     | 4/01/1998  | 3/31/2008  |            | .00   |
|              |   |                        |   |     |            | 69 23 3 27 | 62.0N 15W  |            |       |
| 144-016-0730 |   | WESLEY P. ANDERSON     | 301 MEADOWOOD LANE, VADNAIS HEIGHTS, MN5512 | 43  | 175.00     | 6/02/1999  | 3/31/2008  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0731 |   | ROBERT D. KARROW       | P O BOX 65, SOUDAN, MN55782                 | 43  | 175.00     | 4/01/1998  | 3/31/2008  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |
| 144-016-0732 |   | LYLE E. CARLON         | PO BOX 275, SOUDAN, MN55782-0275            | 43  | 200.00     | 6/25/1996  | 3/30/2006  |            | .00   |
|              |   |                        |   |     |            | 69 24 2 27 | 62.0N 15W  |            |       |

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DATE: 12/07/00  
TIME: 12:47:36

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| PURPOSE<br>LEASE | # | 216 BOAT HOUSE LEASE<br>NAME    | ADDRESS                                     | ADM | ANNUAL FEE | -EFF.DATE-<br>CO 40 LT SEC | -EXP.DATE-<br>TWP RGE   | ACRES |
|------------------|---|---------------------------------|---|-----|------------|----------------------------|-------------------------|-------|
| 144-016-0733     |   | LEE E. & ARLENE A. BRA          | 3583 GLEN OAKS AVENUE, WHITE BEAR LAKE, MN5 | 43  | 200.00     | 10/01/1997<br>69 24 2 27   | 9/30/2007<br>62.0N 15W  | .00   |
| 144-016-0734     |   | NICK & PATRICIA BRASCU          | 4019 N. AIRPORT LANE, EVELETH, MN55734      | 43  | 175.00     | 6/01/1997<br>69 24 2 27    | 3/31/2007<br>62.0N 15W  | .00   |
| 144-016-0735     |   | DOMNICK J. TEKAUTZ              | P.O. BOX 635, TOWER, MN55790                | 43  | 175.00     | 6/10/1997<br>69 24 2 27    | 3/31/2007<br>62.0N 15W  | .00   |
| 144-016-0736     |   | GERTRUDE VESEL                  | 1124 E. CHAPMAN ST., ELY, MN55731           | 43  | 175.00     | 8/14/1998<br>69 12 1 27    | 6/30/2008<br>62.0N 15W  | .00   |
| 144-016-0737     |   | KYLE M & REED W LEWIS           | C/O KELLINGTON CONSTRUCTION, ATTN: NATALIE, | 43  | 200.00     | 7/24/1998<br>69 12 1 27    | 6/30/2008<br>62.0N 15W  | .00   |
| 144-016-0777     |   | NEAL E. SORENSEN                | 132 PENINSULA ROAD, MINNEAPOLIS, MN55427    | 43  | 175.00     | 8/14/1999<br>69 23 3 27    | 6/30/2008<br>62.0N 15W  | .00   |
| 144-016-0779     |   | JIM AND CATHY WRIGHT            | 8829 HWY. 135, TOWER, MN55790               | 43  | 175.00     | 4/16/1999<br>69 23 3 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-0780     |   | STANLEY C. PETROSKY, E BOX 217, | SOUDAN, MN55782                             | 43  | 175.00     | 6/29/1999<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-0781     |   | ROY O. AMBORN                   | 4462 LAVAQUE ROAD, HERMANTOWN, MN55811      | 43  | 175.00     | 4/01/1999<br>69 12 1 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-0832     |   | R.A. WILLIAM JACK               | ELY ISLAND F.N. 3000, PO BOX 841, TOWER, MN | 43  | 125.00     | 1/03/1991<br>69 23 3 27    | 12/31/2000<br>62.0N 15W | .00   |
| 144-016-0833     |   | PAUL & NANCY LILYA              | P.O. BOX 422, SOUDAN, MN55782               | 43  | 125.00     | 8/05/1991<br>69 24 2 27    | 6/30/2001<br>62.0N 15W  | .00   |
| 144-016-0834     |   | LOUIS F. GLAVAN                 | BOX 74, SOUDAN, MN55782                     | 43  | 125.00     | 3/13/1992<br>69 12 1 27    | 12/31/2001<br>62.0N 15W | .00   |
| 144-016-0835     |   | HENRY NEIMI                     | BOX 327, SOUDAN, MN55782                    | 43  | 125.00     | 9/26/1991<br>69 12 1 27    | 6/30/2001<br>62.0N 15W  | .00   |
| 144-016-0852     |   | ROGER DOLINAR                   | BOX 176, SOUDAN, MN55782                    | 43  | 125.00     | 9/26/1992<br>69 23 3 27    | 6/30/2002<br>62.0N 15W  | .00   |
| 144-016-0940     |   | THOMAS JOHNSON                  | 2524 BRANCH STREET, DULUTH, MN55812         | 43  | 200.00     | 1/01/1994<br>69 23 3 27    | 12/31/2003<br>62.0N 15W | .00   |
| 144-016-0941     |   | RICHARD B. PETERSON             | 1584 CHATHAM AVE., ARDEN HILLS, MN55112     | 43  | 175.00     | 8/08/1993<br>69 23 3 27    | 6/30/2003<br>62.0N 15W  | .00   |

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DATE: 12/07/00  
TIME: 12:47:36

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AS OF 12/07/2000

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| PURPOSE<br>LEASE | # | 216 BOAT HOUSE LEASE<br>NAME | ADDRESS   | ADM | ANNUAL FEE | -EFF.DATE-<br>CO 40 LT SEC | -EXP.DATE-<br>TWP RGE   | ACRES |
|------------------|---|------------------------------|---|-----|------------|----------------------------|-------------------------|-------|
| 144-016-0942     |   | CYNTHIA & CHARLES P. D       | 1221 S.W. 4TH STREET, GRAND RAPIDS, MN55744         | 43  | 175.00     | 9/18/1993<br>69 23 3 27    | 6/30/2003<br>62.0N 15W  | .00   |
| 144-016-0943     |   | ROY H. SODERBERG             | BOX 421, SOUDAN, MN55782                            | 43  | 175.00     | 6/23/1993<br>69 23 3 27    | 3/31/2003<br>62.0N 15W  | .00   |
| 144-016-0944     |   | LYLE SHANK                   | P. O. BOX 188, OSSEO, MN55369                       | 43  | 200.00     | 7/29/1993<br>69 23 3 27    | 6/30/2003<br>62.0N 15W  | .00   |
| 144-016-0945     |   | STEVEN VRANICAR              | 2100 SCHEFFER AVENUE, ST. PAUL, MN55116             | 43  | 175.00     | 9/22/1993<br>69 23 3 27    | 6/30/2003<br>62.0N 15W  | .00   |
| 144-016-0946     |   | STEVE SUNSDAHL & MARK        | 12750 30TH AVE N, PLYMOUTH, MN55441                 | 43  | 200.00     | 3/13/1994<br>69 24 2 27    | 12/31/2003<br>62.0N 15W | .00   |
| 144-016-0947     |   | JOHN MARXHAUSEN              | P. O. BOX 184, KNIFE RIVER, MN55609                 | 43  | 200.00     | 12/21/1993<br>69 24 2 27   | 9/30/2003<br>62.0N 15W  | 55.75 |
| 144-016-0948     |   | DONALD & ARDELLE NIFMI       | 5604 LEHTO ROAD, EMBARRASS, MN55732                 | 43  | 175.00     | 6/27/1994<br>69 24 2 27    | 6/30/2004<br>62.0N 15W  | .00   |
| 144-016-0949     |   | JAMES N. SANSTROM JR.        | 6951 HIGHWAY 169, VIRGINIA, MN55792                 | 43  | 175.00     | 6/01/1995<br>69 24 2 27    | 3/31/2005<br>62.0N 15W  | .00   |
| 144-016-0950     |   | JOHN AND BETSY BYSTROM       | 304 NORTH PINE STREET, P.O. BOX 713, TOWER, MN55792 | 43  | 175.00     | 7/19/1994                  | 6/30/2004               | .00   |
| 144-016-0979     |   | WARREN B KREGNESS            | 5310 S.W. 11TH AVE., CAPE CORAL, FL33914            | 43  | 200.00     | 3/10/1996<br>69 23 3 27    | 12/31/2005<br>62.0N 15W | .00   |
| 144-016-1051     |   | AUDREY KLINE                 | P.O. BOX 93, SOUDAN, MN55782                        | 43  | 200.00     | 3/17/1999<br>69 24 2 27    | 12/31/2008<br>62.0N 15W | .00   |
| 144-016-1052     |   | RODNEY JACK MORGAN           | PO BOX 128, FIFTY LAKES, MN56448                    | 43  | 175.00     | 4/28/1998<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-1053     |   | WILLIAM J. TOPPSON           | 9500 96TH STREET NORTH, MAHTOMEDI, MN55115          | 43  | 175.00     | 5/01/1998<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-1054     |   | ROBERT D. KJORSVIG           | 4005 SPIDER ISLAND, PO BOX 658, TOWER, MN55792      | 43  | 175.00     | 4/14/1998<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-1055     |   | G. PAUL HENDRICKSON          | 5479 HWY. 169, TOWER, MN55790                       | 43  | 175.00     | 5/10/1999<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |
| 144-016-1056     |   | JAMES MAYER                  | P. O. Box 403, VIRGINIA, MN55792-0403               | 43  | 175.00     | 4/04/1999<br>69 24 2 27    | 3/31/2008<br>62.0N 15W  | .00   |

LEASE TYPE 16 TOTALS:

46 = # OF LEASE S  
.05 = TOTAL ACRES  
8,100.00 = TOTAL FEE

DATE: 12/07/00  
TIME: 14:30:34

MINNESOTA DEPARTMENT OF NATURAL RESOURCES  
BUREAU OF REAL ESTATE MANAGEMENT  
LEASE MASTER LIST - BY STATEWIDE  
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RANGES SELECTED:  
CONTRACT TYPE... 70-70 BOAT HOUSE LEASE TO BOAT HOUSE LEASE  
COUNTY..... -99 ALL  
REGION/AREA... -9 99 ALL  
LAKE ID..... -999999 ALL  
PURPOSE..... -999 ALL

| STATEWIDE<br>LEASE | #                    | NAME                                    | ADDRESS | ADM | ANNUAL FEE              | -EFF.DATE-<br>CO 40 LT SEC | -EXP.DATE-<br>TWP RGE | ACRES |
|--------------------|----------------------|---|---------|-----|-------------------------|----------------------------|-----------------------|-------|
| 144-070-0001       | ROY H. SODERBERG     | BOX 421, SOUDAN, MN55782                | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0002       | ALDEN E. HENDRICKSON | ROUTE 1, BOX 86, EMBARASS, MN55732      | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0004       | GEORGE JAUSS.        | 1202 MINNESOTA BLEVD., ELY, MN55731     | 43      |     | 9/08/1965<br>69 23 3 27 | 12/31/2015<br>62.0N 15W    | .00                   |       |
| 144-070-0007       | JAYSON A. YAPPEL     | 151 FARLEY LANE, DULUTH, MN55803        | 43      |     | 5/18/1981<br>69 23 3 27 | 5/18/2001<br>62.0N 15W     | .00                   |       |
| 144-070-0010       | ROSE PECHA           | P. O. BOX 294, SOUDAN, MN55782          | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0011       | GUST T. KORPI        | BOX 132, SOUDAN, MN55782                | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0014       | DALE T. SODERBERG    | 7320 PIKE ROAD, EMBARRASS, MN55732      | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0016       | ROY H. SODERBERG     | 23 JASPER STREET, SOUDAN, MN55782       | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0018       | JAMES KERANEN        | 709 ALLEN DRIVE, AGRAND RAPIDS, MN55744 | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0020       | JOHN EDWARD TEKAUTZ  | P. O. BOX 543, TOWER, MN55790           | 43      |     | 1/17/1989<br>69 23 3 27 | 1/17/2009<br>62.0N 15W     | .00                   |       |
| 144-070-0022       | LEO A. WILSON        | BOX 6, SOUDAN, MN55782                  | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |
| 144-070-0024       | CHARLES TEKAUTZ      | 67 JASPER, SOUDAN, MN55782              | 43      |     | 2/22/1983<br>69 23 3 27 | 4/22/2001<br>62.0N 15W     | .00                   |       |
| 144-070-0027       | JOHN S. SALO         | 508 - 7TH ST., TWO HARBORS, MN55616     | 43      |     | 6/12/1984<br>69 23 3 27 | 6/12/2004<br>62.0N 15W     | .00                   |       |
| 144-070-0029       | HUGO O. HENDRICKSON  | BOX 68, SOUDAN, MN55782                 | 43      |     | 9/08/1965<br>69 23 3 27 | 9/07/2015<br>62.0N 15W     | .00                   |       |

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DATE: 12/07/00  
TIME: 14:30:34

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LEASE MASTER LIST - BY STATEWIDE  
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| STATEWIDE<br>LEASE # | -<br>NAME              | ADDRESS                                     | ADM | ANNUAL FEE | -EFF.DATE-<br>CO 40 LT SEC | -EXP.DATE-<br>TWP RGE   | ACRES |
|----------------------|------------------------|---|-----|------------|----------------------------|-------------------------|-------|
| 144-070-0031         | WALLACE HEIKKINEN      | BOX 867, TOWER, MN55790                     | 43  |            | 8/30/1991<br>69 23 3 27    | 8/30/2011<br>62.0N 15W  | .00   |
| 144-070-0032         | JAMES GORNICK          | BOX 668, TOWER, MN55790                     | 43  |            | 5/22/1984<br>69 23 3 27    | 5/22/2004<br>62.0N 15W  | .00   |
| 144-070-0035         | KIMBERLY M. ANDERSON   | P O BOX 712, TOWER, MN55790                 | 43  |            | 8/29/1989<br>69 23 3 27    | 8/29/2009<br>62.0N 15W  | .00   |
| 144-070-0039         | CLARK M. HAYDEN        | BOX 934, BIWABIK, MN55708                   | 43  |            | 9/08/1965<br>69 23 3 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0040         | EMANUEL SUNSDAHL       | BOX 367, SOUDAN, MN55782                    | 43  |            | 9/08/1965<br>69 23 3 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0041         | MARY LOU & KIRK LIA BR | 9725-106TH AVE. N., MAPLE GROVE, MN55369    | 43  |            | 11/15/1995<br>69 23 3 27   | 11/15/2015<br>62.0N 15W | .00   |
| 144-070-0042         | KENNETH WARGOWSKY      | BOX 214, SOUDAN, MN55782                    | 43  |            | 9/08/1965<br>69 23 3 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0045         | JOHN AND BETSY BYSTROM | 304 NORTH PINE STREET, P.O. BOX 713, TOWER, | 43  |            | 9/06/1988<br>69 23 3 27    | 9/06/2008<br>62.0N 15W  | .00   |
| 144-070-0048         | JOHN & MARY REIS WHITE | 14710 MCGINTY ROAD W., WAYZATA, MN55391     | 43  |            | 7/16/1993<br>69 23 3 27    | 7/16/2013<br>62.0N 15W  | .00   |
| 144-070-0050         | PAUL AROLA             | % ADELE AROLA, SOUDAN, MN55782              | 43  |            | 9/08/1965<br>69 23 3 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0057         | MITCHEL D. MESOJEDEC   | 5981 SEVILLE ROAD, DULUTH, MN55811          | 43  |            | 6/09/1987<br>69 24 2 27    | 6/09/2007<br>62.0N 15W  | .00   |
| 144-070-0058         | JOYCE LEKATZ           | 906 E. CAMP ST., ELY, MN55731               | 43  |            | 5/07/1991<br>69 24 2 27    | 5/07/2011<br>62.0N 15W  | .00   |
| 144-070-0059         | JOHN D. BOWMAN         | BOX 373, SOUDAN, MN55782                    | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0060         | STUNTZ BAY ASSN. INC.  | % DONNA HILL, SOUDAN, MN55782               | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0061         | WAYNE KULTALA          | BOX 42, SOUDAN, MN55782                     | 43  |            | 11/24/1989<br>69 24 2 27   | 9/08/2002<br>62.0N 15W  | .00   |
| 144-070-0064         | STUNTZ BAY ASSN. INC.  | % DONNA HILL, SOUDAN, MN55782               | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |

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|----------------------|------------------------|---|-----|------------|-----------------------------|-------------------------|-------|
| 144-070-0065         | DOUGLAS W. PADGETT     | BOX 579, TOWER, MN55790                 | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0066         | JAMES A. HILL          | BOX 37, SOUDAN, MN55782                 | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0068         | JOHN PODERZAY          | BOX 232, SOUDAN, MN55782                | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0069         | ROBERT L. CUNDY        | 707 SOUTH 6TH AVENUE, VIRGINIA, MN55792 | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0070         | EINO E. PASSI          | BOX 14, SOUDAN, MN55782                 | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0074         | LEEROY LILYA           | SOUDAN, MN55782                         | 43  |            | 4/12/1984<br>69 24 2 27     | 4/12/2004<br>62.0N 15W  | .00   |
| 144-070-0077         | GUNNARD A. ENROTH, JR. | P.O. BOX 461, HIBBING, MN55746          | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0078         | JAMES L. TUOMINEN      | TOWER, MN55790                          | 43  |            | 8/30/1993<br>69 24 2 27     | 8/30/2013<br>62.0N 15W  | .00   |
| 144-070-0079         | ANTON J. RUSS          | BOX 314, SOUDAN, MN55782                | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0080         | JOHN LILYA             | BOX 363, SOUDAN, MN55782                | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0081         | SCOTT D. & RENEE M. CO | 19545 JASPER TERRACE, LAKELAND, MN55044 | 43  |            | 8/21/1984<br>69 24 2 27     | 8/21/2004<br>62.0N 15W  | .00   |
| 144-070-0082         | CARL WUORI             | 30-10TH STREET N.E., CHISHOLM, MN55719  | 43  |            | 9/08/1965<br>69 24 2 27     | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0085         | PAUL D. WELLANDER      | P.O. BOX 391, SOUDAN, MN55782           | 43  |            | 3/14/1985<br>69 24 2 27     | 3/14/2005<br>62.0N 15W  | .00   |
| 144-070-0086         | MADELINE SUE WIEBKE    | BOX 625, TOWER, MN55790                 | 43  |            | 3/18/1992<br>69 24 2 27     | 3/18/2012<br>62.0N 15W  | .00   |
| 144-070-0087         | DEHL ROBERT GALLAGHER  | 2279 HILLSIDE, ST. PAUL, MN55108        | 43  |            | 6/14/1993<br>69 24 2 27     | 6/14/2013<br>62.0N 15W  | .00   |
| 144-070-0090         | JACK YERNATICH         | BOX 686, TOWER, MN55790                 | 43  |            | 12/28/1982<br>69 24 2 27    | 12/28/2002<br>62.0N 15W | .00   |

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|--------------------|---|-----------------------|--|-----|------------|----------------------------|-------------------------|-------|
| 144-070-0091       |   | AXEL J. KULTALA       | BOX 313, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0096       |   | TERRY & SCOTT PEITSO  | TOWER, MN55790                             | 43  |            | 5/14/1991<br>69 24 2 27    | 5/14/2011<br>62.0N 15W  | .00   |
| 144-070-0098       |   | HJALMER SUNDSTROM     | BOX 383, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0099       |   | JOHN A. BYSTROM       | 304 N. PINE, TOWER, MN55790                | 43  |            | 3/20/1986<br>69 24 2 27    | 3/20/2006<br>62.0N 15W  | .00   |
| 144-070-0100       |   | GREGORY PAUL PISHLER  | BOX 114, SOUDAN, MN55782                   | 43  |            | 5/04/1995<br>69 24 2 27    | 5/04/2015<br>62.0N 15W  | .00   |
| 144-070-0101       |   | DAVID J. BRULA        | BOX 378, TOWER, MN55790                    | 43  |            | 3/19/1982<br>69 24 2 27    | 3/19/2002<br>62.0N 15W  | .00   |
| 144-070-0103       |   | ZACHARY J. KORDOSKY   | 6495 ELM STREET, PO BOX 435, NORTH BRANCH, | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0107       |   | RICHARD D. LARSON     | BOX 307, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0108       |   | RICHARD D. LARSON     | 2734-16TH AVE. E., HIBBING, MN55746        | 43  |            | 12/17/1984<br>69 24 2 27   | 12/17/2004<br>62.0N 15W | .00   |
| 144-070-0109       |   | KATHY SALMELA         | BOX 392, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0110       |   | EDWIN A. CARLSON      | BOX 35, SOUDAN, MN55782                    | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0111       |   | ARNOLD H. HENDRICKSON | BOX 97, SOUDAN, MN55782                    | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0112       |   | DENNIS JOHNSON        | 6302 TACONY ST., DULUTH, MN55807           | 43  |            | 5/25/1984<br>69 24 2 27    | 5/25/2004<br>62.0N 15W  | .00   |
| 144-070-0114       |   | JOHN TEKAUTZ          | BOX 543, TOWER, MN55790                    | 43  |            | 9/08/1989<br>69 24 2 27    | 3/10/2006<br>62.0N 15W  | .00   |
| 144-070-0116       |   | FRANK J. SPOLLAR      | 308 MINNESOTA AVE. WEST, GILBERT, MN55741  | 43  |            | 9/08/1965<br>69 24 2 27    | 9/17/2011<br>62.0N 15W  | .00   |
| 144-070-0118       |   | MICHAEL WELLANDER     | BOX 442, TOWER, MN55790                    | 43  |            | 2/01/1991<br>69 24 2 27    | 2/01/2011<br>62.0N 15W  | .00   |

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|--------------------|---|------------------------|--|-----|------------|----------------------------|-------------------------|-------|
| 144-070-0120       |   | CHARLES H. MATTILA     | BOX 413, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0121       |   | JOSEPH JOHN YAPOL      | P O BOX 442, SOUDAN, MN55782               | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0122       |   | MARTIN J. GORNICK      | 415 NORTH 3RD STREET, TOWER, MN55790       | 43  |            | 12/28/1989<br>69 24 2 27   | 12/28/2009<br>62.0N 15W | .00   |
| 144-070-0123       |   | JAMES A. HILL, JR.     | BOX 86, SOUDAN, MN55782                    | 43  |            | 6/30/1992<br>69 24 2 27    | 6/30/2012<br>62.0N 15W  | .00   |
| 144-070-0124       |   | JEFFREY L. JOHNSON     | 16 CENTER STREET, SOUDAN, MN55782          | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0125       |   | AGNES MESOJEDEC        | SOUDAN, MN55782                            | 43  |            | 4/27/1981<br>69 24 2 27    | 4/27/2001<br>62.0N 15W  | .00   |
| 144-070-0126       |   | KENTON ANDERSON        | 13909 MCGINTY ROAD E., MINNETONKA, MN55343 | 43  |            | 7/15/1988<br>69 24 2 27    | 7/15/2008<br>62.0N 15W  | .00   |
| 144-070-0130       |   | JIM SKINNER            | 916 7TH AVENUE SOUTH, VIRGINIA, MN55792    | 43  |            | 9/08/1965<br>69 24 2 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0131       |   | DON & GORDON CRAYNE    | STAR ROUTE, TOWER, MN55790                 | 43  |            | 2/04/1981<br>69 24 2 27    | 2/04/2001<br>62.0N 15W  | .00   |
| 144-070-0133       |   | ANTHONY J. ZAVODNIK    | P.O. BOX 332, SOUDAN, MN55782              | 43  |            | 3/10/1992<br>69 24 2 27    | 3/10/2012<br>62.0N 15W  | .00   |
| 144-070-0134       |   | ALBERT J. ANDERSON     | BOX 283, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0136       |   | PETER P. YAPOL         | BOX 387, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0138       |   | STAFFORD J. KORPI      | BOX 122, SOUDAN, MN55782                   | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0143       |   | TIMOTHY T & LEIGH C LI | 2706 BROOKRIDGE AVE. N., CRYSTAL, MN55422  | 43  |            | 5/11/1992<br>69 12 1 27    | 5/11/2012<br>62.0N 15W  | .00   |
| 144-070-0145       |   | SHARON GRIMES & F. LEV | 5120 HANKERSON AVENUE, EDINA, MN55436      | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W  | .00   |
| 144-070-0146       |   | THOMAS G. SUNDEEN      | P.O. BOX 334, SOUDAN, MN55782              | 43  |            | 3/20/1991<br>69 12 1 27    | 3/20/2011<br>62.0N 15W  | .00   |



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|----------------------|------------------------|------------------------------------|-----|------------|----------------------------|------------------------|-------|
| 144-070-0147         | TIMOTHY AND LORI TOMSI | BOX 83, SOUDAN, MN55782            | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0148         | WILLIAM J. LILYA, JR.  | 26 CUYUNA DRIVE, VIRGINIA, MN55792 | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0149         | JOHN F. SPOLLAR        | 24 CUYUNA DRIVE, VIRGINIA, MN55792 | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0150         | WALLACE M. KULTALA     | BOX 42, SOUDAN, MN55782            | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0152         | LOUIS & JOHN & MICHAEL | BOX 312, SOUDAN, MN55782           | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0154         | JEROME NEMANICH        | 236 E. 10TH ST. S., ELY, MN55731   | 43  |            | 9/20/1982<br>69 12 1 27    | 9/20/2002<br>62.0N 15W | .00   |
| 144-070-0155         | WALTER A. ANDERSON     | BOX 73, SOUDAN, MN55782            | 43  |            | 9/08/1965<br>69 12 1 27    | 9/07/2015<br>62.0N 15W | .00   |
| 144-070-0156         | CAROL ALTOBELL         | 1310 WILSON AVE., CLOQUET, MN55720 | 43  |            | 5/25/1994<br>69 12 1 27    | 5/25/2014<br>62.0N 15W | .00   |

LEASE TYPE 70 TOTALS:

86 = # OF LEASE S  
.00 = TOTAL ACRES  
.00 = TOTAL FEE

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|--------------------|---|------------------------|---|-----|------------|----------------------------|-------------------------|--------------|
| 144-071-0001       |   | KEN WAMHOFF            | 13286 - 162 AVENUE, FORESTOWN, MN56330      | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
|                    |   |                        |   |     |            |                            |                         | .00          |
| 144-071-0002       |   | MICHAEL N. MICKLE      | P. O. BOX 205, SOUDAN, MN55782              | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0003       |   | FRANK J. BRULA         | P. O. BOX 84, SOUDAN, MN55782               | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0004       |   | PAUL LARSON            | 246 E. CHAPMAN STREET, ELY, MN55731         | 43  | 160.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0005       |   | E. E. BRANWALL & F. A. | BOX 142, SOUDAN, MN55782                    | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0006       |   | GUY SPEAKER            | 2720 COLORADO AVE SO, ST. LOUIS PARK, MN554 | 43  | 160.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0007       |   | DANIEL BERG            | 4844 ALPINE PARK DRIVE, ROCKFORD, IL61108   | 43  | 200.00     | 8/01/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00<br>55.75 |
| 144-071-0008       |   | BERNARD JOHN SARKELA   | BOX 801, TOWER, M 55790                     | 43  | 200.00     | 8/01/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0009       |   | GREG D. & MARIE A. LAR | 11526 N. 129 WAY, SCOTTSDALE, AZ85259       | 43  | 200.00     | 8/01/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0010       |   | GERALD ENROTH          | P. O. BOX 695, HIBBING, MN55746             | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0011       |   | BEVERLY A. SYRJANEN    | 9171 RIVERS ROAD, TOWER, MN55790            | 43  | 200.00     | 8/01/2000<br>69 23 3 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0012       |   | RAYMOND J. SVATOS      | 8597 KAPLA LAKE ROAD, IRON, MN55751         | 99  | 160.00     | 8/01/2000<br>27 2 16       | 6/30/2099<br>116.0N 21W | .00          |
| 144-071-0013       |   | MURIEL LAMKEN          | 25 CHURCH ST., BOX 55, SOUDAN, MN55782      | 43  | 200.00     | 8/01/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0014       |   | PAUL PISHLER           | BOX 393, SOUDAN, MN55782                    | 43  | 200.00     | 8/18/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0015       |   | DANIEL SMITH           | P. O. BOX 249, RENVILLE, MN56284            | 43  | 200.00     | 8/05/2000<br>69 24 2 27    | 6/30/2099<br>62.0N 15W  | .00          |
| 144-071-0016       |   | DONALD J. ERCHUL SR.   | 1421 - 12 ST. S., VIRGINIA, MN55792         | 43  | 200.00     | 1/01/2001<br>69 24 2 27    | 12/30/2099<br>62.0N 15W | .00          |

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| 144-071-0017       |   | JAMES A & KATHLEEN A C | 2315 UPTON TRAIL SE, BROOKHAVEN, MS39601 | 43  | 200.00     | 1/01/2001<br>69 12 1 27    | 6/30/2099<br>62.0N 15W | .00   |

LEASE TYPE 71 TOTALS:           17   = # OF LEASE   S  
                                     .00 = TOTAL ACRES  
                                  3,280.00 = TOTAL FEE

\*\* GRAND TOTALS:               104   = # OF LEASE  
                                     .00 = TOTAL ACRES  
                                  3,280.00 = TOTAL FEE

