

MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, DECEMBER 16, 2002 - 6:30 P.M.

A G E N D A

- I. Roll Call
 - II. Consent Agenda
 - A. Minutes of the November 26, 2002 COW Meeting (#12)
 - B. Minutes of the December 2, 2002, Meeting (#3-16)
 - C. Minutes of the December 3, 2002, Hearing (#17)
 - D. Bills and Payroll
 - E. Receipts
 - F. Communications (#115-120)
 - III. Public Forum
 - IV. Committee and Staff Reports
 - A. Utility Advisory Board
 - 1. Acquisition of Utilities from VPUC Agreement (#18)
 - 2. Electrical Equipment Quotes (#19)
 - B. Planning and Zoning Commission
 - 1. Wetland Fill Permit (#20-31)
 - 2. Certificate of Survey – West Mashkenode Lake
 - C. Sheriffs Department
 - 1. November Report (#32)
 - V. Unfinished Business
 - A. School Agreement (#33-42)
 - B. Bon-Air Cleanup (#43)
 - VI. New Business
 - A. 2003 Budget Adoption (#44-60)
 - B. Resolution 52-02 Adopting HRA Levy (#61)
 - C. Resolution 53-02 Adopting Market Rate Levy (#62)
 - D. Resolution 54-02 Adopting Levy (#63)
 - E. Resolution 55-02 Taconite Tax Distribution (#65-66)
 - F. Resolution 56-02 Accepting Work (#67-68)
 - G. Resolution 57-02 Financial Management (#69-70)
 - H. Community Center Usage (#71-75)
 - I. Surface Lease (#76-88)
 - J. Surface Lease (#89-114)
 - K. Communications (#115-120)
 - VII. Mayor's Report
 - VIII. Open Discussion
 - IX. Announcements
 - X. Adjourn
- # Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING
NOVEMBER 26, 2002

Mayor Brunfelt called the meeting to order with the following members present: Joe Prebeg, Jr., Stephen Skogman, Ed Roskoski, and Mayor Mitchell Brunfelt. Absent member included: Joe Matanich. Also present were: Craig J. Wainio, City Administrator; Don Kleinschmidt, Director of Public Works; Larry Nanti, Recreation Director; Karen Luoma, Librarian; Joe Stewart Sergeant; Tom Cvar, Fire Chief; Greg Chad, Training Officer; Gary Skalko, Mayor-Elect; Allen Nelson, Councilor-Elect; and Dale Irish, Councilor-Elect.

The purpose of the meeting was to discuss the 2003 budget, levy and capital spending projects.

The preliminary levy had been adopted with a 14.4% increase. The 2003 budget and levy must be set by the second City Council meeting in December.

The 2003 budget, as presented, shows an overall .4% increase and included in the 2003 budget is a projected shortfall of local government aid of 20%.

Discussion took place on the possible levy options from a 0% increase to a 14.4% increase. It was the consensus that any reduction in the levy would come from the capital outlay project list.

The Council discussed the water revenue bonds and how to fund them. The Council discussed paying for the water revenue bonds with a percentage from the General Fund and a percentage from the Water Fund. The justification for the entire City paying for a portion of the bonds was that the water customers do not need the storage tanks for water service. The water tanks are primarily used for fire protection. After further discussion, it was recommended that 70% of the bond payments would be funded through the General Fund and 30% would be funded through the Water Fund.

The Capital Improvement Plan was discussed and plans were made to award projects on the basis of a zero percent increase in the 2003 levy.

The following were awarded capital outlay funding for 2003:

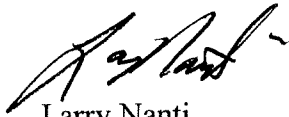
Sheriff's Department	Squad Car	\$25,000.00
Park and Recreation Dept.	West II Pavilion	\$35,000.00
Fire Department	Radios	\$20,000.00
Street Department	Upgrades	\$50,000.00
Administration/Library	Tech. Upgrades	\$15,000.00
Undesignated		\$15,000.00

Sergeant Stewart advised the Council that the contract for the Sheriff's Department had not been settled yet.

The levy would be discussed at the December 2, 2002, City Council meeting.

At 7:42 p.m., the meeting was adjourned.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Larry Nanti", with a stylized flourish at the end.

Larry Nanti
Director of Parks and Recreation

MINUTES
MOUNTAIN IRON CITY COUNCIL
DECEMBER 2, 2002

The meeting was called to order at 6:30 p.m. by Mayor Brunfelt with the following members present: Joe Prebeg, Jr., Stephen Skogman, Joe Matanich, Ed Roskoski, and Mayor Mitchell Brunfelt. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Larry Nanti, Recreation Director; Karen Luoma, Librarian; and Greg French, City Engineer.

It was moved by Matanich and supported by Skogman that the consent agenda be approved as follows:

1. Add the following item to the agenda:
V. B. Negotiations with Mountain Iron-Buhl School Update
2. Approve the minutes of the November 4, 2002, regular meeting as submitted.
3. Approve the minutes of the November 18, 2002, regular meeting as submitted.
4. That the communications be accepted, placed on file, and those requiring further action by the Council be acted upon during their proper sequence on the agenda.
5. Authorize the payment of the bills and payroll for the period November 16-30, 2002, totaling \$353,201.52, (a list is attached and made a part of these minutes).
6. Acknowledge the receipts for the period November 16-30, 2002 totaling \$57,658.84, (a list is attached and made a part of these minutes).

The motion to adopt the consent agenda carried unanimously on a roll call vote.

The Mayor noted to the Council and the audience that the Truth-in-Taxation hearing set by the Council was set for December 2, 2002, and the County printed December 3rd on the statement that were mailed to the residents. He said that the hearing would start on December 2nd and would be reconvened on December 3rd at 6:30 p.m.

At 6:32 p.m., it was moved by Skogman and supported by Prebeg to recess the regular meeting and open the Truth-in-Taxation public hearing. The motion carried.

The Mayor advised the residents that the City Administrator had prepared a document explaining the proposed property tax statement and asked that the residents review it. He also said that there was only one area of the statement that the City Council has any control over. The Mayor also advised the residents that the Legislature had changed how the taconite aids are disbursed and this would result in an increase in the proposed taxes.

During the public hearing there were several comments and questions asked regarding the proposed increases in the City levy. One resident requested that the City Council adopt a resolution stating that the residents of the City of Mountain Iron do not like how the distribution of aids are being applied.

The Mayor said that if you did a comparison on other community taxes that the taxes in Mountain Iron would still be one of the lowest property taxes in the state.

At 7:13 p.m., it was moved by Skogman and supported by Matanich to recess the public hearing until 6:30 p.m. on Tuesday, December 3, 2002, and reconvene the regular meeting. The motion carried.

During the public forum, Larry Johnson was present and asked if the City Council would be conducting a hearing on the 2003 budget. The Mayor advised him that this was part of the Truth in Taxation public hearing.

It was moved by Prebeg and supported by Matanich to direct the City Administrator to draft a resolution regarding the loss of taconite aids in the City of Mountain Iron and submit the resolution to the City Council at the next regular meeting for consideration. The motion carried.

It was moved by Prebeg and supported by Matanich to accept the recommendation of the Mountain Iron Park and Recreation Board and close the Kinross Park and cancel the lease with USX Corporation for the land used for the Kinross Park. The motion carried.

It was moved by Prebeg and supported by Skogman to accept the recommendation of the Park and Recreation Board and purchase dasher boards from Athletica at the quoted price of \$27,870.61. The motion carried on the following roll call vote: Skogman, yes; Matanich, yes; Roskoski, no; Prebeg, yes; and Brunfelt, yes.

It was moved by Matanich and supported by Skogman to approve the agreement with Saint Louis County for the collection of recyclable materials, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Skogman and supported by Prebeg to authorize the purchase of one (1) new 150 KVA dual voltage transformer and pad from Resco at their low quoted price of \$4,312.00. The motion carried unanimously on a roll call vote.

It was moved by Skogman and supported by Matanich to approve pay request number one to Mesabi Bituminous for the paving of the Community Center parking lot in the amount of \$7,626.00. The motion carried unanimously on a roll call vote.

The Council reviewed the draft of the development agreement for the public/private partnership for the library development.

It was the consensus of the City Council to allow Councilor Matanich to work with the City Engineer regarding to obtain cost estimates for the Mountain Iron-Buhl School District ballfield and attend the December 9th School Board meeting to discuss the matter further.

It was moved by Roskoski and supported by Prebeg to adopt a preliminary 2003 budget reflecting a zero percent increase in the levy. The motion carried on the following roll call vote: Prebeg, yes; Skogman, no; Matanich, yes; Roskoski, yes; and Brunfelt, yes.

It was moved by Roskoski and supported by Skogman to adopt Resolution Number 50-02, authorizing a grant application, (a copy is attached and made a part of these minutes). The motion carried on the following roll call vote: Skogman, yes; Matanich, yes; Roskoski, yes; Prebeg, yes; and Brunfelt, no.

It was moved by Skogman and supported by Matanich to adopt Resolution Number 51-02, guaranteeing local share of construction costs and ongoing maintenance for the Mesabi Trail project, (a copy is attached and made a part of these minutes). The motion carried unanimously on a roll call vote.

It was moved by Skogman and supported by Matanich to approve the Bike Trail Lease Agreement with the State of Minnesota, Department of Natural Resources, (a copy is attached and made a part of these minutes). The motion carried.

At 8:17 p.m., Councilor Roskoski left the meeting.

At 8:20 p.m., Councilor Roskoski returned to the meeting.

It was moved by Skogman and supported by Prebeg to not waive the monetary limits on municipal tort established by Minnesota Statute. The motion carried.

It was moved by Skogman and supported by Matanich to approve the application for an exempt permit for Muskies, Inc. to conduct a raffle to raise money. The motion carried.

During the open discussion, Councilor Roskoski asked what the status on the demolition of the Bon Air was. The Blight Officer stated that the owner of the Bon Air received the City's letter and is willing to work with the city to continue with the demolition. He also said that they are currently working with the IRRRB Building Demolition Program to obtain a price to have the building demolished.

At 8:22 p.m., it was moved by Skogman and supported by Roskoski that the meeting be adjourned. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA
Municipal Services Secretary

COMMUNICATIONS

1. Department of the Army, information regarding the Section 569 Northeast Minnesota Environmental Assistance Program.
2. Calvary Cemetery Association, a thank you letter.
3. Marilyn Skaudis, Secretary for the Mountain Iron Senior Citizens Club, a request regarding the garbage collection charges.

Check Issue Date(s): 11/08/2002 - 11/30/2002

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
	11/02	11/18/2002	27696	130011 MOUNTAIN IRON POSTMASTER	002-20200	266.63
	11/02	11/21/2002	27697	10013 A T & T INFORMATION SYSTEMS	002-20200	62.62
	11/02	11/21/2002	27698	10008 AIRGAS NORTH CENTRAL	002-20200	75.25
	11/02	11/21/2002	27699	10030 AMERICAN PUBLIC POWER ASSN	002-20200	485.00
	11/02	11/21/2002	27700	10044 AMOCO OIL COMPANY	002-20200	1,654.81
	11/02	11/21/2002	27701	20022 BENCHMARK ENGINEERING INC	002-20200	7,630.00
	11/02	11/21/2002	27702	1115 BETH BALDWIN	002-20200	24.98
	11/02	11/21/2002	27703	20014 BORDER STATES ELECTRIC SUPPLY	002-20200	1,287.41
	11/02	11/21/2002	27704	220003 CITY OF VIRGINIA	002-20200	85.70
	11/02	11/21/2002	27705	30053 CONSOLIDATED TRADING COMPANY	002-20200	835.63
	11/02	11/21/2002	27706	30019 CREDIT BUREAU INC	002-20200	20.00
	11/02	11/21/2002	27707	40030 DULUTH CLINIC	002-20200	20.00
	11/02	11/21/2002	27708	40015 DULUTH NEWS TRIBUNE	002-20200	175.24
	11/02	11/21/2002	27709	40027 DULUTH/SUPERIOR COMMUNICATION:	002-20200	44.99
	11/02	11/21/2002	27710	50028 ELECTION SYSTEMS & SOFTWARE	002-20200	943.50
	11/02	11/21/2002	27711	70029 GUARDIAN PEST CONTROL INC	002-20200	51.55
	11/02	11/21/2002	27712	80022 HAWKINS INC	002-20200	641.28
	11/02	11/21/2002	27713	30023 J P COOKE COMPANY	002-20200	52.05
	11/02	11/21/2002	27714	100019 JOLA & SOPP EXCAVATING INC	002-20200	600.00
	11/02	11/21/2002	27715	1114 KATHY NOVAKOVICH	002-20200	18.45
	11/02	11/21/2002	27716	120006 L & M SUPPLY	002-20200	701.17
	11/02	11/21/2002	27717	120002 LAWSON PRODUCTS INC	002-20200	704.99
	11/02	11/21/2002	27718	120003 LEAGUE OF MINNESOTA CITIES	002-20200	500.00
	11/02	11/21/2002	27719	120008 LEHMAN FABRICATING INC	002-20200	39.40
	11/02	11/21/2002	27720	120022 LEISURE ARTS	002-20200	59.82
	11/02	11/21/2002	27721	120004 LITERARY GUILD	002-20200	27.48
	11/02	11/21/2002	27722	1116 LORI SOFTICH	002-20200	89.67
	11/02	11/21/2002	27723	130106 MEDIACOM - MIDWEST	002-20200	55.95
	11/02	11/21/2002	27724	130041 MESABI BITUMINOUS	002-20200	159,983.00
	11/02	11/21/2002	27725	130004 MESABI DAILY NEWS	002-20200	1,944.88
	11/02	11/21/2002	27726	130044 MINNESOTA DEPT OF HEALTH	002-20200	803.00
	11/02	11/21/2002	27727	130015 MT IRON WATER AND LIGHT DEPT	002-20200	9,969.13
	11/02	11/21/2002	27728	140004 NORTHERN ENGINE & SUPPLY INC	002-20200	359.74
	11/02	11/21/2002	27729	150014 ONE CALL CONCEPTS INC	002-20200	68.20
	11/02	11/21/2002	27730	160036 PENWORTHY COMPANY	002-20200	434.86
	11/02	11/21/2002	27731	160038 PITNEY BOWES	002-20200	209.00
	11/02	11/21/2002	27732	160019 POPULAR SUBSCRIPTION SERVICE	002-20200	2,180.73
	11/02	11/21/2002	27733	170001 QWEST	002-20200	487.29
	11/02	11/21/2002	27734	180004 RANGE COOPERATIVES	002-20200	66.56
	11/02	11/21/2002	27735	1117 SANDY LABARRE	002-20200	50.00
	11/02	11/21/2002	27736	190001 SEARS COMMERCIAL CREDIT	002-20200	340.79
	11/02	11/21/2002	27737	190024 ST LOUIS CO SHERIFF WAHLBERG	002-20200	33,875.00
	11/02	11/21/2002	27738	190022 ST LOUIS CO SOLID WASTE DEPT	002-20200	15,937.76
	11/02	11/21/2002	27739	190002 ST LOUIS COUNTY AUDITOR	002-20200	5,739.44
	11/02	11/21/2002	27740	190016 ST LOUIS COUNTY AUDITOR	002-20200	19,306.00
	11/02	11/21/2002	27741	200026 TERRA FERMA DEVELOPMENT	002-20200	320.00
	11/02	11/21/2002	27742	200020 THE TRENTI LAW FIRM	002-20200	4,635.14
	11/02	11/21/2002	27743	210001 UNITED ELECTRIC COMPANY	002-20200	1,136.50
	11/02	11/21/2002	27744	210002 UNITED TRUCK BODY COMPANY INC	002-20200	45.82
	11/02	11/21/2002	27745	210008 USX CORPORATION	002-20200	200.00
	11/02	11/21/2002	27746	260003 ZEE SERVICE COMPANY	002-20200	41.70

Totals:

275,288.11

Payroll-PP Ending 11/22/02

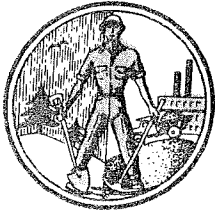
77,913.41

TOTAL EXPENDITURES

\$353,201.52

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	52,677.10
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	855.84
MISCELLANEOUS	ELECTRICAL INSPEC FORMS	1.00
MISCELLANEOUS	RROCC REIMBURSEMENT	2,825.20
MISCELLANEOUS	REIMBURSEMENTS	114.76
LICENSES	CIGARETTE	100.00
LICENSES	LIQUOR	875.00
COPIES	COPIES	.50
BUILDING RENTALS	NICHOLS HALL	20.00
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	89.44
BUILDING RENTALS	COMMUNITY CENTER	50.00
MISCELLANEOUS	NEW YEAR'S EVE PARTY	25.00
MISCELLANEOUS	BASEBALL/SOFTBALL FEES	25.00
Summary Totals:		<u>57,658.84</u>



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

RESOLUTION NUMBER 50-02

AUTHORIZING APPLICATION

WHEREAS, the Mountain Iron Public Library building and public library services should be accessible to all residents; and,

WHEREAS, the City of Mountain Iron has title to the site and building where the Mountain Iron Public Library is located or will be located; and,

WHEREAS, the City of Mountain Iron has determined that various modifications are necessary within the Mountain Iron Public Library building to meet current Americans with Disabilities Act and Minnesota State Building Code Accessibility Standards; and,

WHEREAS, the City of Mountain Iron has determined that such modifications will cost approximately \$587,224; and,

WHEREAS, the City of Mountain Iron has determined that it will need a matching grant from the Department of Children, Families & Learning to pay for such modifications; and,

WHEREAS, the City of Mountain Iron shall provide matching funds for expenditures relating to the public library accessibility project in an amount equal to the amount of the grant from non-state sources and that such match shall be dollar-for-dollar and not matched by in-kind contributions; and,

WHEREAS, the source of the matching funds will be the General Fund; and,

WHEREAS, the City of Mountain Iron understands and agrees to adhere to the list of assurances as stated in the grant application.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that it authorizes the City Administrator to submit a grant application totaling \$150,000 to make accessibility related modifications at the Mountain Iron Public Library building; and,

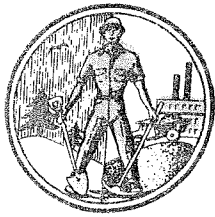
BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City Administrator and the Mayor are authorized to sign and submit all applicable contracts, documents and agreements associated with the application or grant agreement on behalf of the City of Mountain Iron.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF DECEMBER, 2002.

ATTEST:

City Administrator

Mayor Mitchell Brunfelt



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 51-02

GUARANTEEING LOCAL SHARE OF CONSTRUCTION COSTS AND ONGOING MAINTENANCE

WHEREAS, the City of Mountain Iron recognizes the Mesabi Trail project as an important facility for recreation and transportation; and,

WHEREAS, the City of Mountain Iron desires to establish a trail head facility to serve the Mesabi Trail; and,

WHEREAS, 80 percent development grants are available for eligible pedestrian and bicycle projects; and,

WHEREAS, the applicant must guarantee the 20 percent local match to the enhancement grant; and,

WHEREAS, the Federal Highway Administration (FHWA) requires that states agree to operate and maintain facilities constructed with federal transportation enhancement funds for the useful life of the improvement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City of Mountain Iron acknowledges full well that such an application for enhancement funds for the City of Mountain Iron's Trail Head Facility includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City Administrator is hereby authorized to act as agent on behalf of this applicant.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City of Mountain Iron hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned transportation enhancement project.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City of Mountain Iron, through city and private contributions, guarantees the local match for the Mountain Iron Trail Head Facility project.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF DECEMBER, 2002.

ATTEST:

City Administrator

Mayor Mitchell Brunfelt

St. Louis County Solid Waste Department

AMENDMENT TO SERVICE AGREEMENT FOR COLLECTION OF RESIDENTIAL AND COMMERCIAL RECYCLABLE MATERIALS

THIS AGREEMENT, made as of this 2nd day of Dec., 2002, by and between ST. LOUIS COUNTY, a body corporate and politic existing under the laws of the State of Minnesota, hereinafter referred to as "County", and the CITY OF MT. IRON, hereinafter referred to as "Provider."

WITNESSETH:

WHEREAS, the County and Provider entered into an Agreement, hereinafter referred to as the "original Agreement" on January 1, 2000, which allows the County to pay for the processing and marketing of Curbside collected recyclable materials, up to a predetermined maximum tonnage, weighed and hauled by the Provider to the County-owned recyclables processing facility or recyclables transfer station; and

WHEREAS, the parties desire to amend the original Agreement so as to enable both parties to continue to enjoy the mutual benefits it provides by extending its term and services provided thereunder; and

WHEREAS, Section I of the original Agreement provides for four one-year extensions of the Agreement; and

WHEREAS, the County and Provider have negotiated the third one year extension of the original Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable considerations, the parties do agree as follows:

1. To extend the Term of the Agreement to December 31, 2003 with one optional one-year extensions upon the mutual agreement of both parties as allowed under Article 1 of the original Agreement.
2. That all other provisions of the original Agreement, except as amended herein, shall remain in full force and effect through its duration.

IN WITNESS THEREOF, the parties have executed the Agreement the date and year first above written.

CITY OF MOUNTAIN IRON

ST. LOUIS COUNTY

BY: 

MITCH BRUNFELT
Mayor

BY: _____

MICHAEL FORSMAN
County Board of Commissioners

BY: 

CRAIG WAINIO
City Administrator

BY: _____

GORDON MCFAUL
County Auditor

BY: _____

TED TROOLIN
Director, Solid Waste Department

APPROVED AS TO FORM &
EXECUTION

BY: _____

AMY H. KURONEN
Assistant County Attorney

2002-964

MINNESOTA
DEPARTMENT OF
NATURAL RESOURCES

MISCELLANEOUS LEASE

Lease Number
144-012-0043

Field Unit
234-Hibbing Area
Forestry Office

This lease, executed in duplicate by and between the State of Minnesota, under the authority and subject to the provisions of M.S., sec. 89.17, acting by and through its Commissioner of Natural Resources, hereinafter called LESSOR and; the LESSEE as named below.

Lessee City of Mt. Iron		
Lessee Address (No. & Street, RFD, Box No., City, State, Zip) 8586 Enterprise Drive South, Mt. Iron, MN 55768		
Lease Fee \$250.00	Fee Payment Schedule \$125.00 due upon execution and \$125.00 due July 1, 2007.	
Term Ten (10) years	Effective Date July 1, 2002	Termination Date June 30, 2012
Purpose of Lease Bicycle trail.		County St. Louis

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:

That part of the SE1/4 SW1/4 Section 3, Township 58 North, Range 18 West, St. Louis County, containing 0.22 acres, more or less, and is as shown on the attached map which is made a part of this lease.

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, use 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.

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 incumbrance 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.
- 3. TERMINATION:** This lease may be terminated at any time by mutual agreement. A lease entered pursuant to Minn. Stat. section 89.17 may be canceled at anytime by LESSOR.

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 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, alternations or improvements in or to the Premises shall be at LESSEE 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 the Commissioner, Department of Natural Resources, 500 Lafayette Road, St. Paul, Minnesota 55155-4045, and on the LESSEE it shall be as stated in the LESSEE'S ADDRESS.
17. TRANSFERS: This lease shall extent 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. 604A.21, 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 use without first obtaining 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 here is that the remaining parts of this lease shall not be affected thereby.

20. ADDITIONAL TERMS:

- A. During the term of this lease, the Lessee will erect and maintain fencing or other barriers along the outside perimeter of any inactive excavation, open pit or shaft located on the leased premises. The fencing or barriers shall meet the requirements of Minnesota Statutes, sec. 180.03.


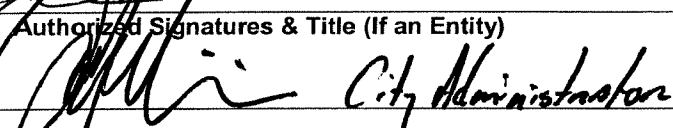
TESTIMONY WHEREOF, the parties have set their hands in duplicate.

STATE OF MINNESOTA
DEPARTMENT OF NATURAL RESOURCES

ALLEN GARBER
COMMISSIONER

Authorized Signature for the Commissioner	Date

KATHY A. LEWIS, ATTORNEY
TRANSACTIONS MANAGER

Lessee (individual's Name or Name of Entity)	
CITY OF MT. IRON	
Authorized Signatures & Title (If an Entity)	Date
 Mayor	12-2-02
Authorized Signatures & Title (If an Entity)	Date
 City Administrator	12/2/02

APPROVED AS TO FORM AND EXECUTION

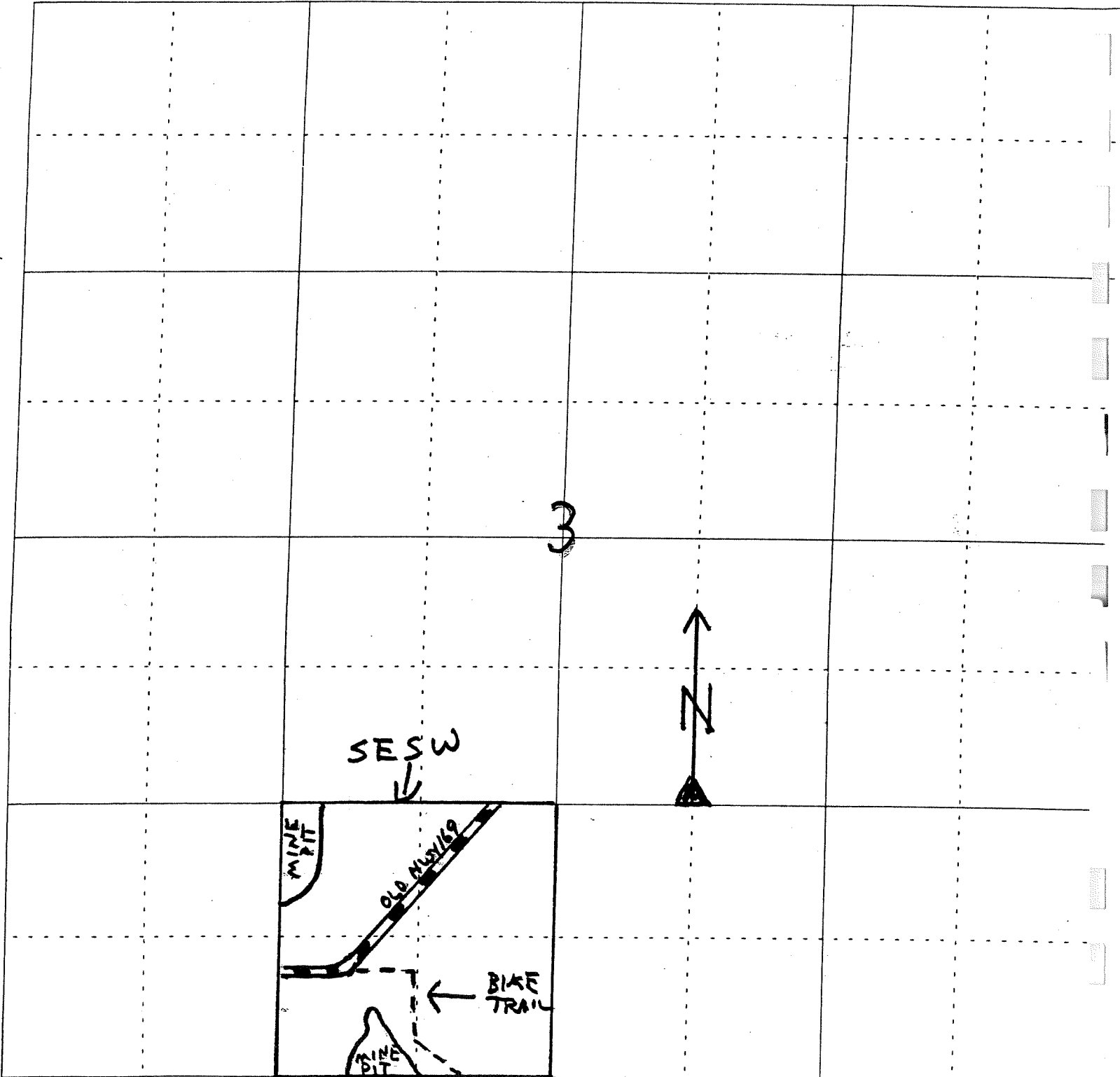
MIKE HATCH
ATTORNEY GENERAL

Assistant Attorney General Signature	Date



Section	Township	Range
3	58N	18W

MAP SCALE (Mark One) ☒ 8" to the mile ☐ 4" to the mile ☐ Other;



3

SESW
↓

MINE
PIT

OLD ALYING

BIKE
TRAIL

MINE
PIT



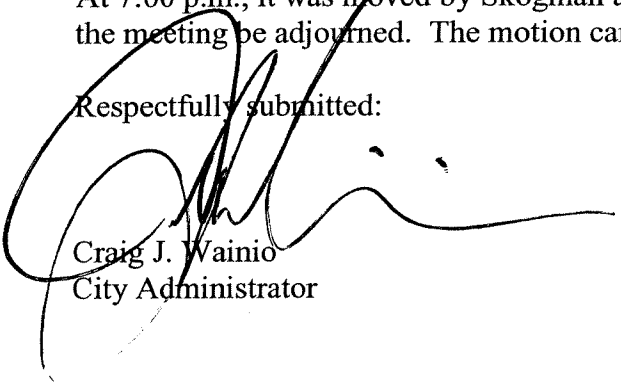
MINUTES
MOUNTAIN IRON CITY COUNCIL
TRUTH IN TAXATION HEARING
DECEMBER 3, 2002

Mayor Brunfelt called reconvened the hearing at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Stephen Skogman, Joe Matanich, Ed Roskoski and Mayor Mitchell Brunfelt. Also present were: Craig J. Wainio, City Administrator.

The Mayor explained the property tax situation to the audience. A number of citizens spoke regarding the property tax levy in the City of Mountain Iron and about the taconite tax distribution.

At 7:00 p.m., it was moved by Skogman and supported by Matanich that the hearing be closed and the meeting be adjourned. The motion carried unanimously.

Respectfully submitted:



Craig J. Wainio
City Administrator



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

TO: Honorable Mayor and City Council
Honorable Mayor and City Council/Elect

FROM: Utility Advisory Board
Craig J. Wainio, City Administrator
Donald V. Kleinschmidt, Director of Public Works

DATE: December 10, 2002

SUBJECT: Virginia Utility Takeover

The following is being presented as the basic element of a proposed takeover of the electric and water utility from the Virginia Public Utility Commission. Under this takeover all customers west of Highway 53 that currently have electric and water service from Virginia, will be converted over to the Mountain Iron utility system.

The main points are as follows:

- For the years 2003 through 2009, the City will purchase wholesale electricity from Virginia for the above service area for 105% of Mountain Iron's wholesale cost.
- For the years 2010 through 2022, the City will purchase wholesale electricity from Virginia for the above service area for 107.5% of Mountain Iron's wholesale cost.
- The City of Mountain Iron will pay the Virginia Public Utilities \$100,000 for the electrical system in the above service area.
- The Virginia Public Utilities will transfer the water system in the service area to the City of Mountain Iron.
- Current connections between the two water and electrical systems will be maintained for redundant emergency service.
- The takeover of the service area will occur as soon as practically possible.

At the request of the City of Virginia, any land exchanges that occur would be worked out separately between the City's and would not involve the Virginia Public Utilities Commission.

Currently, the respective City Attorney's are drafting the final agreement. The Utility Advisory Board recommends that the City Council and the Utility Advisory Board enter into this agreement under the outline provided upon the stipulation that the City Attorney's and each entities staff agree upon the final version of the settlement agreement.

COUNCIL LETTER 121602-IVA2

ELECTRIC DEPARTMENT

SUBSTATION REGULATOR AND RECLOSER QUOTES

DATE: December 16, 2002

FROM: Don Kleinschmidt
Director of Pubic Works

Craig J. Wainio
City Administrator

Staff has received a tentative quote from Minnesota Power on the following equipment for the electrical substation.

One (1) set of 3 single-phase regulators including controls

One (1) set of 3 Nova type triple single reclosers with one form 5E control

The material cost for the above is expected to be approximately \$40,000.00.

Staff is recommending Council approval to purchase the regulators and reclosers from Minnesota Power for a total cost not to exceed \$40,000.00. This authorization will allow the equipment delivery to arrive approximately at the same time as the substation transformers.

Purchase of the equipment will be from the Electric Utility Fund with reimbursement to that fund from an insurance claim resulting from the July 3, 2002 substation fire.

COUNCIL LETTER 121602-IVB

PLANNING AND ZONING

WEST MASHKENODE LAKE

DATE: December 10, 2002

FROM: Planning and Zoning Commission

Craig J. Wainio
City Administrator

Taylor Investment Corporation is requesting approval of the wetlands fill permit application and the certificate of survey for the western portion of Mashkenode Lake. The Planning and Zoning Commission has reviewed and forwarded these items for City Council approval. The Fill permit allows for the construction of a road through identified wetlands and provided for their replacement. A certificate of survey as a smaller less costly form of a plat for the sale of the west side lots.

It is recommended that the City Council approve the wetland fill permit for the Maskenode Lake development contingent on receiving approval from the DNR, Soil and water Conservation District and the Corp of Engineers.

It is also recommended that the City Council approve the certificate of survey for the west side of Mashkenode Lake.

Minnesota Local/State/Federal Application Forms for Water/Wetland Projects

FOR INTERNAL USE ONLY

Application No. _____ Field Office Code _____ Date Initial Application Rec=d _____ Date Initial Application Deemed Complete _____

PART 1: BASIC APPLICATION

"See **HELP**" directs you to important additional information and assistance in Instructions, page 1.

1. APPLICANT CONTACT INFORMATION (See **HELP** 1):

Name: Taylor Investment Corporation

Complete mailing address: _____

PO Box 932

Brainerd, MN 56401

Residential Phone: (218) 832-3022

Business Phone: (218) 828-0951

Fax (if available): (218) 828-0839

E-mail (if available): SSeeley@taylorinvest.com

2. PROJECT NAME OR TITLE (if applicable):

Nashkenode West

3. NAME OR I.D. # OF WATER BODY(S) IMPACTED**

(if applicable; if known):

NA

1A. AUTHORIZED AGENT (See **HELP** 1A.)

(Only if applicable; an agent is required)

Name: Scott A. Seeley

Title: Project Coordinator

Mailing address: PO Box 932

Brainerd, MN 56401

Residential Phone: (218) 832-3022

Business Phone: (218) 828-0951

Fax (if available): (218) 828-0839

E-mail (if available): SSeeley@taylorinvest.com

I hereby authorize Scott A. Seeley
to act on my behalf as an agent in the processing of this
application and to furnish, upon request, supplemental
information in support of this application.

Scott A. Seeley Project Coordinator 10-16-02
Applicant Signature Taylor Investment Date

4a. ANY WETLANDS IMPACTED? ☒ Yes ☐ No

4b. If YES, what type (if known; check all that apply):

☐ 1 ☐ 1L ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ 7 ☐ 8 ☐ R ☐ unknown

4c. If YES, indicate size of entire wetland (check one):

☐ Less than 10 acres (indicate size: _____)
☐ 10 to 40 acres
☒ Greater than 40 acres

5. PROJECT LOCATION** (information can be found on property tax statement, property title or title insurance):

¼ Section: _____ Section: 22, 23, 24 & 27 Township: 58 Range: 18

County: St. Louis Lot #: _____ Block: _____ Subdivision: _____

6. ADDITIONAL LOCATION DESCRIPTIONS** (if applicable; if known): Parcel ID #/Geocode: _____

UTM Coordinates: easterly _____ Northerly _____

Project street address: _____ Fire #: _____

For multiple water bodies or locations, attach additional sheets labeled **ADDITIONAL WATER BODIES IMPACTED, **ADDITIONAL PROJECT LOCATIONS**, or **ADDITIONAL LOCATION DESCRIPTIONS**.

7. HOW TO GET TO THE SITE: Attach a simple site locator map. If needed, include on the map written directions to the site from a known location or landmark. Include highway and street names and numbers. Also provide distances from known locations and any information that would assist in locating the site. Label the sheet *SITE LOCATOR MAP*.

8. PURPOSE OF THE PROJECT: What do you propose to do, and why is it needed? Please be brief. (See HELP 8 before completing this section.)

Proposing to construct a roadway 24 feet wide according to City of Mountain Iron Road Specs to service 8 Lots. Proposing to construct a private driveway 20 feet wide to service 2 Lots. Without the roadway & driveway there is no access.

9. PROPOSED TIMELINE: Approximate project start date: 6/1/03 Projected end date: 8/1/03

10. PROJECT DESCRIPTION: Describe in detail what you plan to do and how you plan to do it. *This is the most important part of your application. See HELP 10 before completing this section; see also What To Include on Plans* (Instructions, page 2). If space below is not adequate, attach separate sheet labeled *PROJECT DESCRIPTION*.

Plans are to construct a public roadway according to the City of Mt. Iron Road Specifications to service the Certificate of Survey Subdivision. All topsoil will be removed & salvaged. Stumps will be hauled off site or buried onsite. Areas where wetland fill is to occur will be matted and clean fill will be used. A culvert will be placed at the lowest point to maintain drainage where possible. All areas that are disturbed will be seeded & mulched right after construction. Equipment to be used will be dozers, scrapers, backhoes and dump trucks. Driving surface of the roadways will be class five gravel.

11. FOOTPRINT OF IMPACT (if applicable): Indicate total amount (in acres or square feet) of wetland(s) or water body area(s) to be filled, drained, inundated, or excavated; and/or indicate length of stream or river affected (in linear feet).

1.05 acres or 45,868 square feet and/or _____ linear feet

12. TYPE AND ESTIMATED AMOUNT OF MATERIAL(S) TO BE PLACED INTO OR EXCAVATED FROM THE WETLAND OR WATER BODY (if applicable): List each type of material (such as rock, sand, clay, concrete) to be filled or excavated, and estimate the amount in cubic yards.

☒ FILLING

☐ EXCAVATING

Type(s) of material	Estimated amount in cubic yards	Type(s) of material	Estimated amount in cubic yards
Clean Fill Material - Sand & Gravel			

13. ESTIMATED PROJECT COST: \$70,000 (for determination of DNR fees only, which are based on total project cost)

14. SEQUENCING CONSIDERATIONS: What alternatives to this proposed project have you considered that could have avoided or minimized impacts to wetlands or water? **List at least two alternatives** (one of which may be *Do build* or *Do not build*), and explain why you chose to pursue the option described in this application over these alternatives.

#1) No Build #2) Come in from the West, but this would require a lot more wetlands to be filled.
 #3) Come in from the East, but the bridge coming in from the east is deteriorating and is unsafe

15. PORTION OF WORK ALREADY COMPLETED: Is any portion of the work already completed? ☐ Yes ☒ No. If yes, describe the completed work on a separate sheet of paper labeled *WORK ALREADY COMPLETED*. (See **HELP 15** before completing this section.)

16. ADJOINING PROPERTY OWNERS: For projects that impact more than 10,000 square feet of water or wetlands, list below complete names and mailing addresses of adjacent property owners whose property also adjoins the wetland or water body where the work is being proposed. (See **HELP 16**. If necessary, attach a separate sheet labeled *ADJOINING PROPERTY OWNERS*.)

Complete name(s)	Complete mailing address (including street address, city, state, zip code)
US Steel Corporation	600 Grant Street, Rm 1538, Pittsburgh, Pennsylvania 15219-280
Gary Sainio	5306 Sainio Rd, Mt. Iron, MN 55768

17. STATUS OF OTHER APPROVALS: List any other permits, reviews or approvals related to this proposed project that are either pending or have already been approved or denied. See **HELP 17**.

If already applied for

Agency	Type of Approval	ID Number	Date applied for	Date approved	Date denied
City of Mt. Iron	Rezone		5/15/02	7/1/02	

18. I am applying for state and local authorization to conduct the work described in this application. I am familiar with the information contained in this application. To the best of my knowledge and belief, all information in Part 1 is true, complete, and accurate. I possess the authority to undertake the work described, or I am acting as the duly authorized agent of the applicant.

<u>Taylor Investment Corporation</u>	<u>10-16-02</u>	OR	<u>[Signature]</u>	<u>10-16-02</u>
Signature of applicant	Date		Signature of agent	Date

This block must be signed by the person who desires to undertake the proposed activity (the *applicant* in Section 1) or by the applicant's duly authorized *agent* (if the boxed Section 1A has been filled out and signed by the applicant.)

Federal authorization: Generally, in addition to state authorization, projects in wetland or water areas also require Federal authorization from the Corps of Engineers under Section 404 of the Clean Water Act. To apply to the Corps using this application package, the applicant/agent must complete the modified one-page Federal Application form on page 4 and mail it to the Corps (address on Instructions, page 4) with a copy of the state application. Applicants may, if they wish, apply only for Corps authorization by using the unmodified federal application form that is available from Corps offices or via the internet at www.mvps.usace.army.mil.

APPLICATION FOR DEPARTMENT OF THE ARMY PERMIT (33 CFR 325)

OMB APPROVAL NO. (RENEWAL PENDING)

The public burden for this collection of information is estimated to average 10 hours per response, although the majority of applications should require 5 hours or less. This includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Defense, Washington Headquarters Service Directorate of Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302; and to the Office of Management and Budget, Paperwork Reduction Project (0710-0003), Washington, DC 20503. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. Please DO NOT RETURN your form to either of these addresses. Completed applications must be submitted to the District engineer having jurisdiction over the location of the proposed activity.

PRIVACY ACT STATEMENT: Authorities: Rivers and Harbors Act, Section 10, 33 USC 403; Clean Water Act, Section 404, 33 USC 1344; Marine Protection, Research and Sanctuaries Act, 33 USC 1413, Section 103. Principal purpose: Information provided on this form will be used in evaluating the application for a permit. Routine uses: This information may be shared with the Department of Justice and other Federal, state, and local government agencies. Submission of requested information is voluntary; however, if information is not provided, the permit application cannot be evaluated nor can a permit be issued.

ITEMS 1 THROUGH 4 TO BE FILLED IN BY THE CORPS

1. APPLICATION NO.	2. FIELD OFFICE CODE	3. DATE RECEIVED	4. DATE APPLICATION COMPLETED
--------------------	----------------------	------------------	-------------------------------

YOU DO NOT NEED TO COMPLETE THE SHADED AREAS.

≡ All applicants need to complete non-shaded items 5 and 26. If an agent is to be used, also complete items 8 and 11. ~
This optional Federal form is valid for use *only* when included as part of this entire state application packet.

5. APPLICANT=S NAME <i>Taylor Investment Corporation</i>	8. AUTHORIZED AGENT=S NAME AND TITLE (an agent is not required) <i>Scott A. Seeley - Project Coordinator</i>
6. APPLICANT=S ADDRESS	9. AGENT=S ADDRESS
7. APPLICANT=S PHONE NO.	10. AGENT=S PHONE NO.

11. STATEMENT OF AUTHORIZATION (if applicable; complete only if authorizing an agent)

I hereby authorize _____ to act on my behalf as my agent in the processing of this application and to furnish, upon request, supplemental information in support of this permit application.

APPLICANT=S SIGNATURE: *Scott A. Seeley - Project Coordinator* DATE: *10/16/02*

12. PROJECT NAME OR TITLE (see instructions)	
13. NAME OF WATERBODY, IF KNOWN (if applicable)	14. PROJECT STREET ADDRESS (if applicable)
15. LOCATION OF PROJECT	
16. OTHER LOCATION DESCRIPTIONS, IF KNOWN (see instructions)	
17. DIRECTIONS TO THE SITE	18. NATURE OF ACTIVITY

USE BLOCKS 20-22 IF DREDGED AND/OR FILL MATERIAL IS TO BE DISCHARGED

19. PROJECT PURPOSE	20. REASON(S) FOR DISCHARGE
21. TYPES OF MATERIAL BEING DISCHARGED AND THE AMOUNT OF EACH TYPE IN CUBIC YARDS	
22. SURFACE AREA IN ACRES OF WETLANDS OR OTHER WATERS FILLED	
23. IS ANY PORTION OF THE WORK ALREADY COMPLETE? YES ____ NO ____ IF YES, DESCRIBE COMPLETED WORK.	
24. ADDRESSES OF ADJOINING PROPERTY OWNERS,	
25. LIST OF OTHER CERTIFICATIONS OR APPROVALS/DENIALS RECEIVED FROM OTHER FEDERAL, STATE OR LOCAL AGENCIES FOR WORK DESCRIBED IN THIS APPLICATION.	

26. Application is hereby made for a permit or permits to authorize the work described in this application. I certify that the information in this application is complete and accurate. I further certify that I possess the authority to undertake the work described herein or am acting as the duly authorized agent of the applicant.

Taylor Investment Corporation *10/14/02* *Scott A. Seeley - Project Coordinator* *10/16/02*
Signature of applicant Date Signature of agent (if any) Date

The application must be signed by the person who desires to undertake the proposed activity (applicant), or it may be signed by a duly authorized agent if the statement in Block 11 has been filled out and signed. 18 U.S.C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals, or covers up with any trick, scheme, or disguises a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

Minnesota Local/State/Federal Application Forms for Water/Wetland Projects

DO YOU NEED TO COMPLETE PART 2?

Part 2: Replacement Plan Supplement must be completed by anyone who needs to develop a replacement plan for wetland mitigation. **If you're not sure** whether your project requires a replacement plan:

☐ **Call your LGU or SWCD office for guidance** as to whether your project will require completing Part 2. If it is determined that your project will require wetland replacement, complete and submit Part 2 along with Part 1.

☐ **If you prefer, you may choose to send in Part 1 only.** After reviewing your application, the responding agencies will let you know if you need to complete and return Part 2. **Caution:** If your project will require wetland replacement, completing and returning both parts immediately is advisable. Submitting Part 1 and Part 2 separately rather than at the same time may extend the application review process.

PART 2: REPLACEMENT PLAN SUPPLEMENT

For assistance in completing Part 2, contact your LGU or a professional consultant.

19. DESCRIPTION OF WETLAND IMPACTS: Complete the chart below: 1) Use one row of boxes for each wetland impact. 2) If your project has more than one wetland impact, reference your overhead view (part of Section 10) to this chart by identifying and labeling a first impact@ and a second impact@ on your overhead view. 3) If you are identifying only one wetland type within a given wetland impact area, use the first dotted line and leave the others blank. 4) If you have chosen to identify more than one wetland type within a given wetland impact area, use the extra dotted lines to indicate each separate wetland type, and identify predominant vegetation and size of impacted area for each separate wetland type within that impact area. 5) If you do not have access to some of the information, call your LGU or SWCD office for assistance. (*Photocopy chart for more impacts, if needed.*)

DESCRIPTION OF WETLAND IMPACTS

Wetland impact (as noted on overhead view)	Watershed name or number (if known)	Is site within 1000 ft of a lake or 300 ft of a river? (YES or NO)	Wetland type ¹	Predominant vegetation in impacted wetland area	size of area impacted (in acres or square feet)	Existing land use in project area (check all that apply)
First impact			Type 7	Wooded Swamps- ASPEN, Alder, Ostrich fern, Canada Bluejoint Grass.	1.05 Acres	<input checked="" type="checkbox"/> housing <input type="checkbox"/> commercial <input type="checkbox"/> industrial <input checked="" type="checkbox"/> parks/recreation areas <input checked="" type="checkbox"/> highways and associated rights-of-way <input checked="" type="checkbox"/> forested <input checked="" type="checkbox"/> farmsteads/agricultural <input checked="" type="checkbox"/> vacant lands <input type="checkbox"/> public and semi-public (schools/gov't facilities) <input type="checkbox"/> airports <input type="checkbox"/> extractive (gravel pits/quarries) <input type="checkbox"/> other:
Second impact						

¹If you are identifying only one wetland type within a given wetland impact area, use the first dotted line and leave the others blank. If you have chosen to identify more than one wetland type within a given wetland impact area, use the extra dotted lines to indicate each separate wetland type, and identify predominant vegetation and size of impacted area for each separate wetland type within that impact area.

TOTALS OF AREA(S) IMPACTED FOR EACH WETLAND TYPE ON CHART (indicate acres ☒ or square feet ☐)

Type: 1: _____ 1L: _____ 2: _____ 3: _____ 4: _____ 5: _____ 6: _____ 7: 1.05 8: _____ R: _____

20. SPECIAL CONSIDERATIONS: Are you aware of any special considerations that apply to either impact the site(s) or the replacement of site(s)? ☐ Yes ☒ No (Examples: the presence of endangered species, special fish and wildlife resources, sensitive surface waters, or waste disposal sites) If YES, list and describe briefly.

21. ARCHEOLOGICAL OR CULTURAL RESOURCE DETERMINATIONS: Are you aware of any archeological or cultural resource determinations or surveys completed concerning the project or replacement site by the State Historical Society Preservation Office (SHPO) or others? ☐ Yes ☒ No If yes, please explain below or attach a copy of any determinations or surveys.

22. HOW PROPOSED REPLACEMENT WILL BE ACCOMPLISHED: Indicate how proposed replacement will be accomplished (check only one box below and continue as indicated):

☒ **A. Wetland banking only**

- Complete *Application for Withdrawal of Wetland Credits Form* and include with your application. Copies of this form are available from your LGU, or download a copy from www.bwsr.state.mn.us
- Skip to Section 27, page 8. (You do not need to complete Sections 23-26.)

☐ **B. Project-specific replacement only**

- Continue with Section 23 below.

☐ **C. A combination of wetland banking and project-specific replacement**

- Complete *Application for Withdrawal of Wetland Credits Form* and include with your application. Copies of this form are available from your LGU, or download a copy from www.bwsr.state.mn.us
- Continue with Section 23 below.

23. DESCRIPTION OF REPLACEMENT WETLAND(S) CONSTRUCTION (Complete this section only if you marked Box B or Box C in Section 22 above): Describe in detail how replacement wetland(s) will be constructed. If several methods will be used, describe each method. Details should include the following: 1) type of construction (such as excavated in upland, restored by tile break, restored by ditch block or revegetated); 2) type, size and specifications of outlet structures; 3) elevations relative to Mean Sea Level or established benchmarks or key features (such as sill, emergency overflow or structure height); 4) what best management practices will be implemented to prevent erosion or site degradation; 5) proposed timetable for starting and ending the project; and 6) a vegetation management plan. Write this description on a separate sheet of paper labeled *DESCRIPTION OF REPLACEMENT WETLAND CONSTRUCTION*.

24. SURPLUS WETLAND CREDITS: If using project-specific replacement (Box B or Box C in Section 22 above), will the replacement result in any surplus wetland credits that you wish to have deposited in the State Wetland Bank for future use?

☐ YES ☐ NO. If yes, submit a *Wetland Banking Application* directly to your LGU. Copies are available from your LGU, or download a copy from www.bwsr.state.mn.us

25. DESCRIPTION OF REPLACEMENT WETLANDS Complete the chart below: 1) Use one row of boxes for each wetland replacement site. 2) If your project has more than one wetland replacement site, reference your overhead view (part of Section 26) to this chart by identifying and labeling Afirst replacement site@ and Asecond replacement site@ **on your overhead view.** 3) If you are identifying only one wetland type within a given replacement site, use the first dotted line(s) and leave the others blank. 4) If you have chosen to identify more than one wetland type in a given replacement site, use the extra dotted lines to indicate each separate wetland type, and identify type(s) of replacement credits and Arestored or created@ **for each separate wetland type within that replacement site.** 5) If you do not have access to some of the information, or if you do not know your replacement ratio, call your LGU or SWCD office for assistance. *(Photocopy chart for more wetland replacements, if needed.)*

DESCRIPTION OF REPLACEMENT WETLANDS

Wetland replacement site (as noted on overhead view)	Watershed name or number (if known)	County	Topographic setting ¹	Wetland Type ²	Type(s) of replacement credits (in acres or square feet)		Restored or created? Indicate R or C
					New Wetland Credits (NWC)	Public Value Credits (PVC)	
First replacement site							
Second replacement site							

¹Topographic setting types: Indicate S for Shoreland; R for Riverine; F for Floodplain; FT for Flow-through; T for Tributary; and I for Isolated.

²Circular 39 wetland types: Indicate 1, 1L, 2, 3, 4, 5, 6, 7, 8, R, or U. If you are identifying only one wetland type within a given wetland impact area, use the first dotted line and leave the others blank. If you have chosen to identify more than one wetland type within a given wetland impact area, use the extra dotted lines to indicate each separate wetland type, and identify predominant vegetation and size of impacted area for each separate wetland type within that impact area.

TOTAL NWC

TOTAL PVC

REQUIRED REPLACEMENT RATIO:
(If known)

26. ADDITIONAL INFORMATION REQUIRED FOR PROJECT-SPECIFIC REPLACEMENT (Required *only* if you marked Box B or Box C in Section 22):

For projects involving at least some project-specific replacement, include the following additional information:

☐ **Two drawings to scale** of the replacement wetland. Include both overhead view and profile (side view or cross-sectional view). See *What To Include on Plans* (Instructions, page 2) for a detailed description of what should be included in these drawings. Without drawings, **your application will be considered incomplete.**

☐ **For created replacement wetlands**, include additional soils information (if available) that indicates the capability of the site to produce and maintain wetland characteristics.

Note 1: For replacement wetlands located on pipeline easements, you need to receive endorsement of your project from both the easement holder and the Minnesota Department of Public Safety=s Office of Pipeline Safety. Before start of construction, the owner of any utilities involved must be notified. The landowner or contractor is responsible for giving this notice by calling AGopher State One-Call@ at 651-454-0002 (Twin Cities Metro Area) or 1-800-252-1166 (all other locations).

Note 2: For extensive or complex projects supplementary information may be requested at a later date from one or more of the responding agencies. Such information may include (but not be limited to) the following: topographic map, water table map, soil borings, depth soundings, aerial photographs, environmental assessment and/or engineering reports.

27. **SIGNED AFFIRMATIONS:** Sign and date *either* Box 27a *or* Box 27b below. If your project involves replacement by wetland banking only, sign Box 27a. For all other projects, read Box 27b, check appropriate boxes in Part B, and sign.

27a. For projects involving replacement by wetland banking only:

To the best of my knowledge and belief, all information in Part 2 is true, complete and accurate; and I affirm that the wetland losses will be replaced via withdrawal from an account in the State Wetland Bank.

Scott A. Long - Project Coordinator
Signature of applicant or agent

10/16/02
Date

27b. For projects involving *either* project-specific replacement only *or* a combination of wetland banking and project-specific replacement:

Part A: The replacement wetland (affirm all statements):

Was *not* previously restored or created under a prior approved replacement plan or permit; **AND**

Was *not* drained or filled under an exemption during the previous 10 years; **AND**

Was *not* restored with financial assistance from public conservation programs; **AND**

Was *not* restored using private funds, other than those of the landowner, unless the funds are paid back with interest to the individual or organization that funded the restoration; and the individual or organization notifies the local government unit in writing that the restored wetland may be considered for replacement.

Part B: Additional assurances (check all that apply):

☐ The wetland will be replaced before or concurrent with the actual draining or filling of a wetland.

☐ An irrevocable bank letter of credit, performance bond, or other acceptable security has been provided to guarantee the successful completion of the wetland replacement.

☐ The wetland losses will be replaced via withdrawal from an account in the State Wetland Bank.

Part C: For projects involving any project-specific replacement: Within 30 days of either receiving approval of this application or beginning work on the project, I will record the Declaration of Restrictions and Covenants on the deed for the property on which the replacement wetland(s) will be located; and I will at the same time submit proof of such recording to the LGU.

To the best of my knowledge and belief, all information in Part 2 is true, complete and accurate; and I affirm all statements in Parts A and C, as well as checked assurance(s) in Part B.

Signature of applicant or agent

Date

FOR LGU USE ONLY

Replacement plan is (check one): ☐ Approved ☐ Approved with conditions (conditions attached) ☐ Denied

LGU official signature

Date

LGU has received evidence of title and proof of recording of Declaration of Restrictions and Covenants for Replacement Wetland:

County where recorded

Date

Document # assigned by recorder

LGU official signature

Date

**APPLICATION FOR WITHDRAWAL OF WETLAND CREDITS
FROM THE MINNESOTA WETLAND BANK**

1. PROPOSED USER OF CREDITS

Name(s) Taylor Investment Corporation

Address: PO Box 932

Brainerd, MN, 56401
(City) (State) (Zip)

Day Phone (218) 828-0951

Eve. Phone (218) 832-3022

2. Impact Site Information

County St. Louis Major Wtrshd No. _____

Location: _____ 1/4 _____ 1/4 _____ 1/4 _____ Sec, Twp 58 Rge 18

or UTM Coordinates: X: _____ Y: _____

Size of Wetland Impact: 1.05 Acres ac. / ft2 (circle)

Wetland Types Impacted: Type 7 (list)

Topo Setting: shoreland / riverine / floodplain / flow through /
tributary / isolated (circle one)

Required Replacement Ratio: _____

Amount replaced on site: 0

Amount to be replaced using Bank Credits: _____

* (Attach replacement plan if additional detail is needed)

3. OWNER / SELLER OF CREDITS

Account No. _____ Wtrshd No _____

County: _____

Name Of Seller: _____

Address: _____

City _____ State _____ Zip _____

(Name and Title of Authorized Representative)

Phone: Day (____) _____ Eve.(____) _____

**4. Regulating Authority(ies) Approving
the Use of Wetland Bank Credits**

☒ Name of LGU Approving WCA Replacement Plan:

(Print Name) City of Mountain Iron

☒ U.S. Army Corps of Engineers,

☒ MN Dept. of Natural Resources

☒ Natural Resources Conservation Service

[] Check here and print name of other authority involved:

(Print Name) _____

*Attach relevant information explaining the details and
relationship of the other regulatory authority.

5. CREDITS PROPOSED TO BE WITHDRAWN FROM ACCOUNT NO. _____

Credit Sub-Group ¹	NWC Acres or Sq. Ft.	PVC Acres or Sq. Ft.	Wetland Type ²	Topo. Setting ³	Restored or created
A.					
B.					
C.					
D.					
E.					
Totals:					

¹All bank accounts are assigned separate letters signifying different credit sub-groups which represent wetland areas that has different wetland characteristics.

²Circular 39 types: 1, 11, 2, 3, 4, 5, 6, 7, 8, B, U

³Topographic setting types: shoreland, riverine, floodplain, flow-through, tributary, isolated.

6. CERTIFICATION OF USER OF WETLAND CREDITS

The proposed user of credits hereby certifies that he/she: a) either owns the subject wetland credits or has entered into an agreement to purchase said credits, subject to the approval of all applicable regulatory authorities and b) has filed appropriate plans, specifications, and application forms with all applicable regulatory authorities that describe the wetland or water resource impacts for which the subject wetland credits will be utilized for mitigation purposes.

Taylor Investment Corporation

Scott A. Inley - Project Coordinator
(Authorized Signature of Proposed User of Credits)

October 16, 2002
(Date)

7. REGULATORY AUTHORITY APPROVAL(S)

The following authorized representatives of the regulatory authority (ies) identified on page 1 of this application hereby certify that they have: a) verified that the subject wetland credits are deposited in the account of the owner / seller, b) approved a wetland replacement plan or other water resource impact under their jurisdiction, and c) approved the proposed use of the wetland bank credits described herein.

Name of WCA LGU

(Signature of Authorized WCA LGU Official)

(Date)

Name of Other Regulatory Authority

(Signature of Authorized Official)

(Date)

Name of Other Regulatory Authority

(Signature of Authorized Official)

(Date)

8. CERTIFICATION OF OWNER / SELLER OF CREDITS

I am the holder of the aforementioned account in the State of Minnesota Wetland Mitigation Bank and hereby certify that:

- 1) the credits described in this application have either been sold to the user of credits or I will use them to mitigate wetland impacts for my own project,
- 2) I have received payment in full from the buyer (if applicable),
- 3) the credits have not been sold or used in any way to mitigate wetland losses other than for the project and location identified in the project site information block on the previous page, and
- 4) the subject wetland credits shall be withdrawn my account.

(Authorized Signature of Owner / Seller of Credits)

(Date)

9. BWSR APPROVAL AND DEBITING OF ACCOUNT

I hereby certify that the credits have been properly debited from the subject account, effective the date of signature.

(Authorized Signature & Title)

(Date)

Upon approval by the BWSR, a copy of this instrument will be mailed to the user of the credits, all regulatory authorities involved, the account holder, and the Board Conservationist. A letter will also be sent to the account holder acknowledging the debit and new account balance.

IMPORTANT REMINDER

No impacts to any wetland or other water resource may commence until the credits have been debited from the MN Wetland Mitigation Bank and a copy of this approval has been mailed to the regulatory

authority(ies), the account holder, and the user of the credits.



Saint Louis County

Office of the Sheriff • 100 North 5th Avenue West, Room 103 • Duluth, Minnesota 55802
Phone: (218) 726-2337 • Fax: (218) 726-2171

Protecting and Serving
Our County with
Professionalism
and Pride

Rick Wahlberg
Sheriff

To: Mountain Iron City Council & Mayor
From: Sgt Joe Stewart
Date: December 9th, 2002
Subject: November 2002 Activity Report

The Mountain Iron Sheriffs Office responded to 130 calls for service during November 2002.
They are listed as follows:

- 10- Traffic Citations
- 9- Assists to Virginia Sheriffs Office
- 8- Loud Music or Noise Complaints
- 8- Theft Complaints
- 8-Property Damage Traffic Accidents
- 7- Unwanted or Disorderly Persons Complaints
- 7-Assault or Threat Complaints
- 6-Suspicious Persons or Vehicles
- 5-Alarm Calls
- 5-Parking Complaints
- 4-Warrant Arrests
- 4-Civil Standby or Assists
- 4-Patrol Request or House Checks
- 3-Welfare Checks
- 3-Criminal Damage to Property Complaints
- 3-Dog Barking Complaints
- 3-Attempt to locate Persons or Vehicles Calls
- 3-Assists to MN State Patrol
- 3-Transports of Persons (10-14's)
- 2-Trespass Complaints
- 25-Other Calls for Service

Reply to:

☐ **Administrative Offices**

100 N. 5th Ave. W., Rm 103
P.O. Box 16187 Duluth, MN 55816
Phone: (218) 726-2341
Fax: (218) 726-2171

☐ **County Jail**

4334 Haines Road
Duluth, MN 55811
Phone: (218) 726-2345
Fax: (218) 725-6134

☐ **Sheriff's Office**

300 South 5th Avenue
Virginia, MN 55792
Phone: (218) 749-7134
Fax: (218) 749-7192

☐ **Sheriff's Office**

1810 12th Avenue East
Hibbing, MN 55746
Phone: (218) 262-0132
Fax: (218) 262-6334

12/12/2002

32
An Equal Opportunity Employer

CITY COUNCIL

AGREEMENT

This AGREEMENT is made and entered into this _____ day of _____, 2002, by and between the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision of the state of Minnesota ("the City"), and INDEPENDENT SCHOOL DISTRICT 712 ("the School").

RECITALS

- A. The City has determined that the best and most cost effective site to extend Unity Addition, a residential housing development, is on land now owned by the School.
- B. The City intends to agree to reconstruct a baseball field in exchange for land on which the City will extend unity Addition.
- C. The City wishes to have access to clear-up certain land transactions with School.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals, the truth of which is hereby acknowledged by the parties, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties hereby agree as follows:

- 1. Actions by School.
 - a. *Access to City Property.* The School agrees to convey to the City a strip of land located on the north side of Highway 169, legally described in attached Exhibit A, which is incorporated herein and made a part hereof by reference.
 - b. *Unity Addition Extension.* The School agrees to convey to the City a parcel of land legally described in attached Exhibit B, for the extension of Unity Addition, which is incorporated herein and made a part hereof by reference.
 - c. *City/School Garage.* The School agrees to convey to the City certain parcels around the City Garage and School Garage to clear-up a long term discrepancy among titles, legally described in attached Exhibit C, which is incorporated herein and made a part hereof by reference.
 - d. *Baseball Field.* The School agrees to convey to the City a parcel of land legally described in attached Exhibit D, for the reconstruction of the ball field, which is incorporated herein and made a part hereof by reference.

- e. *Lease.* The school agrees to lease the field described in Exhibit D and the one field at the recreation facility in South Grove from the City of Mountain Iron for \$7,000 per year for as long as School District 712 exists.

2. Actions by City.

- a. *Reconstruction of a Baseball Field.* The City agrees to reconstruct a high school regulation baseball field, with an irrigation system on land described in Exhibit D and according to plans presented in Exhibit E as mutually agreed upon. It is agreed that the school has priority usage on the reconstructed field.
- b. *Consideration.* The City agrees to provide consideration in the amount of \$25,000 to the School.
- c. *Maintenance.* The City agrees to maintain the baseball field year round with the school performing needed maintenance, such as striping the infield, on school game days.
- d. *Football Practice Field.* The City agrees to construct an 80 yard by 50 yard football practice field directly west of Merritt Elementary School on school district 712 owned land.

- 3. Breach. The parties agree that in the event that either party breaches this Agreement, legal damages would not be adequate to remedy such breach and that the remedy specific to the performance of the Agreement would be necessary and appropriate.
- 4. Term. This Agreement is effective as of the date first written above and will terminate upon the occurrence of the events described in Sections 1 and 2 of this Agreement.
- 5. Amendments. This Agreement may be amended only by written modification executed by both of the parties hereto.
- 6. Assignment. This Agreement cannot be assignable by either party. Upon the dissolution of either party this agreement becomes null and void.
- 7. Notices. All notices to be given by either party to the other hereunder must be in writing addressed as follows:

To the School: ISD 712
 P.O. Box
 Mountain Iron, Minnesota 55768
 Attention: Superintendent

To the City: City of Mountain Iron
 8586 Enterprise Drive South
 Mountain Iron, Minnesota 55768
 Attention: City Administrator

8. Exhibits. The exhibits to this Agreement are the following:

- a. Exhibit A – Legal Description, Property North of Highway 169
- b. Exhibit B – Legal Description, Unity Addition Extension
- c. Exhibit C – Legal Description, City Garage/School Garage Property
- d. Exhibit D – Legal Description, Baseball Field Property
- e. Exhibit E – Baseball Field Reconstruction Plan

CITY OF MOUNTAIN IRON

By: _____
Its Mayor

By: _____
Its Administrator

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2002, by Mitchell Brunfelt and Craig J. Wainio, the Mayor and City Administrator, respectively, of the City of Mountain Iron, Minnesota, on behalf of said City.

Notary Public

INDEPENDENT SCHOOL DISTRICT 712

By: _____
Its Board Chairperson

By: _____
Its Superintendent

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

The foregoing instrument was acknowledged before me this _____ day of _____, 2002, by _____ and James Techar, the Board Chairperson and the Superintendent, respectively, of Independent School District 712, on behalf of said School.

Notary Public

EXHIBIT A

(Property North of Highway 169)

That part of the Southeast Quarter of the Southwest Quarter (SE¼ of SW¼) and that part of the Southwest Quarter of the Southwest Quarter (SW¼ of SW¼) of Section 11, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota, lying north of the Trunk Highway No. 169 right-of-way.

EXHIBIT B

(Unity Addition Extension)

Part of the Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) of Section 14, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota, described as follows:

All of the Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) except the easterly 300 feet of the northerly 600 feet all in Section 14, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota

EXHIBIT C

(City Garage/School Garage Property)

Part of the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) and part of the Southeast Quarter of the Northwest Quarter (SE1/4 of NW1/4) of Section 10, Township 58 North, Range 18 West of the Fourth Principal Meridian, and more particularly described as follows:

East Half of the Southeast Quarter of the Northwest Quarter (E1/2 of SE1/4 of NW1/4), Section 10, Township 58 North, Range 18 West of the Fourth Principal Meridian EXCEPT highway right-of-way

AND

That part of the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) Section 10, Township 58 North, Range 18 West of the Fourth Principal Meridian which is bounded by the following described lines:

Assuming the West right-of-way line of County Road No. 102, as it now exists over and across said Southwest Quarter of Northwest Quarter (SW1/4 of NW1/4) of Section Ten (10), as being due North and South, and beginning at the intersection of said West right-of-way line with the North line of said SW1/4 of NW1/4 of Section 10, go due South along said West right-of-way line of County Road 102 for a distance of 480.5 feet; thence deflect right 81°13' and go South 81°13' West for a distance of 303.56 feet; thence deflect right 98°47' and go due North on a line parallel to and 300.00 feet Westerly of the aforementioned Westerly right-of-way line of County Road No. 102, for a distance of 519.52 feet to a point on the North line of said SW1/4 of NW1/4 of Section 10; thence deflect right 88°36' and go North 88°36' East along the North line of said SW1/4 of NW1/4 of Section 10, for a distance of 300.09 feet to the point of beginning.

EXHIBIT D

(Baseball Field)

Part of the Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) and part of the Northwest Quarter of the Northeast Quarter (NW1/4 of NE1/4) of Section 14, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota, described as follows:

The easterly 300 feet of the northerly 600 feet of the Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) and the westerly 270 feet of the northerly 600 feet of the Northwest Quarter of the Northeast Quarter (NW1/4 of NE1/4) all in Section 14, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota.

EXHIBIT E

(Baseball Field Plans)



ENGINEER'S PRELIMINARY ESTIMATE OF QUANTITIES AND OPINION OF COST
MERRITT BASEBALL FIELD RECONSTRUCTION
CITY OF MOUNTAIN IRON, MINNESOTA
PROJECT NO: MI01-18

BALLFIELD RECONSTRUCTION:

ITEM NO.	ITEM	UNITS	ESTIMATED QUANTITIES	UNIT PRICE	TOTAL AMOUNT
1	COMMON EXCAVATION (4" of all surface material inside of fence)	CU. YD.	1,715.0	\$5.00	\$8,575.00
2	TOPSOIL BORROW (4" of topsoil to all grass areas inside of fence)	CU. YD.	1,560.0	\$13.00	\$20,280.00
3	INFILL AGGREGATE (4" in all aggregate areas inside of fence)	CU. YD.	155.0	\$65.00	\$10,075.00
4	SEEDING (all disturbed grass areas)	ACRE	3.5	\$1,500.00	\$5,250.00
5	IRRIGATION SYSTEM (entire field)	LUMP SUM	1.0	\$25,000.00	\$25,000.00
6	ALUMINUM BLEACHERS (Approx. 40-50 seats/bleacher)	EACH	2.0	\$3,000.00	\$6,000.00
7	4" PERF. P.E. PIPE DRAIN W/ GEOTEXTILE SOCK	LN. FT.	610.0	\$7.00	\$4,270.00
8	6" PERF. P.E. PIPE DRAIN W/ GEOTEXTILE SOCK	LN. FT.	150.0	\$7.00	\$1,050.00
9	6" CONCRETE HEADWALL (for drain tile outlet)	EACH	1.0	\$250.00	\$250.00
10	BASES AND PLATES (batters box protector, new bases and plates)	LUMP SUM	1.0	\$3,500.00	\$3,500.00
11	DUGOUT REMOVAL	EACH	2.0	\$500.00	\$1,000.00
12	DUGOUT CONSTRUCTION	EACH	2.0	\$5,000.00	\$10,000.00

CONTINGENCIES: \$5,000.00
CONSTRUCTION COST: \$100,250.00
DESIGN ENGINEERING: \$9,025.00
CONSTRUCTION ENGINEERING: \$10,025.00
TOTAL COST: \$119,300.00

Approx. Savings Utilizing City Forces for Irrigation and Drain tile Installation: \$12,500.00

NOTE: This Opinion of Cost is created under the assumption the existing fence and backstop will not need replacement. The approx. cost of Contracting the fence and back stop replacement is \$36,000.00. The approx. cost of Contracting the replacement utilizing City forces for fence and backstop removal would be \$31,000.00.

BENCHMARK ENGINEERING, INC.

COUNCIL LETTER 121602-VB

PARKS & RECREATION DEPARTMENT

IRRRB/BON-AIR CLEANUP

DATE: December 16, 2002

FROM: Larry Nanti
Director of Parks & Recreation

Don Kleinschmidt
Director of Pubic Works

Craig J. Wainio
City Administrator

Staff has requested IRRRB demolition crew's assistance in the cleanup of the burned material at the Bon-Air site.

The IRRRB has denied the Cities request based on the ownership by a private individual rather than ownership by a municipal agency. IRRRB would be happy to reevaluate the situation should the property become city owned.

COUNCIL LETTER 121602-VIA

ADMINISTRATION

2003 PROPOSED BUDGET

DATE: December 10, 2002

FROM: Craig J. Wainio
City Administrator

At this meeting, the City Council is required to adopt the 2003 budget and set the various levy's for 2003. First the Council should determine the amount of the general levy for City operations for the upcoming fiscal year. As at the previous meeting, the budget presented shows a 0% increase in the levy for 2003.

Staff would like to express the position that a 0% increase for 2003 would not be in the best interest for the long term financial stability of the City. Staff believes that an increase in the levy is warranted due to the following circumstances:

- With a \$4.5 billion dollar deficit at the state level, the reduction in local government aid is likely to be higher then 20% according to the LMC.
- A zero levy will likely reduce the amount of aid the City is to receive over the long term, as the local government aid formula is partially based upon a City's willingness to raise it own revenue through property taxes.
- Revenue is need to offset any potential school ball field agreement, library renovations including possible matching grant funds and other possible original town site projects according to the original town site plan.

According to St. Louis County, on the example proposed property tax statement the City was using, if the City levied a 0% increase the amount in column two would decrease from \$75.32 to \$19.24. This amounts to a decrease of \$56.08 on a \$81,600 residence, less then \$5.00 per month.

Once the levy amount is determined, the City Council needs to adopt the 2003 budget (as modified), Resolution 52-02 Regarding the HRA Levy (as presented), Resolution Number 53-02 regarding the Market Rate Levy (as presented), and Resolution Number 54-02 Setting the General Levy (as modified).

The enterprise fund budgets are not based upon the general levy. Enterprise funds are based upon the revenue generated by the utility charges.

2003 PRELIMINARY BUDGET CITY OF MOUNTAIN IRON

EXPENDITURES	2002 Budget	2003 Budget	Difference	Percent
Administration	\$ 409,000.00	\$ 415,000.00	\$ 6,000.00	1.5%
Public Safety	\$ 496,800.00	\$ 507,300.00	\$ 10,500.00	2.1%
Public Works	\$ 624,000.00	\$ 647,500.00	\$ 23,500.00	3.8%
Culture and Rec	\$ 334,740.00	\$ 340,930.00	\$ 6,190.00	1.8%
General Government	\$ 951,639.00	\$ 803,274.00	\$ (148,365.00)	-15.6%
TOTAL	\$ 2,816,179.00	\$ 2,714,004.00	\$ (102,175.00)	-3.6%

REVENUE

Taxes	\$ 115,805.00	\$ 116,978.00	\$ 1,173.00	1.0%
Intergovernmental Aid	\$ 1,558,546.00	\$ 1,504,698.00	\$ (53,848.00)	-3.5%
General Revenue	\$ 347,000.00	\$ 297,500.00	\$ (49,500.00)	-14.3%
TOTAL	\$ 2,021,351.00	\$ 1,919,176.00	\$ (102,175.00)	-5.1%

GENERAL LEVY	\$ 794,828.00	\$ 794,828.00	\$ -	0.0%
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**2003 PRELIMINARY BUDGET
CITY OF MOUNTAIN IRON
REVENUE**

GENERAL REVENUE	2002 Budget	2003 Budget	Difference	Percent
Lic. & Permits	\$ 21,000.00	\$ 21,500.00	\$ 500.00	2.4%
Charges for Service	\$ 26,000.00	\$ 27,000.00	\$ 1,000.00	3.8%
Fines	\$ 9,000.00	\$ 9,000.00	\$ -	0.0%
Interest	\$ 40,000.00	\$ 40,000.00	\$ -	0.0%
Refunds	\$ 225,000.00	\$ 175,000.00	\$ (50,000.00)	-22.2%
General	\$ 26,000.00	\$ 25,000.00	\$ (1,000.00)	-3.8%
Subtotal	\$ 347,000.00	\$ 297,500.00	\$ (49,500.00)	-14.3%

INTERGOVERNMENTAL REVENUE

Local Government Aid	\$ 528,046.00	\$ 542,198.00	\$ 14,152.00	2.7%
Taconite Production Tax	\$ 531,000.00	\$ 500,000.00	\$ (31,000.00)	-5.8%
Taconite Municipal Aid	\$ 379,000.00	\$ 350,000.00	\$ (29,000.00)	-7.7%
Mining Effects Tax	\$ 108,000.00	\$ 100,000.00	\$ (8,000.00)	-7.4%
Other	\$ 12,500.00	\$ 12,500.00	\$ -	0.0%
Subtotal	\$ 1,558,546.00	\$ 1,504,698.00	\$ (53,848.00)	-3.5%

TAXES

Market Rate Levy	\$ 87,305.00	\$ 86,478.00	\$ (827.00)	-0.9%
Misc. Taxes	\$ 18,000.00	\$ 10,500.00	\$ (7,500.00)	-41.7%
Franchise	\$ 10,500.00	\$ 20,000.00	\$ 9,500.00	90.5%
Subtotal	\$ 115,805.00	\$ 116,978.00	\$ 1,173.00	1.0%

Total	\$ 2,021,351.00	\$ 1,919,176.00	\$ (102,175.00)	-5.1%
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**2003 BUDGET WORKSHEET
CITY OF MOUNTAIN IRON
REVENUE**

TAXES	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Tax Levy	\$ 637,043.00	\$ 609,717.93	\$ 794,828.00	\$ 352,155.53	\$ 794,828.00	0.0%
Bond Levy	\$ 86,536.00	\$ 87,044.89	\$ 87,305.00	\$ 51,594.54	\$ 86,478.00	-0.9%
Franchise	\$ 20,514.00	\$ 20,130.00	\$ 18,000.00	\$ 22,164.81	\$ 20,000.00	11.1%
Other Taxes	\$ -	\$ 16,514.96	\$ 10,500.00	\$ 1,288.36	\$ 10,500.00	0.0%
TOTAL	\$ 744,093.00	\$ 733,407.78	\$ 910,633.00	\$ 427,203.24	\$ 911,806.00	0.1%

INTERGOVERNMENTAL REVENUE

LGA	\$ 298,683.00	\$ 328,413.00	\$ 528,046.00	\$ 264,023.00	\$ 542,198.00	2.7%
Tac. Prod Aid	\$ 561,415.00	\$ 560,125.00	\$ 531,000.00	\$ 539,555.00	\$ 500,000.00	-5.8%
Tac. Aid	\$ 388,038.00	\$ 356,300.00	\$ 379,000.00	\$ -	\$ 350,000.00	-7.7%
Mining Effects	\$ 118,940.00	\$ 120,836.00	\$ 108,000.00	\$ 104,935.00	\$ 100,000.00	-7.4%
HACA	\$ 185,736.00	\$ 185,781.00	\$ -	\$ -	\$ -	0.0%
Misc. Aid	\$ 40,319.00	\$ 54,754.00	\$ 12,500.00	\$ 2,264.50	\$ 12,500.00	0.0%
TOTAL	\$ 1,593,131.00	\$ 1,606,209.00	\$ 1,558,546.00	\$ 910,777.50	\$ 1,504,698.00	-3.5%

GENERAL REVENUE

Lic. & Permits	\$ 24,033.00	\$ 24,033.00	\$ 21,000.00	\$ 22,456.55	\$ 21,500.00	2.4%
Charges for Service	\$ 32,337.00	\$ 28,502.00	\$ 26,000.00	\$ 122,615.01	\$ 27,000.00	3.8%
Fines	\$ 8,352.00	\$ 10,679.00	\$ 9,000.00	\$ 6,375.90	\$ 9,000.00	0.0%
Interest	\$ 30,594.00	\$ 76,361.00	\$ 40,000.00	\$ 37,914.16	\$ 40,000.00	0.0%
Refunds	\$ 101,356.00	\$ 171,678.00	\$ 225,000.00	\$ 126,488.59	\$ 175,000.00	-22.2%
General	\$ 135,938.00	\$ 134,129.00	\$ 26,000.00	\$ 448.25	\$ 25,000.00	-3.8%
TOTAL	\$ 332,610.00	\$ 445,382.00	\$ 347,000.00	\$ 316,298.46	\$ 297,500.00	-14.3%
TOTAL	\$ 2,669,834.00	\$ 2,784,998.78	\$ 2,816,179.00	\$ 1,654,279.20	\$ 2,714,004.00	-3.6%

**2003 PRELIMINARY BUDGET
CITY OF MOUNTAIN IRON
EXPENDITURES**

DEPARTMENT	2002 Budget	2003 Budget	Difference	Percent
City Council	\$ 12,500.00	\$ 12,500.00	\$ -	0.0%
Administration	\$ 350,000.00	\$ 364,000.00	\$ 14,000.00	4.0%
Election	\$ 9,000.00	\$ -	\$ (9,000.00)	-100.0%
Assessing	\$ 17,500.00	\$ 18,500.00	\$ 1,000.00	5.7%
Planning & Zoning	\$ 20,000.00	\$ 20,000.00	\$ -	0.0%
Sheriffs	\$ 410,000.00	\$ 420,000.00	\$ 10,000.00	2.4%
Fire Protection	\$ 75,300.00	\$ 75,300.00	\$ -	0.0%
Emergency Management	\$ 1,000.00	\$ 1,000.00	\$ -	0.0%
Animal Control	\$ 10,500.00	\$ 11,000.00	\$ 500.00	4.8%
Streets	\$ 474,000.00	\$ 493,000.00	\$ 19,000.00	4.0%
Buildings	\$ 150,000.00	\$ 154,500.00	\$ 4,500.00	3.0%
Campground	\$ 41,500.00	\$ 42,330.00	\$ 830.00	2.0%
Recreation	\$ 183,000.00	\$ 185,000.00	\$ 2,000.00	1.1%
Government	\$ 371,735.00	\$ 415,550.00	\$ 43,815.00	11.8%
Subtotal	\$ 2,126,035.00	\$ 2,212,680.00	\$ 86,645.00	4.1%
Library	\$ 110,240.00	\$ 113,600.00	\$ 3,360.00	3.0%
Transfers	\$ 579,904.00	\$ 387,724.00	\$ (192,180.00)	-33.1%
Total	\$ 2,816,179.00	\$ 2,714,004.00	\$ (102,175.00)	-3.6%

**2003 BUDGET WORKSHEET
CITY OF MOUNTAIN IRON
GOVERNMENT OPERATIONS**

CITY COUNCIL	2000		2001		2002		2003	
	ACTUAL		ACTUAL		BUDGET	YTD	BUDGET	%
Council Salaries	\$ 12,216.00	\$	11,818.00	\$	12,500.00	\$ 10,831.92	\$ 12,500.00	0%
TOTAL	\$ 12,216.00	\$	11,818.00	\$	12,500.00	\$ 10,831.92	\$ 12,500.00	0%
ADMINISTRATION								
Salaries	\$ 145,281.00	\$	153,976.00	\$	143,000.00	\$ 145,500.12	\$ 148,000.00	3%
Payroll Taxes	\$ 19,236.00	\$	20,649.00	\$	18,000.00	\$ 20,401.56	\$ 20,000.00	11%
Insurance-Group	\$ 26,756.00	\$	29,810.00	\$	26,000.00	\$ 35,571.05	\$ 33,000.00	27%
Insurance-General	\$ 47,572.00	\$	20,452.00	\$	49,000.00	\$ 36,212.17	\$ 45,000.00	-8%
Independent Audit	\$ 8,800.00	\$	9,300.00	\$	9,000.00	\$ 9,800.00	\$ 10,000.00	11%
Engineering Fees	\$ 51,744.00	\$	48,883.00	\$	36,000.00	\$ 41,350.01	\$ 37,000.00	3%
Legal Fees	\$ 30,854.00	\$	30,036.00	\$	31,000.00	\$ 30,792.68	\$ 32,000.00	3%
Communications	\$ 6,407.00	\$	8,189.00	\$	8,500.00	\$ 8,732.35	\$ 9,000.00	6%
Supplies	\$ 9,113.00	\$	6,390.00	\$	6,000.00	\$ 3,376.43	\$ 5,000.00	-17%
Operations	\$ 23,645.00	\$	24,033.00	\$	23,500.00	\$ 23,904.55	\$ 25,000.00	6%
TOTAL	\$ 369,408.00	\$	351,718.00	\$	350,000.00	\$ 355,640.92	\$ 364,000.00	4%
ELECTION								
Salaries	\$ 1,978.00	\$	1,116.00	\$	2,050.00	\$ 2,792.60	\$ -	-100%
Operations	\$ 5,282.00	\$	280.00	\$	6,950.00	\$ 1,567.06	\$ -	-100%
TOTAL	\$ 7,260.00	\$	1,396.00	\$	9,000.00	\$ 4,359.66	\$ -	-100%
ASSESSING								
Contract Services	\$ 15,687.00	\$	15,715.00	\$	16,500.00	\$ 19,306.00	\$ 17,500.00	6%
Operations	\$ 46.00	\$	288.00	\$	1,000.00	\$ -	\$ 1,000.00	0%
TOTAL	\$ 15,733.00	\$	16,003.00	\$	17,500.00	\$ 19,306.00	\$ 18,500.00	6%
PLANNING & ZONING								
Salaries	\$ 12,978.00	\$	27,343.00	\$	15,000.00	\$ 8,173.00	\$ 15,000.00	0%
Payroll Taxes	\$ 1,666.00	\$	3,508.00	\$	2,000.00	\$ 1,077.37	\$ 2,000.00	0%
Operations	\$ 4,082.00	\$	2,729.00	\$	3,000.00	\$ 2,855.80	\$ 3,000.00	0%
TOTAL	\$ 18,726.00	\$	33,580.00	\$	20,000.00	\$ 12,106.17	\$ 20,000.00	0%
TOTAL	\$ 423,343.00	\$	414,515.00	\$	409,000.00	\$ 402,244.67	\$ 415,000.00	1%

**2003 BUDGET WORKSHEET
CITY OF MOUNTAIN IRON
PUBLIC SAFETY**

POLICE PROTECTION	2000		2001		2002		2002		2003	%
	ACTUAL		ACTUAL		BUDGET		YTD	BUDGET		
Contract Services	\$ 376,900.00	\$	\$ 393,725.00	\$	\$ 406,500.00	\$	\$ 367,750.00	\$ 415,000.00		2%
Other Expenditures	\$ 3,563.00	\$	\$ 5,652.00	\$	\$ 3,500.00	\$	\$ 7,098.75	\$ 5,000.00		43%
TOTAL	\$ 380,463.00	\$	\$ 399,377.00	\$	\$ 410,000.00	\$	\$ 374,848.75	\$ 420,000.00		2%

FIRE PROTECTION

Salaries	\$ 17,208.00	\$	\$ 16,701.00	\$	\$ 18,000.00	\$	\$ 15,595.22	\$ 18,000.00		0%
Payroll Taxes	\$ 438.00	\$	\$ 559.00	\$	\$ 500.00	\$	\$ 2,392.13	\$ 500.00		0%
Training	\$ 7,531.00	\$	\$ 15,960.00	\$	\$ 15,000.00	\$	\$ 8,515.83	\$ 15,000.00		0%
Maintenance	\$ 4,406.00	\$	\$ 4,848.00	\$	\$ 6,000.00	\$	\$ 5,319.00	\$ 6,000.00		0%
Operations	\$ 12,502.00	\$	\$ 18,468.00	\$	\$ 11,000.00	\$	\$ 10,105.34	\$ 11,000.00		0%
Firemen's Relief	\$ 23,974.00	\$	\$ 23,012.00	\$	\$ 24,800.00	\$	\$ 17,544.00	\$ 24,800.00		0%
TOTAL	\$ 66,059.00	\$	\$ 79,548.00	\$	\$ 75,300.00	\$	\$ 59,471.52	\$ 75,300.00		0%

EMERGENCY MANAGEMENT

Operations	\$ 15.00	\$	\$ 15.00	\$	\$ 1,000.00	\$	\$ 25.00	\$ 1,000.00		0%
TOTAL	\$ 15.00	\$	\$ 15.00	\$	\$ 1,000.00	\$	\$ 25.00	\$ 1,000.00		0%

ANIMAL CONTROL

Contract Services	\$ 9,960.00	\$	\$ 10,234.00	\$	\$ 10,000.00	\$	\$ 9,403.57	\$ 10,000.00		0%
Operations	\$ 496.00	\$	\$ 127.00	\$	\$ 500.00	\$	\$ 688.00	\$ 1,000.00		100%
TOTAL	\$ 10,456.00	\$	\$ 10,361.00	\$	\$ 10,500.00	\$	\$ 10,091.57	\$ 11,000.00		5%

PUBLIC SAFETY

TOTAL	\$ 456,993.00	\$	\$ 489,301.00	\$	\$ 496,800.00	\$	\$ 444,436.84	\$ 507,300.00		2%
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2003 BUDGET WORKSHEET CITY OF MOUNTAIN IRON PUBLIC WORKS

STREETS	2000		2001		2002		2002		2003	
	ACTUAL		ACTUAL		BUDGET		YTD		BUDGET	%
Salaries	\$ 228,508.00	\$	\$ 284,300.00	\$	\$ 245,000.00	\$	\$ 253,519.19	\$	\$ 254,800.00	4%
Payroll Taxes	\$ 29,149.00	\$	\$ 37,046.00	\$	\$ 32,000.00	\$	\$ 35,268.64	\$	\$ 33,300.00	4%
Insurance-Group	\$ 52,229.00	\$	\$ 63,217.00	\$	\$ 57,000.00	\$	\$ 72,061.20	\$	\$ 59,300.00	4%
Utilities	\$ 47,069.00	\$	\$ 47,386.00	\$	\$ 45,000.00	\$	\$ 49,856.59	\$	\$ 46,800.00	4%
Maintenance	\$ 27,992.00	\$	\$ 34,989.00	\$	\$ 50,000.00	\$	\$ 44,592.59	\$	\$ 52,000.00	4%
Supplies	\$ 13,604.00	\$	\$ 29,596.00	\$	\$ 25,000.00	\$	\$ 14,373.58	\$	\$ 26,000.00	4%
Operations	\$ 13,825.00	\$	\$ 28,930.00	\$	\$ 20,000.00	\$	\$ 27,180.16	\$	\$ 20,800.00	4%
TOTAL	\$ 412,376.00	\$	\$ 525,464.00	\$	\$ 474,000.00	\$	\$ 496,851.95	\$	\$ 493,000.00	4%
BUILDINGS										
Salaries	\$ 47,036.00	\$	\$ 49,402.00	\$	\$ 54,000.00	\$	\$ 47,674.51	\$	\$ 55,450.00	3%
Payroll Taxes	\$ 5,602.00	\$	\$ 6,215.00	\$	\$ 7,000.00	\$	\$ 6,326.86	\$	\$ 7,200.00	3%
Insurance-Group	\$ 9,526.00	\$	\$ 12,915.00	\$	\$ 12,000.00	\$	\$ 15,886.09	\$	\$ 12,400.00	3%
Utilities	\$ 30,351.00	\$	\$ 43,449.00	\$	\$ 45,000.00	\$	\$ 27,082.91	\$	\$ 46,400.00	3%
Communications	\$ 1,585.00	\$	\$ 2,062.00	\$	\$ 2,000.00	\$	\$ 1,151.06	\$	\$ 2,050.00	3%
Supplies	\$ 29,125.00	\$	\$ 52,447.00	\$	\$ 15,000.00	\$	\$ 16,611.77	\$	\$ 15,500.00	3%
Operations	\$ 18,570.00	\$	\$ 18,698.00	\$	\$ 15,000.00	\$	\$ 15,253.42	\$	\$ 15,500.00	3%
TOTAL	\$ 141,795.00	\$	\$ 185,188.00	\$	\$ 150,000.00	\$	\$ 129,986.62	\$	\$ 154,500.00	3%
PUBLIC WORKS										
TOTAL	\$ 554,171.00	\$	\$ 710,652.00	\$	\$ 624,000.00	\$	\$ 626,838.57	\$	\$ 647,500.00	4%

**2003 BUDGET WORKSHEET
CITY OF MOUNTAIN IRON
CULTURE AND RECREATION**

CAMPGROUND	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Salaries	\$ 8,128.00	\$ 15,006.00	\$ 14,300.00	\$ 17,364.84	\$ 14,600.00	2%
Payroll Taxes	\$ 1,065.00	\$ 1,966.00	\$ 1,500.00	\$ 1,826.71	\$ 1,530.00	2%
Insurance-Group	\$ 1,685.00	\$ 3,922.00	\$ 2,500.00	\$ 1,907.60	\$ 2,550.00	2%
Utilities	\$ 7,258.00	\$ 6,887.00	\$ 7,200.00	\$ 4,436.08	\$ 7,350.00	2%
Operations	\$ 15,147.00	\$ 18,427.00	\$ 14,000.00	\$ 15,193.62	\$ 14,300.00	2%
Advertising	\$ 97.00	\$ 130.00	\$ 2,000.00	\$ -	\$ 2,000.00	0%
TOTAL	\$ 33,380.00	\$ 46,338.00	\$ 41,500.00	\$ 40,728.85	\$ 42,330.00	2%

RECREATION DEPARTMENT

Salaries	\$ 84,657.00	\$ 87,709.00	\$ 98,000.00	\$ 82,239.83	\$ 101,350.00	3%
Payroll Taxes	\$ 9,237.00	\$ 10,191.00	\$ 11,000.00	\$ 10,376.15	\$ 11,300.00	3%
Insurance-Group	\$ 10,748.00	\$ 15,521.00	\$ 13,000.00	\$ 18,353.65	\$ 13,400.00	3%
Utilities	\$ 9,563.00	\$ 8,807.00	\$ 10,000.00	\$ 9,103.25	\$ 10,300.00	3%
Maintenance	\$ 6,838.00	\$ 3,948.00	\$ 5,500.00	\$ 3,669.34	\$ 5,650.00	3%
Operations	\$ 17,551.00	\$ 21,618.00	\$ 20,500.00	\$ 21,869.57	\$ 21,200.00	3%
Mesabi Trail	\$ -	\$ -	\$ 15,000.00	\$ -	\$ 11,500.00	-23%
Special Events	\$ 7,050.00	\$ 15,866.00	\$ 10,000.00	\$ 13,460.44	\$ 10,300.00	3%
TOTAL	\$ 145,644.00	\$ 163,660.00	\$ 183,000.00	\$ 159,072.23	\$ 185,000.00	1%

LIBRARY

Salaries	\$ 61,049.00	\$ 65,305.00	\$ 65,300.00	\$ 63,367.81	\$ 67,350.00	3%
Payroll Taxes	\$ 7,760.00	\$ 5,404.00	\$ 8,500.00	\$ 8,301.75	\$ 8,750.00	3%
Insurance-Group	\$ 4,564.00	\$ 5,004.00	\$ 4,750.00	\$ 6,704.58	\$ 4,900.00	3%
Utilities	\$ 5,497.00	\$ 7,334.00	\$ 8,190.00	\$ 4,573.55	\$ 8,400.00	3%
Books	\$ 19,256.00	\$ 16,430.00	\$ 15,050.00	\$ 14,846.02	\$ 15,500.00	3%
Communications	\$ 5,082.00	\$ 3,310.00	\$ 4,750.00	\$ 2,709.50	\$ 4,900.00	3%
Operations	\$ 2,260.00	\$ 19,675.00	\$ 3,700.00	\$ 3,911.72	\$ 3,800.00	3%
TOTAL	\$ 105,468.00	\$ 122,462.00	\$ 110,240.00	\$ 104,414.93	\$ 113,600.00	3%

CULTURE AND RECREATION

TOTAL	\$ 284,492.00	\$ 332,460.00	\$ 334,740.00	\$ 304,216.01	\$ 340,930.00	2%
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**2003 BUDGET WORKSHEET
CITY OF MOUNTAIN IRON
GENERAL GOVERNMENT**

GENERAL GOVERNMENT	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Cash Short and Over	\$ (8.00)	\$ (55.00)	\$ 10.00	\$ 0.53	\$ 10.00	0%
Cemeteries	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	\$ 2,500.00	\$ 3,000.00	0%
Retire/Pension Contrib.	\$ 56,555.00	\$ 62,226.00	\$ 63,990.00	\$ 59,243.35	\$ 63,994.00	0%
Public Expense	\$ 29,580.00	\$ 10,066.00	\$ 20,000.00	\$ 16,738.50	\$ 20,000.00	0%
Promotion and Tourism	\$ 11,021.00	\$ 10,200.00	\$ 2,500.00	\$ 310.82	\$ 2,500.00	0%
EMT Equipment	\$ 2,635.00	\$ 1,790.00	\$ 3,000.00	\$ 1,469.93	\$ 3,000.00	0%
Intergovernmental Coop	\$ 36,437.00	\$ 54,248.00	\$ -	\$ -	\$ -	0%
LGA Aid Cut Offset	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Contribution - QCJRA	\$ -	\$ -	\$ 34,133.00	\$ 34,232.50	\$ 108,440.00	100%
Contribution - QCEDA	\$ -	\$ -	\$ 30,102.00	\$ 31,450.05	\$ 21,504.00	-37%
Contribution - V/MI/GCC	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 25,102.00	-17%
Contribution - VRMC	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	0%
TCBDA	\$ 42,095.00	\$ 42,288.00	\$ 50,000.00	\$ 38,705.64	\$ 3,000.00	100%
QCEDA	\$ -	\$ 40,861.00	\$ 150,000.00	\$ 59,767.41	\$ 50,000.00	0%
Hydrants	\$ 1,343.00	\$ 3,845.00	\$ 5,000.00	\$ 1,458.90	\$ 100,000.00	-33%
Wastewater Charges	\$ 10,000.00	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	0%
Water Charges	\$ 10,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	0%
TOTAL	\$ 202,658.00	\$ 237,969.00	\$ 371,735.00	\$ 255,877.63	\$ 415,550.00	0%
TRANSFERS						
Capital Improvement	\$ 387,321.00	\$ 454,850.00	\$ 322,804.00	\$ 295,903.63	\$ 109,554.00	-66%
Mining Effects	\$ 59,470.00	\$ -	\$ 54,000.00	\$ 5,250.40	\$ 50,000.00	-7%
Debt Service	\$ 86,536.00	\$ 200,000.00	\$ 203,100.00	\$ 60,000.00	\$ 228,170.00	12%
TOTAL	\$ 533,327.00	\$ 654,850.00	\$ 579,904.00	\$ 361,154.03	\$ 387,724.00	-33%
GENERAL GOVERNMENT						
TOTAL	\$ 735,985.00	\$ 892,819.00	\$ 951,639.00	\$ 617,031.66	\$ 803,274.00	-16%

CITY OF MOUNTAIN IRON

2003 CAPITAL IMPROVEMENT

BUDGET

2003 Capital Improvement Budget

REVENUE	2003
General Fund	\$ 159,554.00
Grants	\$ 345,000.00
Bonding	\$ 1,435,000.00
2002 Carry Over	\$ 75,000.00

TOTAL \$ 2,014,554.00

EXPENDITURE	Department	2003 Projects	2002 Carryover	Grant	Bonding	TOTAL
Commercial Sites (IRRRB)	Development			\$ 300,000.00	\$ 300,000.00	\$ 600,000.00
Water Tank Maint	Infrastructure			\$	\$ 735,000.00	\$ 735,000.00
Wetlands Mitigation	Development		\$ 45,000.00	\$ 45,000.00		\$ 90,000.00
Utility Acquisition	Utilities				100,000.00	\$ 100,000.00
Street Improvements	Streets				300,000.00	\$ 300,000.00
Dasher Boards	Parks		\$ 30,000.00	\$		\$ 30,000.00
Street Maintenance	Streets	\$ 50,000.00				\$ 50,000.00
Squad Car	Sheriffs	\$ 25,000.00				\$ 25,000.00
Portable Radios	Fire	\$ 20,000.00				\$ 20,000.00
Pavilion	Parks	\$ 35,000.00				\$ 35,000.00
Technology Upgrades	Administration	\$ 15,000.00				\$ 15,000.00

OVERALL 2001 TOTAL \$ 145,000.00 \$ 75,000.00 \$ 345,000.00 \$ 1,435,000.00 \$ 2,000,000.00

2003 (PROPOSED) BUDGET
CITY OF MOUNTAIN IRON
DEBT SERVICE FUND

REVENUE	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET
Interest Earnings	\$ 870.00	\$ 5,614.00	\$ 12,800.00	\$ 1,153.96	\$ 1,500.00
Special Assessments	\$ -	\$ 126,271.00	\$ 40,000.00	\$ 49,431.12	\$ 25,615.00
Electric Fund	\$ -	\$ -	\$ -	\$ -	\$ 8,103.00
Water Fund	\$ -	\$ -	\$ -	\$ -	\$ 17,868.00
HRA - TIF	\$ -	\$ -	\$ 141,626.00	\$ 80,000.00	\$ 139,576.00
General Fund	\$ 86,536.00	\$ 200,000.00	\$ 203,100.00	\$ 60,000.00	\$ 228,170.00
TOTAL REVENUE	\$ 87,406.00	\$ 331,885.00	\$ 397,526.00	\$ 190,585.08	\$ 420,832.00
EXPENSES					
Principle - Tax Increment Financing	\$ -	\$ 85,000.00	\$ 95,000.00	\$ 95,000.00	\$ 100,000.00
Interest - Tax Increment Financing	\$ -	\$ 53,124.00	\$ 46,626.00	\$ 46,626.25	\$ 39,576.00
Principle - Community Center	\$ -	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
Interest - Community Center	\$ 51,197.00	\$ 50,398.00	\$ 48,935.00	\$ 48,935.00	\$ 47,360.00
Principle - Street Improvement	\$ -	\$ -	\$ 45,000.00	\$ 45,000.00	\$ 60,000.00
Interest - Street Improvement	\$ -	\$ 63,440.00	\$ 68,139.00	\$ 68,138.75	\$ 65,615.00
Principle - Water Revenue	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00
Interest - Water Revenue	\$ -	\$ -	\$ -	\$ -	\$ 39,440.00
Agent Fees	\$ -	\$ -	\$ 1,000.00	\$ 2,305.01	\$ 1,500.00
TOTAL EXPENSES	\$ 51,197.00	\$ 281,962.00	\$ 339,700.00	\$ 341,005.01	\$ 413,491.00

2001 (PROPOSED) BUDGET
CITY OF MOUNTAIN IRON
CHARITABLE GAMBLING

REVENUE	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET
Interest Earnings	\$ 137.00	\$ 305.00	\$ 200.00	\$ 934.67	\$ 200.00
Gambling Proceeds	\$ 5,219.00	\$ 2,008.00	\$ 2,500.00	\$ 2,138.11	\$ 2,500.00
Transfer In	\$ 852.00	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 6,208.00	\$ 2,313.00	\$ 2,700.00	\$ 3,072.78	\$ 2,700.00
EXPENSES					
Allowable Expenditures	\$ -	\$ 1,433.00	\$ 2,700.00	\$ 4,065.59	\$ 2,700.00
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ -	\$ 1,433.00	\$ 2,700.00	\$ 4,065.59	\$ 2,700.00

CITY OF MOUNTAIN IRON
2003 BUDGET
WATER DEPARTMENT

REVENUES	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Interest Earnings	\$ 350.00	\$ 1,296.00	\$ 1,000.00	\$ 719.27	\$ 1,000.00	0%
Charges for Services	\$ 148,666.00	\$ 171,209.00	\$ 171,000.00	\$ 128,092.98	\$ 140,000.00	-18%
TOTAL REVENUES	\$ 149,016.00	\$ 172,505.00	\$ 172,000.00	\$ 128,812.25	\$ 141,000.00	-18%

EXPENDITURES

Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Salaries	\$ 45,634.00	\$ 54,968.00	\$ 55,000.00	\$ 50,568.67	\$ 57,000.00	4%
Payroll Taxes	\$ 5,876.00	\$ 7,258.00	\$ 7,400.00	\$ 6,953.89	\$ 7,700.00	4%
Maintenance	\$ 15,032.00	\$ 18,066.00	\$ 9,000.00	\$ 9,253.79	\$ 10,000.00	11%
Travel/Training	\$ 660.00	\$ -	\$ 700.00	\$ 100.00	\$ 400.00	-43%
Depreciation Expense	\$ 40,000.00	\$ 41,000.00	\$ 42,000.00	\$ 38,500.00	\$ 43,000.00	2%
Insurance	\$ 12,266.00	\$ 11,434.00	\$ 17,000.00	\$ 14,548.47	\$ 17,500.00	3%
Professional Services	\$ 323.00	\$ 1,904.00	\$ 2,000.00	\$ 1,685.95	\$ 2,000.00	0%
Office Supplies	\$ 1,209.00	\$ 1,220.00	\$ 1,000.00	\$ 906.43	\$ 1,000.00	0%
Operating Supplies	\$ 3,013.00	\$ 3,442.00	\$ 4,000.00	\$ 5,349.50	\$ 6,000.00	50%
Telephone Expense	\$ 172.00	\$ 197.00	\$ 200.00	\$ 199.03	\$ 250.00	25%
Other Expenditures	\$ 4,064.00	\$ 5,087.00	\$ 5,000.00	\$ 8,645.48	\$ 10,000.00	100%
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Utilities	\$ 24,306.00	\$ 25,222.00	\$ 25,000.00	\$ 21,639.62	\$ 25,000.00	0%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 17,868.00	100%
Capital Outlay	\$ -	\$ -	\$ 5,000.00	\$ 8,833.69	\$ -	-100%
TOTAL EXPENDITURES	\$ 152,555.00	\$ 169,798.00	\$ 173,300.00	\$ 167,184.52	\$ 197,718.00	14%

CITY OF MOUNTAIN IRON
2003 BUDGET
WASTE WATER DEPARTMENT

REVENUES	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Interest Earnings	\$ 16,751.00	\$ 17,461.00	\$ 25,000.00	\$ 13,041.71	\$ 14,500.00	-42%
Charges for Services	\$ 260,905.00	\$ 190,624.00	\$ 172,000.00	\$ 153,048.58	\$ 181,000.00	5%
TOTAL REVENUES	\$ 277,656.00	\$ 208,085.00	\$ 197,000.00	\$ 166,090.29	\$ 195,500.00	-1%
EXPENDITURES						
Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Salaries	\$ 47,706.00	\$ 63,590.00	\$ 65,000.00	\$ 55,969.87	\$ 65,000.00	0%
Payroll Taxes	\$ 7,563.00	\$ 8,519.00	\$ 9,000.00	\$ 7,818.19	\$ 9,000.00	0%
Maintenance	\$ 30,116.00	\$ 35,329.00	\$ 26,000.00	\$ 12,408.36	\$ 25,000.00	-4%
Travel/Training	\$ 1,144.00	\$ 903.00	\$ 1,000.00	\$ 1,237.50	\$ 1,500.00	50%
Depreciation Expense	\$ 73,000.00	\$ 73,000.00	\$ 75,000.00	\$ 68,750.00	\$ 77,000.00	3%
Insurance	\$ 14,857.00	\$ 10,156.00	\$ 10,000.00	\$ 13,501.67	\$ 16,500.00	65%
Professional Services	\$ 5,575.00	\$ 4,714.00	\$ 5,000.00	\$ 5,148.61	\$ 6,000.00	20%
Office Supplies	\$ 1,055.00	\$ 1,050.00	\$ 1,000.00	\$ 1,124.18	\$ 1,000.00	0%
Operating Supplies	\$ 9,229.00	\$ 11,699.00	\$ 13,000.00	\$ 11,907.74	\$ 14,000.00	8%
Telephone Expense	\$ 1,451.00	\$ 1,452.00	\$ 1,200.00	\$ 1,297.97	\$ 1,500.00	25%
Other Expenditures	\$ 4,040.00	\$ 4,523.00	\$ 5,000.00	\$ 4,385.73	\$ 5,000.00	0%
Contract Services	\$ 21,917.00	\$ 25,993.00	\$ 21,000.00	\$ 24,964.82	\$ 28,000.00	33%
Utilities	\$ 48,815.00	\$ 53,933.00	\$ 44,000.00	\$ 45,612.63	\$ 50,000.00	14%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Capital Outlay	\$ -	\$ -	\$ 10,000.00	\$ 3,124.52	\$ 10,000.00	0%
TOTAL EXPENDITURES	\$ 266,468.00	\$ 294,861.00	\$ 286,200.00	\$ 257,251.79	\$ 309,500.00	8%

CITY OF MOUNTAIN IRON

2003 BUDGET

REFUSE AND RECYCLING DEPARTMENT

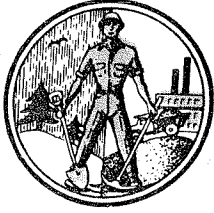
REVENUES	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 BUDGET	2003 BUDGET	%
Interest Earnings	\$ 11,631.00	\$ 12,836.00	\$ 13,000.00	\$ 5,911.58	\$ 6,000.00	-54%
Charges for Services	\$ 332,675.00	\$ 344,216.00	\$ 320,000.00	\$ 288,482.34	\$ 315,000.00	-2%
TOTAL REVENUES	\$ 344,306.00	\$ 357,052.00	\$ 333,000.00	\$ 294,393.92	\$ 321,000.00	-4%

EXPENDITURES

Cost of Sales	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Salaries	\$ 86,407.00	\$ 88,952.00	\$ 89,000.00	\$ 86,600.04	\$ 97,000.00	9%
Payroll Taxes	\$ 11,036.00	\$ 11,485.00	\$ 7,600.00	\$ 11,795.41	\$ 14,000.00	84%
Maintenance	\$ 11,137.00	\$ 4,275.00	\$ 3,600.00	\$ 9,360.34	\$ 10,000.00	178%
Travel/Training	\$ 800.00	\$ -	\$ 400.00	\$ 100.00	\$ 100.00	-75%
Depreciation	\$ 30,000.00	\$ 51,000.00	\$ 53,000.00	\$ 48,583.37	\$ 55,000.00	4%
Insurance	\$ 26,025.00	\$ 23,057.00	\$ 20,000.00	\$ 28,706.73	\$ 35,000.00	75%
Professional Services	\$ 1,966.00	\$ 1,616.00	\$ 2,000.00	\$ 2,155.00	\$ 2,500.00	25%
Office Supplies	\$ 4,249.00	\$ 2,628.00	\$ 2,000.00	\$ 3,049.75	\$ 3,500.00	75%
Operating Supplies	\$ 8,680.00	\$ 9,111.00	\$ 10,000.00	\$ 7,963.07	\$ 10,000.00	0%
Telephone Expense	\$ 1,362.00	\$ 1,525.00	\$ 750.00	\$ 570.46	\$ 750.00	0%
Other Expenditures	\$ 8,842.00	\$ 8,198.00	\$ 8,000.00	\$ 9,453.55	\$ 12,000.00	50%
County Service Fee	\$ 129,559.00	\$ 128,647.00	\$ 65,000.00	\$ 63,751.04	\$ 70,000.00	8%
County Tipping Fee	\$ -	\$ -	\$ 60,000.00	\$ 57,198.99	\$ 63,000.00	5%
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Capital Outlay	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	0%
TOTAL EXPENDITURES	\$ 320,063.00	\$ 330,494.00	\$ 331,350.00	\$ 329,287.75	\$ 382,850.00	16%

CITY OF MOUNTAIN IRON
2003 BUDGET
ELECTRIC DEPARTMENT

REVENUES	2000 ACTUAL	2001 ACTUAL	2002 BUDGET	2002 YTD	2003 BUDGET	%
Interest Earnings	\$ 4,277.00	\$ 2,401.00	\$ 2,500.00	\$ 714.57	\$ 1,000.00	-60%
Charges for Services	\$ 946,983.00	\$ 968,573.00	\$ 886,000.00	\$ 797,316.14	\$ 870,000.00	-2%
TOTAL REVENUES	\$ 951,260.00	\$ 970,974.00	\$ 888,500.00	\$ 798,030.71	\$ 871,000.00	-2%
EXPENDITURES						
Cost of Sales	\$ 647,709.00	\$ 657,745.00	\$ 460,000.00	\$ 507,108.46	\$ 570,000.00	24%
Salaries	\$ 172,436.00	\$ 160,145.00	\$ 158,000.00	\$ 172,333.19	\$ 193,000.00	22%
Payroll Taxes	\$ 22,068.00	\$ 21,543.00	\$ 22,000.00	\$ 23,948.10	\$ 28,000.00	27%
Maintenance	\$ 69,919.00	\$ 41,381.00	\$ 27,000.00	\$ 30,907.07	\$ 34,000.00	26%
Travel/Training	\$ 2,059.00	\$ 40.00	\$ 3,000.00	\$ 1,000.00	\$ 2,000.00	-33%
Depreciation Expense	\$ 50,000.00	\$ 53,000.00	\$ 55,000.00	\$ 50,416.63	\$ 57,000.00	4%
Insurance	\$ 51,308.00	\$ 44,573.00	\$ 40,000.00	\$ 57,070.74	\$ 68,000.00	70%
Professional Services	\$ 8,289.00	\$ 7,710.00	\$ 7,800.00	\$ 7,130.02	\$ 8,000.00	3%
Office Supplies	\$ 6,811.00	\$ 4,493.00	\$ 3,200.00	\$ 4,406.52	\$ 5,000.00	56%
Operating Supplies	\$ 10,302.00	\$ 11,696.00	\$ 12,000.00	\$ 10,688.78	\$ 12,000.00	0%
Telephone Expense	\$ 2,264.00	\$ 1,327.00	\$ 1,500.00	\$ 2,530.14	\$ 3,000.00	100%
Other Expenditures	\$ 24,169.00	\$ 18,866.00	\$ 23,000.00	\$ 7,812.17	\$ 10,000.00	-57%
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Interest Expense	\$ 1,020.00	\$ 489.00	\$ 1,000.00	\$ 758.12	\$ 1,000.00	0%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 8,103.00	100%
Capital Outlay	\$ -	\$ -	\$ 50,000.00	\$ 33,049.58	\$ -	-100%
TOTAL EXPENDITURES	\$ 1,068,354.00	\$ 1,023,008.00	\$ 863,500.00	\$ 909,159.52	\$ 999,103.00	16%



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 52-02

CONCERNING THE 2003 HOUSING AND REDEVELOPMENT AUTHORITY TAX LEVY

WHEREAS, the Mountain Iron Housing and Redevelopment Authority was created on the 4th day of December, 1968, pursuant to Minnesota Statutes 469.001-469.047 and;

WHEREAS, Minnesota Statutes, Section 469.033, subd. 6, specifically authorized the Mountain Iron Housing and Redevelopment Authority to levy against the taxable property of the City of Mountain Iron, St. Louis County, Minnesota.

NOW, THEREFORE BE IT RESOLVED by the City Council of Mountain Iron, Minnesota, that for the purpose of further development and to provide for any activities that are within the jurisdiction of the Mountain Iron Housing and Redevelopment as defined according to Minnesota Statutes: The Mountain Iron City Council submits to the County Auditor of St. Louis County, Minnesota, a final tax levy with a levy set to the maximum allowable for the Mountain Iron Housing and Redevelopment Authority.

DULY ADOPTED BY THE CITY COUNCIL THIS 16th DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

ATTEST:

City Administrator



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 53-02

APPROVING PROPOSED 2003 MARKET RATE BASED REFERENDUM LEVY FOR THE GENERAL OBLIGATION COMMUNITY CENTER BONDS AND INTEREST

WHEREAS, in February 1998 the voters in the City of Mountain Iron approved a market rate based referendum levy for bonds and interest to construct the Mountain Iron Community Center.

NOW, THEREFOR BE IT RESOLVED, by the City Council of the City of Mountain Iron, County of Saint Louis, Minnesota, that the following market rate based levy shall be made in 2002 payable in 2003 for all property in the City of Mountain Iron:

General Obligation Community Center Bond levy shall be \$86,478.00

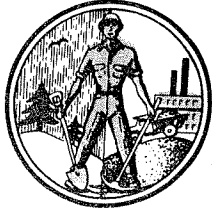
The City Administrator is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Saint Louis County, Minnesota.

DULY ADOPTED BY THE CITY COUNCIL THIS 16th DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

ATTEST:

City Administrator



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 54-02

APPROVING PROPOSED 2002 TAX LEVY, COLLECTABLE 2003

BE IT RESOLVED, by the City Council of the City of Mountain Iron, County of Saint Louis, Minnesota, that the following sums of money be levied for the current year, collectable in 2003, upon the taxable property in the City of Mountain Iron for the following purposes:

TOTAL LEVY

\$ 794,828

The City Administrator is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Saint Louis County, Minnesota.

DULY ADOPTED BY THE CITY COUNCIL THIS 16th DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

ATTEST:

City Administrator

COUNCIL LETTER 121602-VIE

CITY COUNCIL

RESOLUTION NUMBER 55-02

DATE: December 10, 2002

FROM: Craig J. Wainio
City Administrator

As directed at the previous City Council meeting, Staff has prepared a Resolution regarding the Taconite Tax Relief area and taconite tax distribution. Upon approval, copies of the Resolution will be forwarded to out local Legislators

It is recommended that the City Council approve Resolution Number 55-02 Taconite Tax Relief Area.



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 55-02

TACONITE TAX RELIEF AREA

WHEREAS, the legislators in the Iron Range Legislative delegation have publicly indicated that they are considering legislation to reduce property tax relief funded by the taconite production tax in order to preserve and enhance funding for IRRRB economic development programs; and

WHEREAS, taconite production tax revenue could decline due to a general slow-down in the U.S. Steel industry and due to the closing of the LTV taconite plant; and,

WHEREAS, the taconite production tax is a tax imposed in lieu of property taxes and therefore communities with taconite facilities within their jurisdiction may not directly levy property taxes on taconite mines or facilities; and,

WHEREAS, some communities within the taconite tax relief area oppose sharing of non-taconite commercial-industrial tax base growth in the taconite tax relief area through the Range Fiscal Disparities Act, and whereas that Act has been declared unconstitutional by the Itasca District Court; and,

WHEREAS, the current statutes and formulas for distribution of the revenue generated by the taconite production tax distribute taconite production tax revenues to many municipalities and to many taxpayers who live in municipalities without an operating taconite mine or facility; and,

WHEREAS, as a result of the slow-down in the taconite industry increased economic distress can be expected in the core Iron Range communities where taconite plants and mines are located; and,

WHEREAS, the increased economic distress requires increased public resources devoted to the needs of residents and communities in core taconite-producing Iron Range communities; and,

WHEREAS, U.S. Steel's Minntac facility located within the municipal limits of the City of Mountain Iron generated taconite production taxes paid in lieu of local property taxes totaling \$27.9 million for distribution in the year 2000, but only \$3.36 million of that revenue was returned directly to the City of Mountain Iron and the Mountain Iron-Buhl school district and its taxpayers under the current distribution formula; and,

WHEREAS, the vast majority of the in lieu property tax revenue generated by the Minntac facility is distributed outside the City of Mountain Iron and its school district, including to communities which do not have operating taconite facilities within their jurisdiction; and,

WHEREAS, other core Iron Range Communities, such as Keewatin, Hibbing, Virginia, Eveleth, Gilbert, and Hoyt Lakes are host to taconite facilities whose in lieu property tax payments are distributed to municipalities without taconite facilities in their communities; and,

WHEREAS, the current system of distributing taconite production tax revenue is grossly unfair because it takes revenue generated in lieu of property taxes in taconite communities and distributes a substantial portion of this revenue to non-taconite communities;

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF MOUNTAIN IRON that the City of Mountain Iron formally recommends and urges the Iron Range Legislative delegation and the State legislature to enact legislation which:

- (1) shrinks the Taconite Tax Relief Area so that it more directly corresponds to the core area of the Iron Range where taconite mining and concentrating occurs today; and
- (2) reduces or eliminates the distribution of taconite production tax revenue to municipalities, schools, counties, and taxpayers in communities with little or no property generating taconite production tax revenue.

DULY ADOPTED BY THE CITY COUNCIL THIS 16th DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

Attested:

City Administrator

(SEAL)

COUNCIL LETTER 121602-VIF

ADMINISTRATION

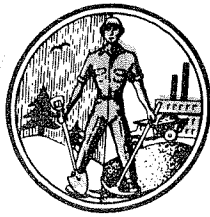
RESOLUTION NUMBER 56-02

DATE: December 10, 2002

FROM: Craig J. Wainio
City Administrator

This Resolution closes out a drainage project that Jola and Sopp performed in Ann's Acres in 1997. According to the City's financial report, there is \$2500 on the books for this project. In order to remove the \$2500 liability, the City needs to approve the project as completed and as previously compensated. The Resolution is accepting the project and the City is not responsible for any other payments to the contractor. This will not cost the City any additional money.

It is recommended that the City Council adopt Resolution Number 56-02 Accepting Work.



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RESOLUTION NUMBER 56-02

ACCEPTING WORK

WHEREAS, pursuant to a written contract signed with the City in 1997, Jola & Sopp, Inc. of Eveleth, Minnesota has completed the improvement of Tamarack Drive between the east right-of-way line of Spruce Drive and the east right-of-way line of Aspen Lane and also Spruce Drive between the south right-of-way line of Tamarack Drive and the north right-of-way line of Balsam Drive for storm sewer improvements and pavement in accordance with such contract.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, the work completed under said contract is hereby accepted and approved and all obligations under the contract have been paid.

DULY ADOPTED BY THE CITY COUNCIL THIS 16th DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

ATTEST:

City Administrator

COUNCIL LETTER 121602-VIG

ADMINISTRATION

RESOLUTION NUMBER 57-02

DATE: December 10, 2002

FROM: Craig J. Wainio
City Administrator

This Resolution makes two year-end financial adjustments to the City's various funds. First, is the completion of the removal of the \$2500 liability described in the previous agenda item. Second is the transfer of \$100,000 from the Capital Improvement Fund to the General Fund. This transfer will bring the general fund to the 50% reserve level based on the 2002 budget. The transfer is in response to the overall growth of the general fund.

It is recommended that the City Council adopt Resolution Number 57-02 2002 Fiscal Year-end Fund Maintenance.



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RESOLUTION NUMBER 57-02

2002 FISCAL YEAR-END FUND MAINTENANCE

WHEREAS, the need presents itself for the maintenance and updating of various City Funds, and

WHEREAS, these changes are to occur at the end of the City's 2002 fiscal year.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the following take place at the end of the City's 2002 fiscal year:

- 1) Capital Improvement Fund – Liabilities to Jola and Sopp, in the amount of \$2500, shall be eliminated and transferred to the Capital Improvement Fund – Unreserved Fund Balance.
- 2) Capital Improvement Fund – An amount of \$100,000 shall be transferred from the Capital Improvement Fund to the General Fund.

DULY ADOPTED BY THE CITY COUNCIL THIS 16TH DAY OF DECEMBER, 2002.

Mayor Mitchell Brunfelt

ATTEST:

City Administrator

COUNCIL LETTER 121602-VIH

ADMINISTRATION

COMMUNITY CENTER USAGE

DATE: December 10, 2002

FROM: Craig J. Wainio
City Administrator

A church group is requesting the usage of the Community Center for a number of Sundays to hold services. The City Council needs to determine if the City should allow groups to use the Community Center in this manner.

December 5, 2002

Mr. Craig J. Wainio
City Administrator
City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron, MN 55768

Dear Mr. Wainio,

Thank you for taking the time to meet with us the other day. This letter is meant to let you know that we would like to use the facilities available at the Mountain Iron Community Center for our church meetings. As we stated, we are a new church that does not even have an official name yet. Our desire is to use either the Iroquois room or the Wacoota room as our main meeting room. The Mountain Iron room would be used for our children's program, which would run concurrent with our morning worship service. The small conference room (Messaba Room) would work well for our nursery (just a place where infants could be cared for). Our service will begin at 10:00 am, which means we would like to have access to the building by 8:00 am each week. We will be gone from the building easily by 1:00 pm.

As we indicated to you, it is not our desire to excessively use the facility at the detriment of others. We are very appreciative of the opportunities available by using this fine facility. With this in mind, if there are times when a group would like to have a multi-day event over the weekend, we would be more than willing to work with you so you could facilitate their request. We would just need to have as much advance notice as possible.

We, therefore, request to reserve those three rooms for every Sunday currently available from January 5, 2003 through May 25, 2003 (five months in advance at a time, we'll add one month to stay five months out).

Thank you very much for your time and consideration.

Sincerely,



Rev. John D. Anderson

APPLICATION

Organizations desiring to use the Mountain Iron Community Center, Senior Center or Nichols Town Hall facilities must complete an application and submit it to the City Administrator's Office. The application need be completed only once annually for organizations using the facilities periodically during the year. This application shall be submitted at least two (2) weeks prior to the date for which reservation is requested with the exception of unforeseen circumstances. Those seeking the use of intoxicating beverages are encouraged to contact the City Administrator's Office at least four (4) weeks prior to the event. The request will be reviewed in light of these guidelines and the availability of the facilities. The Administrator's Office staff will advise the requesting organization of the status of their request as soon as possible. Usage requests are not approved until the Administrator's Office staff has so advised the requesting organization.

Name of Applicant or Organization:	GERALD J. ANDERSON FOR THE NEW CHURCH		
Mailing Address:	5421 CARNATION DRIVE ← Gerald Anderson VIRGINIA, MN 55792		
Contact Person Responsible for Bldg.:	701 N. Van Buren Ave., Eveleth MN 55734 JOHN D. ANDERSON	Phone:	John Anderson or Wk #: 744-4176
Facility Desired: Circle One:	Senior Center Nichols Town Hall <u>Community Center</u>		
Community Center Room(s): Circle One:	Wacoota Room <u>Iroquois Room</u> Wacoota & Iroquois Rooms <u>Mountain Iron Room</u> <u>Messaba Room</u>		
Kitchen Use: (Yes or No)	NO		
Date(s) of Use:	Feb 15, 16, 17, 18, 19, 20, 21, 22 SEE attached letter		
Hours of Use: (Be specific)	0800 AM TO 0100 PM		
Purpose of Meeting/Event:	CHURCH SERVICE		
Number in attendance: Number of tables/chairs:	diagram will be brought in		
Deposit Amount & Fee(s):	Deposit: \$100	Fee(s):	\$0 resident, non-revenue generating group or \$20/use for non-profit
Will Intoxicating Beverages Be Used?:	NO		
Proof of Liability Insurance:	N/A		
Proof of Liquor License Or Permit(if applicable):	N/A		



HOLD HARMLESS AGREEMENT

I understand that my use of the Mountain Iron Community Center, Senior Center or Nichols Town Hall facility is voluntary and that I am using it for my benefit only. I agree that my use of the Mountain Iron Community Center, Senior Center or Nichols Town Hall facility is undertaken at my own risk and that the City of Mountain will not be liable for any claims, injuries, damages of whatever nature incurred by me or members of my organization due to the negligence of members of my organization, or the negligence of third parties. On behalf of myself and the organization that I represent, I expressly forever release and discharge the City, its agents or employees, from any such claims, injuries, or damages. I also agree to defend, indemnify and hold harmless the City from any claims, injuries, or damages of whatever nature arising out of or connected with my use of the Mountain Iron Community Center, Senior Center or Nichols Town Hall facilities. I also agree to reimburse the City for any damage, breakage, maintenance, and theft of equipment beyond the damage deposit figure if so warranted.

User/Representative
SIGNATURE:

Donald J. Anderson

Today's Date:

DEC 4, 2002

Approved by City
Administrator:

Date Approved:

Confirmation Sent
By:

Date Mailed:

Please return this form to:
City Administrator's Office
City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron MN 55768

FAX (218)748-7573
Email: cityadmn@mtniron.com
www.mtniron.com

December 5, 2002

To: Mt. Iron Community Center
From: New Church Group
Re: Request for usage

We would like to reserve the following rooms and dates.

January 5, 12, 19, 26	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba
February 2, 9 (if available)	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba
March 2, 9, 16, 23, 30 <i>Carbets Carbets (pm) (pm) 5-8pm 5-8pm</i>	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba
April 6, 13, 20, 27	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba
April 18 (Good Friday) <i>5pm → 9pm</i>	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba
May 4, 11, 18, 25	<u>Rooms:</u>	Iroquois, Mt. Iron, Messaba



USS Real Estate
Northern Lands & Minerals
PO Box 417
Mt. Iron, MN 55768
218 749 7529
fax: 218 749 7536

November 26, 2002

Craig Wainio
City Administrator
City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron MN 55768-8260

Re: Surface Lease for Mountain Iron's Rock Sign

Dear Mr. Wainio:

The City of Mountain Iron's Signboard Lease from USS will expire on December 31, 2002. Enclosed is a new Surface Lease to replace the expired lease for the rock sign located within the NE $\frac{1}{4}$ of NE $\frac{1}{4}$, Section 12, Township 58 North, Range 18 West, St. Louis County, Minnesota.

Please have the City Council approve the Surface Lease and return it to me signed and with the current years rental of \$50.00.

Sincerely,

Dennis F. Orehek
Land Manager

Enc:

SURFACE LEASE

THIS LEASE AGREEMENT (hereinafter "Lease" or "Lease Agreement") is made effective as of the 1st day of January, 2003, by and between:

United States Steel Corporation, a Delaware corporation, with an office and place of business located at USS Northern Lands & Minerals, Old Highway 169, Box 417, Mt. Iron, Minnesota 55768
(hereinafter "Lessor"),

and

City of Mountain Iron, a municipal corporation, with an office and place of business located at 8586 Enterprise Drive South, Mountain Iron, Minnesota 55768
(hereinafter "Lessee").

WITNESSETH:

In consideration of the terms, conditions and obligations herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1 -- Leased Premises.

(A) Lessor hereby demises and leases to Lessee and Lessee hereby leases from Lessor the surface only of the property located in St. Louis County, Minnesota and more specifically described as follows:

Part of the NE¼ of NE¼, Section 12, Township 58 North, Range 18 West as shown in red on the map provided as Exhibit "A" attached hereto and incorporated herein
(hereinafter "Leased Premises" or "Premises").

(B) This Lease is subject to any and all highway, railroad, and other public or private rights or easements, existing in or across the Leased Premises or any part thereof, and to the rights of any person or other party who may have an interest in the Leased Premises, including any minerals therein.

Section 2 -- Term.

This Lease Agreement shall begin at 12:01 a.m. on January 1, 2003, and shall terminate at 11:59 p.m. on December 31, 2003, subject to earlier termination as hereinafter provided.

Section 3 -- Purpose.

Lessee shall use the Leased Premises only for a signboard, and shall have the right to ingress and egress to and from the Leased Premises. Lessee shall not utilize the Leased Premises for any other reason whatsoever.

Section 4 -- Compliance with Laws.

(A) Lessee shall maintain the Leased Premises in accordance with good land management practice and comply with all past, present, and future statutes, laws and regulations, including but not limited to zoning laws, environmental laws, permits, ordinances, rules, regulations and orders of all governmental, judicial, administrative or political persons or entities having jurisdiction thereof.

(B) Lessee shall obtain any permits as required, and shall promptly provide copies thereof to Lessor.

(C) Lessor does not warrant or represent that the Premises are suitable or safe for the purposes intended.

(D) Lessee shall pay any and all fines or penalties imposed or allegedly imposed for failure to comply therewith and indemnify Lessor from any claims, demand, or actions by governments, their agencies, boards or commissions and private parties, arising as a result of Lessee's actions or inactions where there was a duty to act. The term "Lessor" shall include all subsidiaries, divisions, and affiliates of Lessor and their officers, directors, and employees.

Section 5 -- Rental Payments.

(A) Lessee shall pay to the Lessor a one-time fee of Fifty and No/100 Dollars (\$50.00) upon execution of this Lease Agreement, without set-off, recoupment, or counterclaim.

(B) In addition to any monies and/or tax payments discussed herein, Lessee agrees to pay Lessor for all damages to the Premises or surrounding area or any facility located thereon including, but not limited to, the value of any timber and shrubbery destroyed, the cost of repairing roads, railroads, culvert, or any other facilities damaged or relocated due to the Lessee's use of the Premises. Additionally, Lessee shall keep the Premises neat and free from refuse at all times during the life of this Lease Agreement. Upon expiration or termination of this Lease Agreement, all personal property, of whatever nature, shall be removed from the Premises within thirty (30) days.

Section 6 -- Taxes.

Lessee shall reimburse Lessor, promptly after being billed by the Lessor, for all taxes and/or assessments, including all special assessments, levied against the Leased Premises or any part thereof which are due and payable in the year 2003, and in each year thereafter during the term of this Lease, pro-rated as to each governmental subdivision according to acreage, and all taxes and assessments payable during the same period upon any buildings, structures, or other property at any time placed or permitted thereon by Lessee. Lessee shall not be obligated to pay taxes on any mineral valuation.

Section 7 -- Protection of Title.

Lessee shall protect the Leased Premises and keep the title thereto free and clear from all mechanics', laborers', or other liens, clouds or encumbrances in any way arising from the use or occupancy of the Leased Premises as hereby leased, or from anything done or omitted to be done thereon by Lessee's officers, agents, servants, contractors, sublessees or Lessees.

Section 8 -- Maintenance and Nuisance.

Lessee shall at all times keep the Leased Premises and all improvements thereon or appurtenant thereto in good repair and in a safe, neat, and orderly condition and so maintain, use, and occupy the same as to protect life and property and so as not to create any public or private nuisance or damage or injury to any adjacent premises or to any persons or property thereon.

Section 9 -- Indemnification.

(A) In the exercise of its rights hereunder, *Lessee agrees to indemnify, defend and hold harmless Lessor, and their officers, directors, employees, agents, successors and assigns* from and against any and all claims, costs, demands, damages, liabilities, judgments, or expenses, including attorney fees, court costs, consultant fees and other legal costs, for any personal injury, death, or property damage or any other damages of whatever kind or nature whatsoever arising out of or resulting from, or in any way associated with the activities described herein of Licensee, its employees, agents, invitees, successors, and assigns or the activities of any other party or entity whatsoever, directly or indirectly, against Licensor.

(B) Lessee *further agrees to indemnify, defend and hold harmless Lessor, including its subsidiaries, facilities, employees, successors, and assigns* from and against any and all claims, suits, expenses and costs, including court costs, attorneys' fees and other legal costs, from any environmental liability or damages arising or resulting from or caused by the activities herein described.

(C) If Lessee bears witness to or receives information from any third party of personal injury, property damage, or environmental release occurring at or adjoining the Premises, Licensee shall provide Lessor with immediate notice of any such event.

(D) The obligations set forth in this Section shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 10 -- Insurance.

(A) Lessee further agrees to carry the statutory insurance coverage and cause any of its consultants or contractors to obtain and maintain in full force and effect, Commercial General Liability insurance under an occurrence policy form in an insurance company or companies satisfactory to Lessor, and possessing an A.M. Best Company rating of A-, Class VII or better, for bodily injury, including death, and

property damage in a minimum amount of Two Million Dollars (\$2,000,000.00) per occurrence and Four Million Dollars (\$4,000,000.00) in the aggregate. Lessee shall cause its consultants and contractors to maintain insurance policies in accordance with the terms and provisions outlined in Attachment "I" attached hereto and incorporated herein, including without limitation, adding United States Steel Corporation and its affiliates, including all units, divisions and subsidiaries as Additional Insureds; obtaining waiver of subrogation in favor of additional insureds; agreeing to give Lessor sixty (60) days' prior written notice upon policy cancellation or change; and providing subcontractor coverage (if applicable). Lessee shall cause its consultants and contractors to provide a copy of Attachment "I" to its insurance company and/or insurance agent.

(B) The obligations set forth in this Section and in Attachment "I" shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 11 -- Termination.

Lessor may terminate this Lease at any time by giving Lessee prior written notice of at least thirty (30) days. Lessee may terminate this Lease at any time by giving prior written notice to Lessor of at least thirty (30) days, and by executing and delivering to Lessor an instrument of surrender thereof and complying with all the requirements of this Lease to the time of such termination.

Section 12 -- Default.

If either party (hereinafter in this section referred to as "First Party"), fails to perform its obligations under this Lease, the other party shall notify the First Party in writing of the respect in which First Party has failed to perform its obligations. First Party shall thereupon have thirty (30) days within which to cure the default; if the default may not be remedied within such 30-day period, the First Party shall have an additional period of time, not to exceed sixty (60) days to cure the default. In an emergency, First Party shall remedy the default as promptly as circumstance require. If the non-defaulting party discovers an emergency which requires action before the First Party could reasonably have been expected to act, the non-defaulting party may take remedial action, whose reasonable costs shall be borne by First Party. If either party, having given notice, fails to perform its obligations pursuant to the foregoing, the other party may perform said obligations at the expense of the First Party and may, upon written notice to the defaulting party, terminate this Lease Agreement.

Section 13 -- Notices.

All notice that may at any time be required to be given hereunder shall be deemed to have been properly given if personally hand delivered to the other party, or if sent by United States first class registered or certified mail, postage paid, or by facsimile transmission addressed, Lessor as follows:

If to Lessor: Regional Manager North Facsimile: (218) 749-7536
USS Northern Lands & Minerals
Old Highway 169
P.O. Box 417
Mt. Iron, Minnesota 55768

With a copy to: United States Steel Corporation Facsimile: (412) 433-2811
600 Grant Street, Room 1500
Pittsburgh, Pennsylvania 15219-2800
Attention: Sr. General Attorney, Real Estate & Energy

If to Lessee: City of Mountain Iron Facsimile: () -
8586 Enterprise Drive South
Mountain Iron, Minnesota 55768

or to such other name and address as furnished in writing by either party to the other. All notices shall be effective when received by the party to whom addressed.

Section 14 -- Removal of Lessee's Structures and Equipment.

On or before the termination of this Lease in any manner, Lessee shall, at its own cost and expense, remove from the Leased Premises all buildings and other structures and improvements and any and all other property belonging to Lessee, or its sublessors or licenses and quietly and peaceably surrender possession of the Leased Premises to Lessor in the same condition it was in at the commencement of the Lease, subject to reasonable wear and tear. If Lessee is in default hereunder, Lessor may remove any and all such property remaining thereon and dispose of such property as it may desire, without liability to Lessee, and restore the Leased Premises to the same condition it was in at the commencement of the Lease. Lessee shall promptly pay all cost and expense of any such removal and restoration.

Section 15 -- Binding.

This Lease and all the terms, conditions, and obligations hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 16 -- Assignment and Amendments.

(A) Lessee shall not assign this Lease or sublease the Premises, or any part thereof, without the written consent of Lessor, which may be granted or denied in Lessor's sole discretion.

(B) This Lease may be amended, renewed, extended or canceled only by written instrument executed on behalf of each of the parties hereto, which may be granted or denied at Lessor's sole discretion.

Section 17 -- Entire Agreement.

This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 18 -- Construction.

This Lease shall be governed by the laws of the State of Minnesota, and all terms, conditions, and covenants herein shall be interpreted in accordance therewith.

Section 19 -- Counterparts.

This Lease may be signed in one or more counterparts, and by facsimile transmission, all of which shall be treated as one and the same original Lease. Each party shall provide an executed copy to the other.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the date(s) indicated herein.

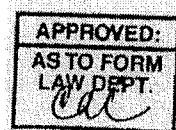
Lessor: United States Steel Corporation

By: _____

Title: _____

Dated: _____

[Signature]
REGIONAL MGR - NORTH
11/25/2002

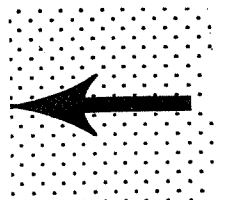


Lessee: City of Mountain Iron

By: _____

Title: Mayor _____

Dated: _____



• *****

ATTACHMENT "I" INSURANCE

Lessee shall procure and maintain, at its own expense, and shall require its Contractor(s), if any, to procure and maintain for the duration hereunder the insurance coverage meeting or exceeding the requirements set forth below:

1. **Minimum Scope of Insurance** -- Coverage shall be at least as broad as the following:

A. **Commercial General Liability Insurance**: Shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If a 1973 edition ISO form must be used by the insurer, the broad form comprehensive general liability (BFCGL) endorsement shall be included. Additionally, the policy shall not contain a sunset provision, commutation clause or any other provision which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy of insurance shall contain or be endorsed to include the following:

- (i) Premises/Operations;
- (ii) Products/Completed Operations;
- (iii) Contractual;
- (iv) Independent Contractors;
- (v) Broad form property damage;
- (vi) Personal Injury;
- (vii) Cross liability/severability of interest;
- (viii) The policy shall be endorsed using ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) so as to include United States Steel Corporation (hereinafter "USS"), and its affiliates, including all units, divisions and subsidiaries as Additional Insureds on a Primary and Non-contributory basis. The coverage shall contain no special limitations on the scope of protection afforded to said Additional Insured.
- (ix) Waiver of subrogation shall be provided to the benefit of all Additional Insureds, as aforesaid.
- (x) No XCU (explosion, collapse, underground) exclusion.
- (xi) For any claims related herein, the Lessee's and/or its Contractor's insurance shall be primary and non-contributory respecting the aforesaid Additional Insureds. Any insurance or self-insurance maintained by USS shall be in

excess of the Lessee's and/or Contractor's insurance and shall not contribute with it.

- (xii) The policy shall not contain any provision, definition, or endorsement which would serve to eliminate third-party action over claims.
- (xiii) Self-funded, or other non-risk transfer insurance mechanism are not acceptable to USS. If the Lessee has such a program, full disclosure must be made to USS prior to any consideration being given.

B. Automobile Liability Insurance: As specified by ISO form number CA 0001, Symbol I (any auto), with an MCS 90 endorsement and a CA 99 48 endorsement attached if hazardous materials or waste are to be transported. This policy shall be endorsed to include USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, and to include waiver of subrogation to the benefit of all Additional Insureds, as aforesaid.

C. Workers' Compensation Insurance: As required by the State or Commonwealth in which work is being done, and in accordance with any applicable Federal laws, including Employer's Liability Insurance and/or Stop Gap Liability coverage as per below limits. Where not otherwise prohibited by law, this policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries.

D. Employer's Liability and/or Stop Gap Liability Coverage: Coverages per accident, disease-policy limit, and disease each employee.

E. Errors and Omissions Professional Liability Insurance (If made applicable by USS): Coverage should be for a professional error, act or omission arising out of the Contractor's performance of work hereunder. The policy form may not exclude coverage for Bodily Injury, Property Damage, claims arising out of laboratory analysis, pollution or the operations of a treatment facility, to the extent these items are applicable under the scope of work hereunder. This policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries. If coverage is on a claims-made form, Contractor shall maintain continuous coverage or exercise an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

Check if applicable ☐

F. Environmental Impairment Insurance (If made applicable by USS): Covering damage to the environment, both sudden and non-sudden, caused by the emission, disposal, release, seepage, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants, into or upon land, the atmosphere or any water course or body of water; or the generation of odor, noises, vibrations, light, electricity, radiation, changes in temperature, or any other sensory phenomena. Such insurance shall contain or be endorsed to include:

Check if applicable ☐

- (i) Property damage, including loss of use, injury to or destruction of property;
- (ii) Cleanup costs which shall include operations designed to analyze, monitor, remove, remedy, neutralize, or clean up any released or escaped substance which has caused environmental impairment or could cause environmental impairment if not removed, neutralized or cleaned up.

- (iii) Personal injury, which shall include bodily injury, sickness, disease, mental anguish, shock or disability sustained by any person, including death resulting therefrom.
- (iv) USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, on a primary and non-contributory basis.
- (v) Waiver of Subrogation in favor of USS its affiliates, including all units, divisions and subsidiaries.

If the Environmental Impairment Insurance is on a claims-made form, Lessee and its Contractor(s) shall maintain continuous coverage or exercise on an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

2. **Minimum Limits of Insurance** -- Lessee and its Contractor(s) shall maintain limits *no less than*:

A. **Commercial General Liability:** Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 each occurrence for bodily injury and property damage; \$2,000,000 each occurrence and aggregate for products and completed operations; \$4,000,000 general aggregate. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

B. **Automobile Liability Insurance:** Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 per accident for bodily injury and property damage, \$5,000,000 if hazardous materials or substances are to be transported.

C. **Workers' Compensation:** As required by the State or Commonwealth in which the work will be performed, and as required by any applicable Federal laws.

D. **Employer's Liability and/or Stop Gap Liability Coverage:** \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee. (May include Umbrella coverage.)

E. **Errors and Omissions Professional Liability Insurance:** (If applicable) \$2,000,000 per loss; \$4,000,000 annual aggregate limit.

F. **Environmental Impairment Insurance:** (If applicable) \$5,000,000 combined single limit per loss. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

3. **Deductibles and Self-Insured Retentions** -- All insurance coverage carried by Lessee and its Contractor(s) shall extend to and protect USS its affiliates, including all units, divisions and subsidiaries to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those relating to defense costs, are the sole responsibility of Lessee and its Contractor(s).

4. **Rating of Insurer** -- The Lessee and its Contractor(s) will only use insurance companies acceptable to USS and authorized to do business in the state or area in which the work hereunder is to be performed. Insurers must have a minimum rating of a A-, Class VII as evaluated by the most current A.M.

Best rating guide. If the insurer has a rating less than an A-, Class VII, the Contractor must receive specific written approval from USS prior to proceeding.

5. *Other Insurance Provisions*

A. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after sixty (60) days prior written notice by certified mail, return receipt requested, has been given to USS.

B. These insurance provisions are intended to be a separate and distinct obligation on the part of the Lessee. Therefore, these provisions shall be enforceable and Lessee and/or Contractor(s) shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable in the jurisdiction in which the work covered hereunder is performed.

C. The above-described insurance coverage to be provided by Lessee and/or its Contractor(s) hereunder will extend coverage to all work or services performed hereunder.

D. The obligation of the Lessee and its Contractor(s) to provide the insurance herein above specified shall not limit in any way the liability or obligations assumed by the Lessee and its Contractor(s) hereunder.

E. In the event Lessee and its Contractor(s), or its insurance carrier defaults on any obligations hereunder, Lessee and its Contractor(s) agree that they will be liable for all reasonable expenses and attorneys' fees incurred by USS to enforce the provisions hereunder.

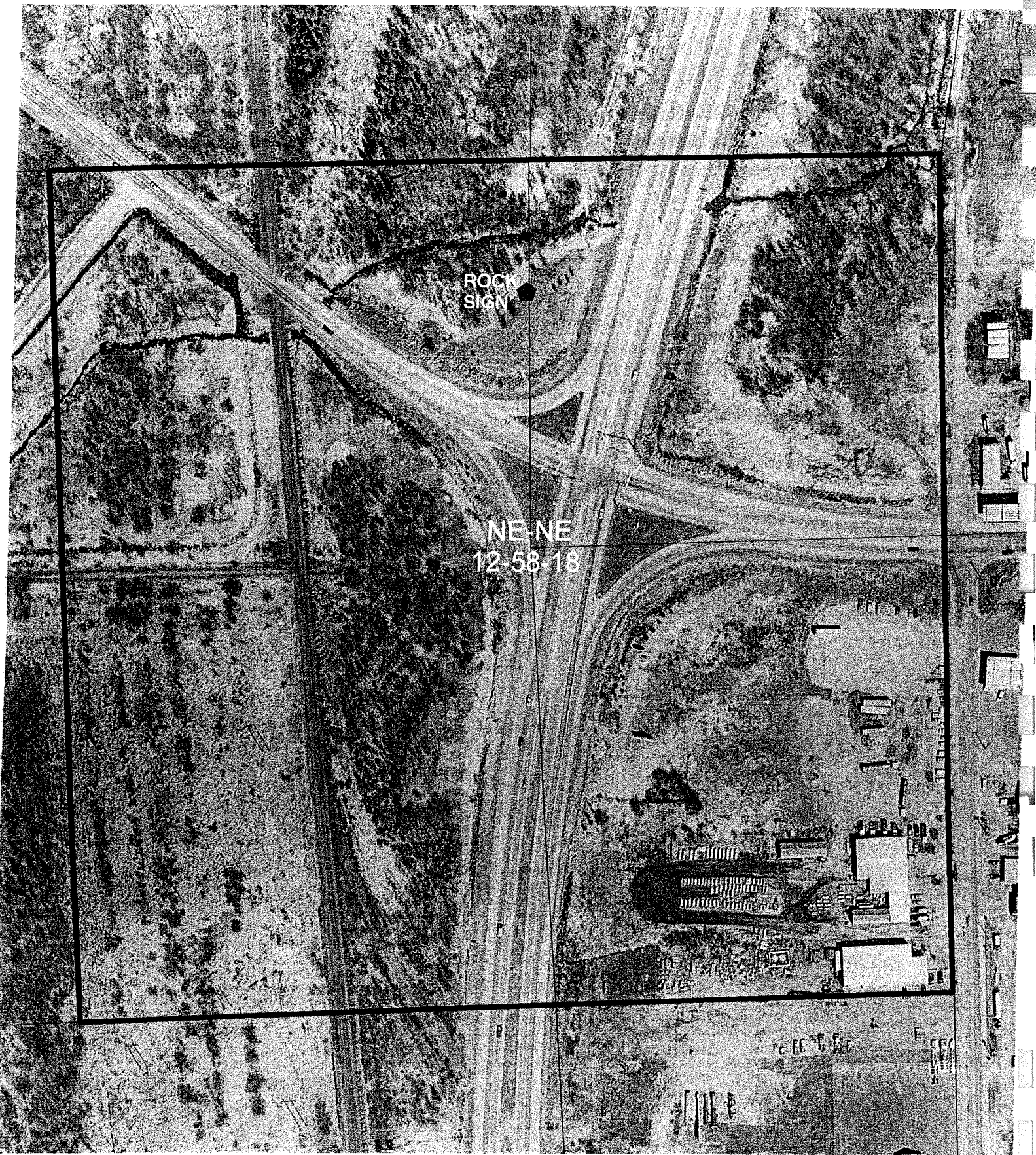
6. *Evidence of Coverage*

A. Lessee and its Contractor(s) shall furnish USS with copies of the endorsements effecting the coverage required by this specification. Additionally, **prior to the commencement of any work or services on USS' Premises**, Lessee and its Contractor(s) and all subcontractors, if any, shall furnish to USS satisfactory Certificates of Insurance evidencing full compliance with the requirements herein. The Certificates of Insurance must show that the required insurance is in force, the amount of the carrier's liability thereunder, and must further provide that USS will be given sixty (60) days advance written notice of any cancellation of coverage or deletion of the certificate holder herein as an Additional Insured under the policies.

B. All Certificates of Insurance shall be in form and content acceptable to USS and shall be submitted to USS in a timely manner so as to confirm Lessee and its Contractor(s) full compliance with the stated insurance requirements hereunder.

C. Any failure on the part of USS to pursue or obtain the Certificates of Insurance required hereunder from Lessee and its Contractor(s) and/or the failure of USS to point out any non-compliance of such Certificates of Insurance shall not constitute a waiver of any of the insurance requirements hereunder, nor relieve Lessee or its Contractor(s) of any of its obligations or liabilities hereunder. Moreover, acceptance by USS of insurance submitted by the Lessee and its Contractors does not relieve or decrease in any manner the liability of the Lessee and its Contractor(s) for performance hereunder. The Lessee and its Contractor(s) are responsible for any losses, claims, and/or costs of any kind which their insurance does not cover.

7. **Subcontractors** -- Contractor(s) shall be responsible to obtain separate certificates from each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.



LEASE 13056

EXHIBIT A

12/12/2002

88

CITY COUNCIL



USS Real Estate
Northern Lands & Minerals
PO Box 417
Mt. Iron, MN 55768
218 749 7529
fax: 218 749 7536

December 4, 2002

Craig Wainio
City Administrator
City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron MN 55768-8260

Re: Surface Lease for Electric Transmission Lines
Surface Lease for Stockpile Area, Substation, and Pumphouse

Dear Mr. Wainia:

The City of Mountain Iron's above titled two leases from USS will expire on December 31, 2002. Enclosed are new Surface Leases to replace the expired leases.

Please have both leases executed and return them to me with the rental payable to United States Steel Corporation.

Sincerely,

Dennis F. Orehek
Land Manager

Enc:

2 / 12 / 2002

SURFACE LEASE

THIS LEASE AGREEMENT (hereinafter "Lease" or "Lease Agreement") is made effective as of the 1st day of January, 2003, by and between:

United States Steel Corporation, a Delaware corporation, with an office and place of business located at USS Northern Lands & Minerals, Old Highway 169, Box 417, Mt. Iron, Minnesota 55768 (hereinafter "Lessor"),

and

City of Mountain Iron, a municipal corporation, with an office and place of business located at 8586 Enterprise Drive South, Mountain Iron, Minnesota 55768 (hereinafter "Lessee").

WITNESSETH:

In consideration of the terms, conditions and obligations herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1 -- Leased Premises.

(A) Lessor hereby demises and leases to Lessee and Lessee hereby leases from Lessor the surface only of the property located in St. Louis County, Minnesota and more specifically described as follows:

Part of the NE¼ of SW¼, Section 10, Township 58 North, Range 18 West

as outlined in red on Exhibit "A" attached hereto and incorporated herein (hereinafter "Leased Premises" or "Premises").

(B) This Lease is subject to any and all highway, railroad, and other public or private rights or easements, existing in or across the Leased Premises or any part thereof, and to the rights of any person or other party who may have an interest in the Leased Premises, including any minerals therein.

Section 2 -- Term.

This Lease Agreement shall begin at 12:01 a.m. on January 1, 2003, and shall terminate at 11:59 p.m. on December 31, 2007, subject to earlier termination as hereinafter provided.

Section 3 -- Purpose.

Lessee shall use the Leased Premises only:

- (a) To construct, use and maintain an electrical substation together with the necessary auxiliary equipment. Tenant shall have the right to place a fence around the electrical substation at Lessee's sole expense.

- (b) To use and maintain a gravel stockpile.
- (c) To construct, use and maintain a water pumping and subbly station. Lessee shall have the right to place a fence around the water pumping and supply station at Lessee's sole expense.

The location of the electrical substation, gravel stockpile and water pumping and supply station are shown outlined in red on the attached Exhibit "A" made a part hereof. Lessee shall not utilize the Leased Premises for any other reason whatsoever.

Section 4 -- Compliance with Laws.

(A) Lessee shall maintain the Leased Premises in accordance with good land management practice and comply with all past, present, and future statutes, laws and regulations, including but not limited to zoning laws, environmental laws, permits, ordinances, rules, regulations and orders of all governmental, judicial, administrative or political persons or entities having jurisdiction thereof.

(B) Lessee shall obtain any permits as required, and shall promptly provide copies thereof to Lessor.

(C) Lessor does not warrant or represent that the Premises are suitable or safe for the purposes intended.

(D) Lessee shall pay any and all fines or penalties imposed or allegedly imposed for failure to comply therewith and indemnify Lessor from any claims, demand, or actions by governments, their agencies, boards or commissions and private parties, arising as a result of Lessee's actions or inactions where there was a duty to act. The term "Lessor" shall include all subsidiaries, divisions, and affiliates of Lessor and their officers, directors, and employees.

Section 5 -- Rental Payments.

(A) Lessee shall pay to the Lessor a one-time fee of Six Hundred Ten and No/100 Dollars (\$610.00) upon execution of this Lease Agreement, without set-off, recoupment, or counterclaim.

(B) In addition to any monies and/or tax payments discussed herein, Lessee agrees to pay Lessor for all damages to the Premises or surrounding area or any facility located thereon including, but not limited to, the value of any timber and shrubbery destroyed, the cost of repairing roads, railroads, culvert, or any other facilities damaged or relocated due to the Lessee's use of the Premises. Additionally, Lessee shall keep the Premises neat and free from refuse at all times during the life of this Lease Agreement. Upon expiration or termination of this Lease Agreement, all personal property, of whatever nature, shall be removed from the Premises within ten (10) days.

Section 6 -- Taxes.

Lessee shall reimburse Lessor, promptly after being billed by the Lessor, for all taxes and/or assessments, including all special assessments, levied against the Leased Premises or any part thereof which are due and payable in the year 2003, and in each year thereafter during the term of this Lease, pro-rated as to each governmental subdivision according to acreage, and all taxes and assessments payable during the same period upon any buildings, structures, or other property at any time placed or permitted thereon by Lessee. Lessee shall not be obligated to pay taxes on any mineral valuation.

Section 7 -- Protection of Title.

Lessee shall protect the Leased Premises and keep the title thereto free and clear from all mechanics', laborers', or other liens, clouds or encumbrances in any way arising from the use or occupancy of the Leased Premises as hereby leased, or from anything done or omitted to be done thereon by Lessee's officers, agents, servants, contractors, sublessees or Lessees.

Section 8 -- Maintenance and Nuisance.

Lessee shall at all times keep the Leased Premises and all improvements thereon or appurtenant thereto in good repair and in a safe, neat, and orderly condition and so maintain, use, and occupy the same as to protect life and property and so as not to create any public or private nuisance or damage or injury to any adjacent premises or to any persons or property thereon.

Section 9 -- Indemnification.

(A) In the exercise of its rights hereunder, *Lessee agrees to indemnify, defend and hold harmless Lessor, and their officers, directors, employees, agents, successors and assigns* from and against any and all claims, costs, demands, damages, liabilities, judgments, or expenses, including attorney fees, court costs, consultant fees and other legal costs, for any personal injury, death, or property damage or any other damages of whatever kind or nature whatsoever arising out of or resulting from, or in any way associated with the activities described herein of Licensee, its employees, agents, invitees, successors, and assigns or the activities of any other party or entity whatsoever, directly or indirectly, against Licensor.

(B) Lessee *further agrees to indemnify, defend and hold harmless Lessor, including its subsidiaries, facilities, employees, successors, and assigns* from and against any and all claims, suits, expenses and costs, including court costs, attorneys' fees and other legal costs, from any environmental liability or damages arising or resulting from or caused by the activities herein described.

(C) If Lessee bears witness to or receives information from any third party of personal injury, property damage, or environmental release occurring at or adjoining the Premises, Licensee shall provide Lessor with immediate notice of any such event.

(D) The obligations set forth in this Section shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 10 -- Insurance.

(A) Lessee further agrees to carry the statutory insurance coverage and cause any of its consultants or contractors to obtain and maintain in full force and effect, Commercial General Liability insurance under an occurrence policy form in an insurance company or companies satisfactory to Lessor, and possessing an A.M. Best Company rating of A-, Class VII or better, for bodily injury, including death, and property damage in a minimum amount of Two Million Dollars (\$2,000,000.00) per occurrence and Four Million Dollars (\$4,000,000.00) in the aggregate. Lessee shall cause its consultants and contractors to maintain insurance policies in accordance with the terms and provisions outlined in Attachment "1" attached hereto and incorporated herein, including without limitation, adding United States Steel Corporation and its affiliates, including all units, divisions and subsidiaries as Additional Insureds; obtaining waiver of subrogation in favor of additional insureds; agreeing to give Lessor sixty (60) days' prior written notice upon policy cancellation or change; and providing subcontractor coverage (if applicable). Lessee shall cause its consultants and contractors to provide a copy of Attachment "1" to its insurance company and/or insurance agent.

(B) The obligations set forth in this Section and in Attachment "1" shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 11 -- Termination.

Lessor may terminate this Lease at any time by giving Lessee prior written notice of at least thirty (30) days. Lessee may terminate this Lease at any time by giving prior written notice to Lessor of at least thirty (30) days, and by executing and delivering to Lessor an instrument of surrender thereof and complying with all the requirements of this Lease to the time of such termination.

Section 12 -- Default.

If either party (hereinafter in this section referred to as "First Party"), fails to perform its obligations under this Lease, the other party shall notify the First Party in writing of the respect in which First Party has failed to perform its obligations. First Party shall thereupon have thirty (30) days within which to cure the default; if the default may not be remedied within such 30-day period, the First Party shall have an additional period of time, not to exceed sixty (60) days to cure the default. In an emergency, First Party shall remedy the default as promptly as circumstance require. If the non-defaulting party discovers an emergency which requires action before the First Party could reasonably have been expected to act, the non-defaulting party may take remedial action, whose reasonable costs shall be borne by First Party. If either party, having given notice,

fails to perform its obligations pursuant to the foregoing, the other party may perform said obligations at the expense of the First Party and may, upon written notice to the defaulting party, terminate this Lease Agreement.

Section 13 -- Notices.

All notice that may at any time be required to be given hereunder shall be deemed to have been properly given if personally hand delivered to the other party, or if sent by United States first class registered or certified mail, postage paid, or by facsimile transmission addressed, Lessor as follows:

If to Lessor: Regional Manager North Facsimile: (218) 749-7536
 USS Northern Lands & Minerals
 Old Highway 169
 P.O. Box 417
 Mt. Iron, Minnesota 55768

With a copy to: United States Steel Corporation Facsimile: (412) 433-2811
 600 Grant Street, Room 1500
 Pittsburgh, Pennsylvania 15219-2800
 Attention: Sr. General Attorney, Real Estate & Energy

If to Lessee: City of Mountain Iron Facsimile: () -
 8586 Enterprise Drive South
 Mounain Iron, Minnesota 55768

or to such other name and address as furnished in writing by either party to the other. All notices shall be effective when received by the party to whom addressed.

Section 14 -- Removal of Lessee's Structures and Equipment.

On or before the termination of this Lease in any manner, Lessee shall, at its own cost and expense, remove from the Leased Premises all buildings and other structures and improvements and any and all other property belonging to Lessee, or its sublessor or licenses and quietly and peaceably surrender possession of the Leased Premises to Lessor in the same condition it was in at the commencement of the Lease, subject to reasonable wear and tear. If Lessee is in default hereunder, Lessor may remove any and all such property remaining thereon and dispose of such property as it may desire, without liability to Lessee, and restore the Leased Premises to the same condition it was in at the commencement of the Lease. Lessee shall promptly pay all cost and expense of any such removal and restoration.

Section 15 -- Binding.

This Lease and all the terms, conditions, and obligations hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 16 -- Assignment and Amendments.

(A) Lessee shall not assign this Lease or sublease the Premises, or any part thereof, without the written consent of Lessor, which may be granted or denied in Lessor's sole discretion.

(B) This Lease may be amended, renewed, extended or canceled only by written instrument executed on behalf of each of the parties hereto, which may be granted or denied at Lessor's sole discretion.

Section 17 -- Entire Agreement.

This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 18 -- Construction.

This Lease shall be governed by the laws of the State of Minnesota, and all terms, conditions, and covenants herein shall be interpreted in accordance therewith.

Section 19 -- Counterparts.

This Lease may be signed in one or more counterparts, and by facsimile transmission, all of which shall be treated as one and the same original Lease. Each party shall provide an executed copy to the other.

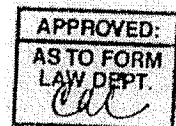
IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the date(s) indicated herein.

Lessor: United States Steel Corporation

By: 

Title: Regional Manager North

Dated: 12/4/2002

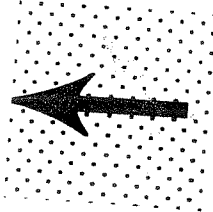


Lessee: City of Mountain Iron

By: _____

Title: Mayor _____

Dated: _____



• * * * * *

ATTACHMENT "I" INSURANCE

Lessee shall procure and maintain, at its own expense, and shall require its Contractor(s), if any, to procure and maintain for the duration hereunder the insurance coverage meeting or exceeding the requirements set forth below:

1. **Minimum Scope of Insurance** -- Coverage shall be at least as broad as the following:

A. **Commercial General Liability Insurance**: Shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If a 1973 edition ISO form must be used by the insurer, the broad form comprehensive general liability (BFCGL) endorsement shall be included. Additionally, the policy shall not contain a sunset provision, commutation clause or any other provision which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy of insurance shall contain or be endorsed to include the following:

- (i) Premises/Operations;
- (ii) Products/Completed Operations;
- (iii) Contractual;
- (iv) Independent Contractors;
- (v) Broad form property damage;
- (vi) Personal Injury;
- (vii) Cross liability/severability of interest;
- (viii) The policy shall be endorsed using ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) so as to include United States Steel Corporation (hereinafter "USS"), and its affiliates, including all units, divisions and subsidiaries as Additional Insureds on a Primary and Non-contributory basis. The coverage shall contain no special limitations on the scope of protection afforded to said Additional Insured.
- (ix) Waiver of subrogation shall be provided to the benefit of all Additional Insureds, as aforesaid.
- (x) No XCU (explosion, collapse, underground) exclusion.
- (xi) For any claims related herein, the Lessee's and/or its Contractor's insurance shall be primary and non-contributory respecting the aforesaid Additional Insureds. Any insurance or self-insurance maintained by USS shall be in

excess of the Lessee's and/or Contractor's insurance and shall not contribute with it.

- (xii) The policy shall not contain any provision, definition, or endorsement which would serve to eliminate third-party action over claims.
- (xiii) Self-funded, or other non-risk transfer insurance mechanism are not acceptable to USS. If the Lessee has such a program, full disclosure must be made to USS prior to any consideration being given.

B. Automobile Liability Insurance: As specified by ISO form number CA 0001, Symbol I (any auto), with an MCS 90 endorsement and a CA 99 48 endorsement attached if hazardous materials or waste are to be transported. This policy shall be endorsed to include USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, and to include waiver of subrogation to the benefit of all Additional Insureds, as aforesaid.

C. Workers' Compensation Insurance: As required by the State or Commonwealth in which work is being done, and in accordance with any applicable Federal laws, including Employer's Liability Insurance and/or Stop Gap Liability coverage as per below limits. Where not otherwise prohibited by law, this policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries.

D. Employer's Liability and/or Stop Gap Liability Coverage: Coverages per accident, disease-policy limit, and disease each employee.

E. Errors and Omissions Professional Liability Insurance (If made applicable by USS): Coverage should be for a professional error, act or omission arising out of the Contractor's performance of work hereunder. The policy form may not exclude coverage for Bodily Injury, Property Damage, claims arising out of laboratory analysis, pollution or the operations of a treatment facility, to the extent these items are applicable under the scope of work hereunder. This policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries. If coverage is on a claims-made form, Contractor shall maintain continuous coverage or exercise an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

Check if applicable ☐

F. Environmental Impairment Insurance (If made applicable by USS): Covering damage to the environment, both sudden and non-sudden, caused by the emission, disposal, release, seepage, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants, into or upon land, the atmosphere or any water course or body of water; or the generation of odor, noises, vibrations, light, electricity, radiation, changes in temperature, or any other sensory phenomena. Such insurance shall contain or be endorsed to include:

Check if applicable ☐

- (i) Property damage, including loss of use, injury to or destruction of property;
- (ii) Cleanup costs which shall include operations designed to analyze, monitor, remove, remedy, neutralize, or clean up any released or escaped substance which has caused environmental impairment or could cause environmental impairment if not removed, neutralized or cleaned up.

- (iii) Personal injury, which shall include bodily injury, sickness, disease, mental anguish, shock or disability sustained by any person, including death resulting therefrom.
- (iv) USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, on a primary and non-contributory basis.
- (v) Waiver of Subrogation in favor of USS its affiliates, including all units, divisions and subsidiaries.

If the Environmental Impairment Insurance is on a claims-made form, Lessee and its Contractor(s) shall maintain continuous coverage or exercise on an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

2. Minimum Limits of Insurance -- Lessee and its Contractor(s) shall maintain limits *no less than*:

A. Commercial General Liability: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 each occurrence for bodily injury and property damage; \$2,000,000 each occurrence and aggregate for products and completed operations; \$4,000,000 general aggregate. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

B. Automobile Liability Insurance: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 per accident for bodily injury and property damage, \$5,000,000 if hazardous materials or substances are to be transported.

C. Workers' Compensation: As required by the State or Commonwealth in which the work will be performed, and as required by any applicable Federal laws.

D. Employer's Liability and/or Stop Gap Liability Coverage: \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee. (May include Umbrella coverage.)

E. Errors and Omissions Professional Liability Insurance: (If applicable) \$2,000,000 per loss; \$4,000,000 annual aggregate limit.

F. Environmental Impairment Insurance: (If applicable) \$5,000,000 combined single limit per loss. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

3. Deductibles and Self-Insured Retentions -- All insurance coverage carried by Lessee and its Contractor(s) shall extend to and protect USS its affiliates, including all units, divisions and subsidiaries to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those relating to defense costs, are the sole responsibility of Lessee and its Contractor(s).

4. Rating of Insurer -- The Lessee and its Contractor(s) will only use insurance companies acceptable to USS and authorized to do business in the state or area in which the work hereunder is to be performed. Insurers must have a minimum rating of a A-, Class VII as evaluated by the most current A.M.

Best rating guide. If the insurer has a rating less than an A-, Class VII, the Contractor must receive specific written approval from USS prior to proceeding.

5. **Other Insurance Provisions**

A. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after sixty (60) days prior written notice by certified mail, return receipt requested, has been given to USS.

B. These insurance provisions are intended to be a separate and distinct obligation on the part of the Lessee. Therefore, these provisions shall be enforceable and Lessee and/or Contractor(s) shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable in the jurisdiction in which the work covered hereunder is performed.

C. The above-described insurance coverage to be provided by Lessee and/or its Contractor(s) hereunder will extend coverage to all work or services performed hereunder.

D. The obligation of the Lessee and its Contractor(s) to provide the insurance herein above specified shall not limit in any way the liability or obligations assumed by the Lessee and its Contractor(s) hereunder.

E. In the event Lessee and its Contractor(s), or its insurance carrier defaults on any obligations hereunder, Lessee and its Contractor(s) agree that they will be liable for all reasonable expenses and attorneys' fees incurred by USS to enforce the provisions hereunder.

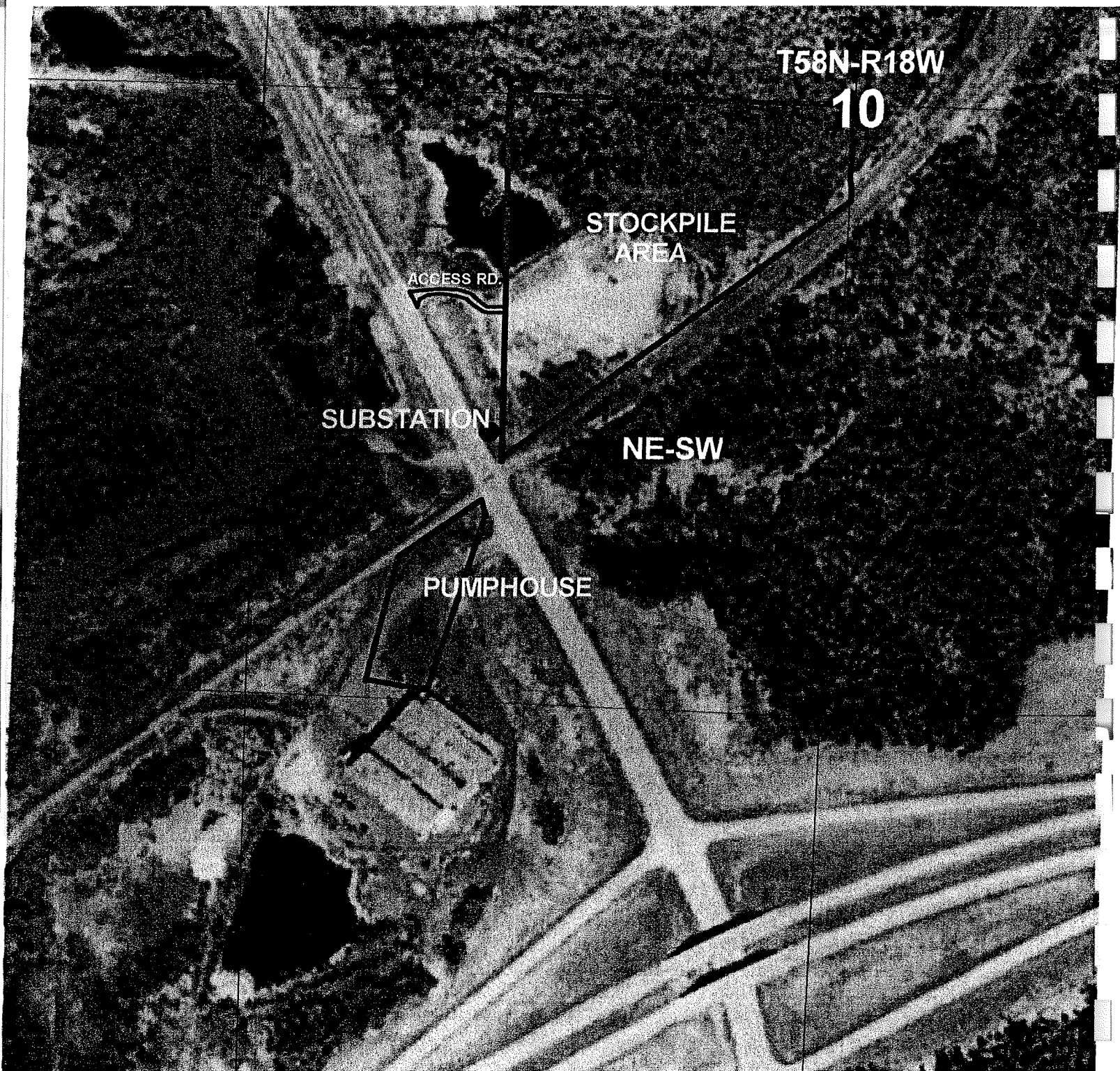
6. **Evidence of Coverage**

A. Lessee and its Contractor(s) shall furnish USS with copies of the endorsements effecting the coverage required by this specification. Additionally, **prior to the commencement of any work or services on USS' Premises**, Lessee and its Contractor(s) and all subcontractors, if any, shall furnish to USS satisfactory Certificates of Insurance evidencing full compliance with the requirements herein. The Certificates of Insurance must show that the required insurance is in force, the amount of the carrier's liability thereunder, and must further provide that USS will be given sixty (60) days advance written notice of any cancellation of coverage or deletion of the certificate holder herein as an Additional Insured under the policies.

B. All Certificates of Insurance shall be in form and content acceptable to USS and shall be submitted to USS in a timely manner so as to confirm Lessee and its Contractor(s) full compliance with the stated insurance requirements hereunder.

C. Any failure on the part of USS to pursue or obtain the Certificates of Insurance required hereunder from Lessee and its Contractor(s) and/or the failure of USS to point out any non-compliance of such Certificates of Insurance shall not constitute a waiver of any of the insurance requirements hereunder, nor relieve Lessee or its Contractor(s) of any of its obligations or liabilities hereunder. Moreover, acceptance by USS of insurance submitted by the Lessee and its Contractors does not relieve or decrease in any manner the liability of the Lessee and its Contractor(s) for performance hereunder. The Lessee and its Contractor(s) are responsible for any losses, claims, and/or costs of any kind which their insurance does not cover.

7. **Subcontractors** -- Contractor(s) shall be responsible to obtain separate certificates from each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.



LEASE 12868

12/12/2002

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EXHIBIT A

CITY COUNCIL

SURFACE LEASE

THIS LEASE AGREEMENT (hereinafter "Lease" or "Lease Agreement") is made effective as of the 1st day of January, 2003, by and between:

United States Steel Corporation, a Delaware corporation, with an office and place of business located at USS Northern Lands & Minerals, Old Highway 169, Box 417, Mt. Iron, Minnesota 55768 (hereinafter "Lessor"),

and

City of Mountain Iron, a municipal corporation, with an office and place of business located at 8586 Enterprise Drive South, Mountain Iron, Minnesota 55768 (hereinafter "Lessee").

WITNESSETH:

In consideration of the terms, conditions and obligations herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1 -- Leased Premises.

(A) Lessor hereby demises and leases to Lessee and Lessee hereby leases from Lessor the surface only of the property located in St. Louis County, Minnesota and more specifically described as follows:

Part of the NE¼ of SW¼, Section 3, Township 58 North, Range 18 West
Part of the W½ of NW¼ and NE¼ of SW¼, Section 10 and part of the NE¼ of NE¼, Section 9, all in
Township 58 North, Range 18 West

as shown in red on Exhibit "A" attached hereto and incorporated herein (hereinafter "Leased Premises" or "Premises").

(B) This Lease is subject to any and all highway, railroad, and other public or private rights or easements, existing in or across the Leased Premises or any part thereof, and to the rights of any person or other party who may have an interest in the Leased Premises, including any minerals therein.

Section 2 -- Term.

This Lease Agreement shall begin at 12:01 a.m. on January 1, 2003, and shall terminate at 11:59 p.m. on December 31, 2007, subject to earlier termination as hereinafter provided.

Section 3 -- Purpose.

Lessee shall use the Leased Premises only, to construct, use and maintain electrical transmission lines together with the necessary auxiliary equipment.

The location of the electrical transmission lines are shown in red on the attached Exhibit "A" made a part hereof. Lessee shall not utilize the Leased Premises for any other reason whatsoever.

Section 4 -- Compliance with Laws.

(A) Lessee shall maintain the Leased Premises in accordance with good land management practice and comply with all past, present, and future statutes, laws and regulations, including but not limited to zoning laws, environmental laws, permits, ordinances, rules, regulations and orders of all governmental, judicial, administrative or political persons or entities having jurisdiction thereof.

(B) Lessee shall obtain any permits as required, and shall promptly provide copies thereof to Lessor.

(C) Lessor does not warrant or represent that the Premises are suitable or safe for the purposes intended.

(D) Lessee shall pay any and all fines or penalties imposed or allegedly imposed for failure to comply therewith and indemnify Lessor from any claims, demand, or actions by governments, their agencies, boards or commissions and private parties, arising as a result of Lessee's actions or inactions where there was a duty to act. The term "Lessor" shall include all subsidiaries, divisions, and affiliates of Lessor and their officers, directors, and employees.

Section 5 -- Rental Payments.

(A) Lessee shall pay to the Lessor a one-time fee of Three Hundred Ten and No/100 Dollars (\$310.00) upon execution of this Lease Agreement, without set-off, recoupment, or counterclaim.

(B) In addition to any monies and/or tax payments discussed herein, Lessee agrees to pay Lessor for all damages to the Premises or surrounding area or any facility located thereon including, but not limited to, the value of any timber and shrubbery destroyed, the cost of repairing roads, railroads, culvert, or any other facilities damaged or relocated due to the Lessee's use of the Premises. Additionally, Lessee shall keep the Premises neat and free from refuse at all times during the life of this Lease Agreement. Upon expiration or termination of this Lease Agreement, all personal property, of whatever nature, shall be removed from the Premises within ten (10) days.

Section 6 -- Taxes.

Lessee shall reimburse Lessor, promptly after being billed by the Lessor, for all taxes and/or assessments, including all special assessments, levied against the Leased Premises or any part thereof which are due and payable in the year 2003, and in each year thereafter during the term of this Lease, pro-rated as to each governmental subdivision according to acreage, and all taxes and assessments payable during the same period upon any buildings, structures, or other property at any time placed or permitted thereon by Lessee. Lessee shall not be obligated to pay taxes on any mineral valuation.

Section 7 -- Protection of Title.

Lessee shall protect the Leased Premises and keep the title thereto free and clear from all mechanics', laborers', or other liens, clouds or encumbrances in any way arising from the use or occupancy of the Leased Premises as hereby leased, or from anything done or omitted to be done thereon by Lessee's officers, agents, servants, contractors, sublessees or Lessees.

Section 8 -- Maintenance and Nuisance.

Lessee shall at all times keep the Leased Premises and all improvements thereon or appurtenant thereto in good repair and in a safe, neat, and orderly condition and so maintain, use, and occupy the same as to protect life and property and so as not to create any public or private nuisance or damage or injury to any adjacent premises or to any persons or property thereon.

Section 9 -- Indemnification.

(A) In the exercise of its rights hereunder, *Lessee agrees to indemnify, defend and hold harmless Lessor, and their officers, directors, employees, agents, successors and assigns* from and against any and all claims, costs, demands, damages, liabilities, judgments, or expenses, including attorney fees, court costs, consultant fees and other legal costs, for any personal injury, death, or property damage or any other damages of whatever kind or nature whatsoever arising out of or resulting from, or in any way associated with the activities described herein of Licensee, its employees, agents, invitees, successors, and assigns or the activities of any other party or entity whatsoever, directly or indirectly, against Licensor.

(B) Lessee *further agrees to indemnify, defend and hold harmless Lessor, including its subsidiaries, facilities, employees, successors, and assigns* from and against any and all claims, suits, expenses and costs, including court costs, attorneys' fees and other legal costs, from any environmental liability or damages arising or resulting from or caused by the activities herein described.

(C) If Lessee bears witness to or receives information from any third party of personal injury, property damage, or environmental release occurring at or adjoining the Premises, Licensee shall provide Lessor with immediate notice of any such event.

(D) The obligations set forth in this Section shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 10 -- Insurance.

(A) Lessee further agrees to carry the statutory insurance coverage and cause any of its consultants or contractors to obtain and maintain in full force and effect, Commercial General Liability insurance under an occurrence policy form in an insurance company or companies satisfactory to Lessor, and

possessing an A.M. Best Company rating of A-, Class VII or better, for bodily injury, including death, and property damage in a minimum amount of Two Million Dollars (\$2,000,000.00) per occurrence and Four Million Dollars (\$4,000,000.00) in the aggregate. Lessee shall cause its consultants and contractors to maintain insurance policies in accordance with the terms and provisions outlined in Attachment "1" attached hereto and incorporated herein, including without limitation, adding United States Steel Corporation and its affiliates, including all units, divisions and subsidiaries as Additional Insureds; obtaining waiver of subrogation in favor of additional insureds; agreeing to give Lessor sixty (60) days' prior written notice upon policy cancellation or change; and providing subcontractor coverage (if applicable). Lessee shall cause its consultants and contractors to provide a copy of Attachment "1" to its insurance company and/or insurance agent.

(B) The obligations set forth in this Section and in Attachment "1" shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

Section 11 -- Termination.

Lessor may terminate this Lease at any time by giving Lessee prior written notice of at least thirty (30) days. Lessee may terminate this Lease at any time by giving prior written notice to Lessor of at least thirty (30) days, and by executing and delivering to Lessor an instrument of surrender thereof and complying with all the requirements of this Lease to the time of such termination.

Section 12 -- Default.

If either party (hereinafter in this section referred to as "First Party"), fails to perform its obligations under this Lease, the other party shall notify the First Party in writing of the respect in which First Party has failed to perform its obligations. First Party shall thereupon have thirty (30) days within which to cure the default; if the default may not be remedied within such 30-day period, the First Party shall have an additional period of time, not to exceed sixty (60) days to cure the default. In an emergency, First Party shall remedy the default as promptly as circumstance require. If the non-defaulting party discovers an emergency which requires action before the First Party could reasonably have been expected to act, the non-defaulting party may take remedial action, whose reasonable costs shall be borne by First Party. If either party, having given notice, fails to perform its obligations pursuant to the foregoing, the other party may perform said obligations at the expense of the First Party and may, upon written notice to the defaulting party, terminate this Lease Agreement.

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All notice that may at any time be required to be given hereunder shall be deemed to have been properly given if personally hand delivered to the other party, or if sent by United States first class registered or certified mail, postage paid, or by facsimile transmission addressed, Lessor as follows:

If to Lessor: Regional Manager North Facsimile: (218) 749-7536
USS Northern Lands & Minerals
Old Highway 169
P.O. Box 417
Mt. Iron, Minnesota 55768

With a copy to: United States Steel Corporation Facsimile: (412) 433-2811
600 Grant Street, Room 1500
Pittsburgh, Pennsylvania 15219-2800
Attention: Sr. General Attorney, Real Estate & Energy

If to Lessee: City of Mountain Iron Facsimile: () -
8586 Enterprise Drive South
Mounain Iron, Minnesota 55768

or to such other name and address as furnished in writing by either party to the other. All notices shall be effective when received by the party to whom addressed.

Section 14 -- Removal of Lessee's Structures and Equipment.

On or before the termination of this Lease in any manner, Lessee shall, at its own cost and expense, remove from the Leased Premises all buildings and other structures and improvements and any and all other property belonging to Lessee, or its sublessor or licenses and quietly and peaceably surrender possession of the Leased Premises to Lessor in the same condition it was in at the commencement of the Lease, subject to reasonable wear and tear. If Lessee is in default hereunder, Lessor may remove any and all such property remaining thereon and dispose of such property as it may desire, without liability to Lessee, and restore the Leased Premises to the same condition it was in at the commencement of the Lease. Lessee shall promptly pay all cost and expense of any such removal and restoration.

Section 15 -- Binding.

This Lease and all the terms, conditions, and obligations hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 16 -- Assignment and Amendments.

(A) Lessee shall not assign this Lease or sublease the Premises, or any part thereof, without the written consent of Lessor, which may be granted or denied in Lessor's sole discretion.

(B) This Lease may be amended, renewed, extended or canceled only by written instrument executed on behalf of each of the parties hereto, which may be granted or denied at Lessor's sole discretion.

Section 17 -- Entire Agreement.

This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 18 -- Construction.

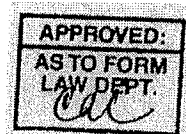
This Lease shall be governed by the laws of the State of Minnesota, and all terms, conditions, and covenants herein shall be interpreted in accordance therewith.

Section 19 -- Counterparts.

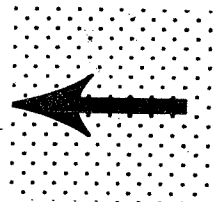
This Lease may be signed in one or more counterparts, and by facsimile transmission, all of which shall be treated as one and the same original Lease. Each party shall provide an executed copy to the other.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the date(s) indicated herein.

Lessor: United States Steel Corporation
By: [Signature]
Title: Regional Manager North
Dated: 12/2/2002



Lessee: City of Mountain Iron
By: _____
Title: Mayor _____
Dated: _____



• * * * * *

ATTACHMENT "I" INSURANCE

Lessee shall procure and maintain, at its own expense, and shall require its Contractor(s), if any, to procure and maintain for the duration hereunder the insurance coverage meeting or exceeding the requirements set forth below:

1. **Minimum Scope of Insurance** -- Coverage shall be at least as broad as the following:

A. **Commercial General Liability Insurance**: Shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If a 1973 edition ISO form must be used by the insurer, the broad form comprehensive general liability (BFCGL) endorsement shall be included. Additionally, the policy shall not contain a sunset provision, commutation clause or any other provision which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy of insurance shall contain or be endorsed to include the following:

- (i) Premises/Operations;
- (ii) Products/Completed Operations;
- (iii) Contractual;
- (iv) Independent Contractors;
- (v) Broad form property damage;
- (vi) Personal Injury;
- (vii) Cross liability/severability of interest;
- (viii) The policy shall be endorsed using ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) so as to include United States Steel Corporation (hereinafter "USS"), and its affiliates, including all units, divisions and subsidiaries as Additional Insureds on a Primary and Non-contributory basis. The coverage shall contain no special limitations on the scope of protection afforded to said Additional Insured.
- (ix) Waiver of subrogation shall be provided to the benefit of all Additional Insureds, as aforesaid.
- (x) No XCU (explosion, collapse, underground) exclusion.
- (xi) For any claims related herein, the Lessee's and/or its Contractor's insurance shall be primary and non-contributory respecting the aforesaid Additional Insureds. Any insurance or self-insurance maintained by USS shall be in

excess of the Lessee's and/or Contractor's insurance and shall not contribute with it.

- (xii) The policy shall not contain any provision, definition, or endorsement which would serve to eliminate third-party action over claims.
- (xiii) Self-funded, or other non-risk transfer insurance mechanism are not acceptable to USS. If the Lessee has such a program, full disclosure must be made to USS prior to any consideration being given.

B. Automobile Liability Insurance: As specified by ISO form number CA 0001, Symbol I (any auto), with an MCS 90 endorsement and a CA 99 48 endorsement attached if hazardous materials or waste are to be transported. This policy shall be endorsed to include USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, and to include waiver of subrogation to the benefit of all Additional Insureds, as aforesaid.

C. Workers' Compensation Insurance: As required by the State or Commonwealth in which work is being done, and in accordance with any applicable Federal laws, including Employer's Liability Insurance and/or Stop Gap Liability coverage as per below limits. Where not otherwise prohibited by law, this policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries.

D. Employer's Liability and/or Stop Gap Liability Coverage: Coverages per accident, disease-policy limit, and disease each employee.

Check if applicable ☐

E. Errors and Omissions Professional Liability Insurance (If made applicable by USS): Coverage should be for a professional error, act or omission arising out of the Contractor's performance of work hereunder. The policy form may not exclude coverage for Bodily Injury, Property Damage, claims arising out of laboratory analysis, pollution or the operations of a treatment facility, to the extent these items are applicable under the scope of work hereunder. This policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries. If coverage is on a claims-made form, Contractor shall maintain continuous coverage or exercise an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

Check if applicable ☐

F. Environmental Impairment Insurance (If made applicable by USS): Covering damage to the environment, both sudden and non-sudden, caused by the emission, disposal, release, seepage, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants, into or upon land, the atmosphere or any water course or body of water; or the generation of odor, noises, vibrations, light, electricity, radiation, changes in temperature, or any other sensory phenomena. Such insurance shall contain or be endorsed to include:

- (i) Property damage, including loss of use, injury to or destruction of property;
- (ii) Cleanup costs which shall include operations designed to analyze, monitor, remove, remedy, neutralize, or clean up any released or escaped substance which has caused environmental impairment or could cause environmental impairment if not removed, neutralized or cleaned up.

- (iii) Personal injury, which shall include bodily injury, sickness, disease, mental anguish, shock or disability sustained by any person, including death resulting therefrom.
- (iv) USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, on a primary and non-contributory basis.
- (v) Waiver of Subrogation in favor of USS its affiliates, including all units, divisions and subsidiaries.

If the Environmental Impairment Insurance is on a claims-made form, Lessee and its Contractor(s) shall maintain continuous coverage or exercise on an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

2. **Minimum Limits of Insurance** -- Lessee and its Contractor(s) shall maintain limits *no less than*:

A. **Commercial General Liability:** Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 each occurrence for bodily injury and property damage; \$2,000,000 each occurrence and aggregate for products and completed operations; \$4,000,000 general aggregate. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

B. **Automobile Liability Insurance:** Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 per accident for bodily injury and property damage, \$5,000,000 if hazardous materials or substances are to be transported.

C. **Workers' Compensation:** As required by the State or Commonwealth in which the work will be performed, and as required by any applicable Federal laws.

D. **Employer's Liability and/or Stop Gap Liability Coverage:** \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee. (May include Umbrella coverage.)

E. **Errors and Omissions Professional Liability Insurance:** (If applicable) \$2,000,000 per loss; \$4,000,000 annual aggregate limit.

F. **Environmental Impairment Insurance:** (If applicable) \$5,000,000 combined single limit per loss. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

3. **Deductibles and Self-Insured Retentions** -- All insurance coverage carried by Lessee and its Contractor(s) shall extend to and protect USS its affiliates, including all units, divisions and subsidiaries to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those relating to defense costs, are the sole responsibility of Lessee and its Contractor(s).

4. **Rating of Insurer** -- The Lessee and its Contractor(s) will only use insurance companies acceptable to USS and authorized to do business in the state or area in which the work hereunder is to be performed. Insurers must have a minimum rating of a A-, Class VII as evaluated by the most current A.M.

Best rating guide. If the insurer has a rating less than an A-, Class VII, the Contractor must receive specific written approval from USS prior to proceeding.

5. **Other Insurance Provisions**

A. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after sixty (60) days prior written notice by certified mail, return receipt requested, has been given to USS.

B. These insurance provisions are intended to be a separate and distinct obligation on the part of the Lessee. Therefore, these provisions shall be enforceable and Lessee and/or Contractor(s) shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable in the jurisdiction in which the work covered hereunder is performed.

C. The above-described insurance coverage to be provided by Lessee and/or its Contractor(s) hereunder will extend coverage to all work or services performed hereunder.

D. The obligation of the Lessee and its Contractor(s) to provide the insurance herein above specified shall not limit in any way the liability or obligations assumed by the Lessee and its Contractor(s) hereunder.

E. In the event Lessee and its Contractor(s), or its insurance carrier defaults on any obligations hereunder, Lessee and its Contractor(s) agree that they will be liable for all reasonable expenses and attorneys' fees incurred by USS to enforce the provisions hereunder.

6. **Evidence of Coverage**

A. Lessee and its Contractor(s) shall furnish USS with copies of the endorsements effecting the coverage required by this specification. Additionally, **prior to the commencement of any work or services on USS' Premises**, Lessee and its Contractor(s) and all subcontractors, if any, shall furnish to USS satisfactory Certificates of Insurance evidencing full compliance with the requirements herein. The Certificates of Insurance must show that the required insurance is in force, the amount of the carrier's liability thereunder, and must further provide that USS will be given sixty (60) days advance written notice of any cancellation of coverage or deletion of the certificate holder herein as an Additional Insured under the policies.

B. All Certificates of Insurance shall be in form and content acceptable to USS and shall be submitted to USS in a timely manner so as to confirm Lessee and its Contractor(s) full compliance with the stated insurance requirements hereunder.

C. Any failure on the part of USS to pursue or obtain the Certificates of Insurance required hereunder from Lessee and its Contractor(s) and/or the failure of USS to point out any non-compliance of such Certificates of Insurance shall not constitute a waiver of any of the insurance requirements hereunder, nor relieve Lessee or its Contractor(s) of any of its obligations or liabilities hereunder. Moreover, acceptance by USS of insurance submitted by the Lessee and its Contractors does not relieve or decrease in any manner the liability of the Lessee and its Contractor(s) for performance hereunder. The Lessee and its Contractor(s) are responsible for any losses, claims, and/or costs of any kind which their insurance does not cover.

7. **Subcontractors** -- Contractor(s) shall be responsible to obtain separate certificates from each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.



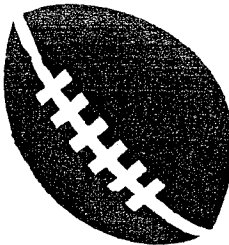
COMMUNICATIONS
DECEMBER 16, 2002

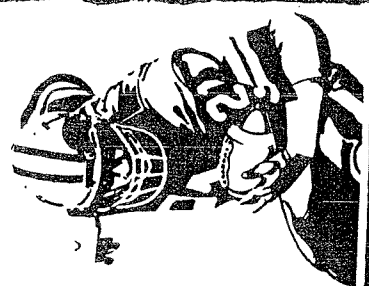
1. Mountain Iron-Buhl Ranger Football Team, a thank you.
2. Arrowhead Economic Opportunity Agency, requesting a donation for the "55+ Speed Into Action" Leadership Conference.
3. Virginia/Gilbert/Mountain Iron Area Chamber of Commerce, requesting that the city continue with the \$10,000 allocation for 2003.

A black and white illustration of a football, tilted diagonally. The football is dark with white laces and a white stripe running down the center. The background is white.

**IN APPRECIATION FOR YOUR
SUPPORT OF THE MIB RANGER
FOOTBALL TEAM
FUNDRAISERS**

THIS CERTIFICATE IS
PRESENTED TO
City of
Mountain Iron
IN APPRECIATION FOR YOUR
SUPPORT OF THE MIB RANGER
FOOTBALL TEAM
FUNDRAISERS







November 15, 2002

Mayor Mitchell Brunfelt
City of Mountain Iron
5422 Carnation Avenue
Virginia, MN 55792

Dear Mayor Brunfelt:

The Arrowhead Economic Opportunity Agency (AEOA) is inviting seniors from our 7-county service area to convene for "*55+ Speed Into Action*," a regional leadership conference, on May 1-2, 2003, at Ruttger's Sugar Lake Lodge near Grand Rapids, Minnesota.

Two hundred community and emerging leaders will address the challenge of revitalizing and strengthening of senior community networks for future growth and sustainability. A grant from the Northland Foundation is supporting the effort, along with corporate sponsorships and donations from throughout the Arrowhead Region.

On behalf of AEOA, a private non-profit Community Action Agency, I am asking you to consider contributing a monetary gift to help support this conference. I would gratefully appreciate any amount, ideally between \$100 and \$300. The City of Mountain Iron would receive recognition as a "*Community Partner*" of the broad-based initiative on all promotional and conference materials.

I appreciate your consideration of our request to support this important leadership initiative and look forward to your sponsorship. For more information or if you have any questions, please contact Marilyn Ocepek, Senior Services Director, at 800-662-5711, extension 225, or Constance Jones, Conference Coordinator, at (218) 969-9701.

Sincerely,

Harlan Tardy
Executive Director

702 Third Avenue South, Virginia, Minnesota 55792-2797
(218) 749-2912 (800) 662-5711 FAX: (218) 749-2944 TDD: (800) 862-0175

Equal Opportunity Employer and Affirmative Action Agency

2 / 12 / 2002



CITY COUNCIL

55+SPEED INTO ACTION ARROWHEAD REGION CONFERENCE

Fact Sheet

The "55+ Speed into Action" Arrowhead Region Conference is an opportunity to convene representatives of senior groups from throughout Northeastern Minnesota to address the challenge of revitalization and strengthening of the network of community leaders for future growth and sustainability.

Based upon a comprehensive regional survey of senior leaders, the following issues and needs were identified:

- Educational and intergenerational programming;
- Programming spanning a wider range of adult needs including, recreation, socialization, health/safety issues and human services;
- Knowledge and skills of members including the ability to analyze trends, determine needs, develop new ideas and pilot new services;
- Advocate for third generation and act as a catalyst between vital aging population and other community organizations.

The initiative will address the overall goal of increasing the leadership skills of existing and emerging leaders to revitalize senior communities.

To accomplish the goal, the following objectives have been identified:

- Encourage the development and establishment of interaction with the community, governments and peer organizations;
- Promote the development of leadership skills and knowledge among area seniors;
- Promote action and deliberations related to improving the quality of life of older adults.

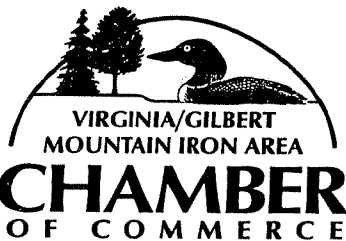
AEOA is seeking funding from selected partners to assist with the following: to help subsidize the expenses for conference participants; to hire professional facilitators to lead the workshops; and underwrite follow-up technical assistance designed to sustain future networking among attendees to ensure on-going development of newly acquired skills.

A broad-based conference planning committee with representation of senior groups within the seven county region, working with AEOA staff, a contracted conference planner and leadership professionals will design the program based upon the needs assessment and will work with existing and emerging leaders to implement the desired outcomes. A list of the planning committee is attached.

The duration of the project is 24 months. The process started in the Fall of 2001 and will culminate in a regional conference designed for 200 participants on May 1-2, 2003 at Ruttger's Sugar Lake Lodge in Grand Rapids.

The expected outcome is to give participants the skills to address issues impacting their senior communities and the tools to motivate members to revitalize and strengthen their senior networks and quality of life issues over the long-term.

Long-term strategies for sustaining this effort will be developed as part of the ongoing conference planning process; strategies will be presented to conference participants for further refinement.



PO Box 1072, 403 1st Street North, Virginia, Minnesota 55792 • (218) 741-2717 • FAX (218) 749-4913

November 19, 2002

The Honorable Mitch Brunfelt
Mayor of Mountain Iron
8586 Enterprise Drive South
Mountain Iron, MN 55768

Dear Mayor Brunfelt and Mountain Iron City Councilors:

We are writing in regard to the City of Mountain Iron's annual investment to the Virginia/Mountain Iron/Gilbert Area Chamber of Commerce. The Chamber invites the City of Mountain Iron to continue with the current funding level of \$10,000 for the year 2003.

We wish to reiterate how much we appreciate the City of Mountain Iron's financial support toward the Chamber organization. Such funding enables us to more effectively achieve our organizational responsibilities: mainly, business retention and area economic enhancement.

We accomplish these goals by conducting area promotions, pursuing legislative agendas and forming cooperative partnerships. Area promotions include our Chamber website, Mineview in the Sky Tourism Complex and information referral services. Legislative agendas range from resolutions of support for local road signs to active participation at US Senate hearings for rural small business revitalization. The Chamber's cooperative alliances, formed with various government, community, civic and educational organizations, help bring about membership and public educational seminars, political forums and issue-orientated round table discussions--to name a few. We also sponsor an annual leadership program where participants are encouraged to serve with and advocate for other community organizations. All this and more leads to a thriving and growing business environment, which not only brings prosperity to area businesses but also to local communities and citizens at large--through Chamber initiatives, the city's investment serves a very important public purpose of job retention and creation and promotes diversification of the local economy.

Please contact us if you have further questions or need additional information. Once again, thank you very much for considering this investment request.

Sincerely,

Christine Culbert
Chairwoman of the Board

Cheryl Spragg
President & CEO

pc: Craig Wainio, Mountain Iron City Administrator
encl: List of Chamber Involvements & Accomplishments

2/12/2002 "Voice for the Region's Business" CITY COUNCIL

2001 Annual Report



Virginia/Mountain Iron/Gilbert Area Chamber The Year 2001 in Review

- | | | |
|-------|-------|---|
| Jan. | 10-11 | Laurentian Vision Planning Session |
| | 11 | Leadership Session at Range Recreation & Civic Center |
| | 17 | St Louis County Commissioner's Candidates Forum |
| | 24 | Business After Hours at the Magic Bar sponsored by the Magic Bar & Club Catering |
| | 26 | Chamber Annual Banquet at the Park Inn |
| Feb. | 8 | Leadership Session at USS-Minntac Training Center |
| | 16 | NE Minnesota Chamber Executive Conference in Grand Rapids |
| | 28 | Business After Hours at the Mountain Iron First State Bank |
| March | 3 | Range Municipalities of Schools (RAMS) & Range Legislators Conference at the Steelworkers Union Hall in Aurora |
| | 14 | Business Day at the Capitol |
| | 22-25 | Iron Range Home, Sport & Travel Show |
| | 28 | Business After Hours at the Lodge at Giant's Ridge sponsored by the Lodge and WDIO TV |
| | 28 | IRRRA & Area Chambers Business Forum in Hibbing |
| April | 19 | Leadership Session at Ironworld Discovery Center |
| | 25 | Business After Hours at the Sportspace Bar sponsored by the Sportspace Bar and Lind's Amoco Station & Little Store |
| | 25 | Northeastern Higher Education District President Joe Sertich's "True North" Presentation at Rotary Club Meeting |
| May | 2 | Ambassador Mineview in the Sky Cleanup Day |
| | 9 | "The Forest and You" Forum at the Park Inn-Virginia |
| | 10 | Leadership Graduation Day at Camp Warren |
| | 14 | ATHENA Nominee's Social at Queen City Federal |
| | 16 | Ambassador "Operation Thank You" |
| | 23 | ATHENA Luncheon at the Days Inn, Eveleth-Recipient-Lynn Sefcovic |
| | 23 | Business After Hours at the Park Inn sponsored by the Park Inn and Damberg, Scott, Gerzina Architects |
| June | 2 | Lakes Beautification Clean-up Day |
| | 7 | Minnesota Chamber Executives (MCCE) Mini Institute, St Cloud |
| | 10-14 | KDLH TV "Our Town Series" Promotion |
| | 14 | Rotary Fishing Contest |
| | 14 | US Government Section 232 Meeting, Steelworkers Hall in Eveleth |
| | 21 | Quad Cities Golf Outing at Virginia Golf Course |
| | 27 | Business After Hours at Popper's Bar sponsored by Popper's Bar & Commercial Refrigeration Systems |
| July | 5 | US Department of Commerce Section 232 Hearings in Virginia |
| | 5 | Congressman James Oberstar-Hibbing Airport Discussion |
| | 12 | Small Business Round Table Discussion with Senator Paul Wellstone's Staff at the Park Inn |
| | 25 | Business After Hours at the Virginia Elk's Club sponsored by Short, Elliot, Hendrickson, Inc. |
| Aug. | 16 | Senator Paul Wellstone's US Senate Rural Small Business Revitalization Hearing in St Cloud |
| | 16 | Chamber Leadership Social at Bayview Lodge |
| | 22 | Business After Hours at Fast Inc sponsored by Fast Inc, Miners National Bank of Eveleth, Paul's Italian Market & Goodfella's |
| Sept. | 10-13 | "Taste for Technology" Community Computer Sessions |
| | 11 | United States of America attacked |
| | 13 | Leadership Golf Outing-Wolftridg Golf Course |
| | 19-21 | Minnesota Chamber Executives Fall Conference, Hutchinson |
| | 26 | Business After Hours at Natural Harvest Food Coop sponsored by Natural Harvest, MSI Insurance-Erik Peterson Agency and Midwest Radio Network |
| | 27 | Men's Sure to Win Benefit Fundraiser at the Park Inn |
| Oct. | 3 | Area observance "A Time to Remember, Inspire & Come Together" at the Miners Memorial Building in Virginia |
| | 10-13 | Laurentian Vision Design Charrette |
| | 11 | Leadership Session at the Park Inn |
| | 12 | NE Chamber Executives Legislative Affairs Meeting, Duluth |
| | 23 | Hibbing Airport Regional Air Service Meeting at the Hibbing Chamber Office |
| | 24 | Business After Hours at the Park Inn sponsored by the Park Inn and Mesabi Daily News |
| | 25 | Chamber Board Retreat at Bayview Lodge |
| Nov. | 1 | Women's Sure to Win Benefit Fundraiser at the Park Inn |
| | 2 | Laurentian Vision Partnership follow-up meeting at the Lodge at Giant's Ridge |
| | 8 | Leadership Session at the Virginia Regional Medical Center |
| | 14 | Mayor's Economic Summit-DECC in Duluth |
| | 15 | Business After Hours "2001 Festival of Trees" at the Mountain Iron Community Center sponsored by the Virginia/Mountain Iron/Gilbert and the Eveleth Area Chamber's of Commerce, Club Catering and the Magic Bar |
| Dec. | 2 | Christmas in the Park at the Olcott Park in Virginia |
| | 4 | Economic Development Association of Minnesota (EDAM) Round Table Discussion at the Park Inn |
| | 10 | Meeting with Congressman James Oberstar on City of Virginia Utility Issues at the Park Inn |
| | 11 | NE Minnesota Chamber Executives Forestry Affairs Round Table Discussion in Duluth |
| | 12 | Business After Hours at the Queen City Sports Palace sponsored by Queen City Federal Bank |
| | 13 | Leadership Session at the Gilbert City Hall |
| | 17 | Quad City Area Alliance-Scott Moore, MN Department of Economic Security Job Vacancy & Growth |
| | 20 | Year-end Board of Directors Meeting and Appreciation Breakfast |