

**RECREATION CABIN SITE LEASE**

LESSOR: St. Louis County Land Commissioner  
 Room 607, Govt. Services Center  
 Duluth, MN 55802  
 Telephone: 218-726-2606

**PRIMARY LESSEE:**

Timothy B. Richards  
 2673 Martilla Road  
 Ely MN 55731  
 (218) 365-5402

**JOINT LESSEE:**

Scott Richards  
 1017 S 1st Avenue East  
 Ely MN 55731  
 (218) 365-4554

Pursuant to the authority provided by Minnesota Statute Section 282.04, Subd. 1, the Lessor does hereby lease to Lessee or Lessees as joint tenants in common, that land lying under the existing structures or the structures described in the building plan on file with Lessor, located at cabin site designated by Lessor on State tax forfeited land within the SW 1/4 of the SE 1/4 in Section 11 Township 64N, Range 12W.

This lease is subject at all times to land sale, timber sale, other leasing and land management activities by the Lessor.

The terms and conditions listed herein, and penalties for violation of the terms of this lease as set forth in Exhibit A attached hereto.

No person or corporation will be allowed to have an interest in more than one County Recreation Cabin Site Lease.

**1. TERM OF LEASE.**

The term of this lease shall be from January 1, 2006 through December 31, 2006 and shall be renewed annually unless terminated.

**2. LEASE FEE.**

The lease fee is established by Resolution of the St. Louis County Board and is payable in 30 days after notice of amount due. A penalty will be imposed for late payment.

The *standard lease fee* (564 sq.ft.) is \$300 per year, with annual increases equal to the Consumer Price index. Your current lease fee will be increased to the \$300 level plus consumer price index over a five year period beginning in 2006. If you are paying more than the standard lease fee your current fee will be frozen for five years with annual increases thereafter equal to the consumer price index.

The *extended lease fee* (764 sq.ft.) is \$500 per year with annual increases equal to the consumer price index. Your current lease fee will be increased to the \$500 level plus consumer price index over a five year period beginning in 2006.

**3. ASSIGNMENT.**

A name change, transfer or assignment of a lease must be approved by the Lessor prior to the sale of personal property on the site. Transfer or assignment of a Recreation Cabin Site lease for a site without a dwelling structure (cabin) will not be approved. Lessee shall not sublet the lease site or any part thereof or use it for any commercial purpose.

**4. REGULATIONS AND ORDINANCES.**

Lessee shall at all times comply with all applicable State and Federal laws and any applicable rules, regulations and ordinances of St. Louis County. Lessee shall take necessary precautions to keep the lease site and surrounding

area in a neat and orderly condition and shall dispose of all garbage, refuse and debris as required by any St. Louis County Solid Waste Ordinance or other regulations.

#### 5. TAXES.

Failure of Lessee to pay personal property taxes when due that are assessed for structures located on the lease site shall be cause for cancellation of the lease.

#### 6. CONSTRUCTION/ REMODELING.

No construction or remodeling of structures shall begin until Lessee has **written approval** from Lessor and has obtained all other approvals required by the Lessor. Construction of any building must be upon the site location designated by Lessor. Any building located outside of the designated site or built without prior approval shall be treated as a contract violation and may subject Lessee to other civil and criminal penalties.

#### 7. STRUCTURES.

One dwelling structure (cabin) not to exceed 480 square feet with no measurement greater than 24 feet will be allowed. Current main dwelling structures of more than 480 square feet or with a measurement exceeding 24 feet, previously authorized by the Land Department under existing provisions, will not be subject to de-construction. Main dwelling structures exceeding 480 square feet or total structural space of more than 764 square feet not previously authorized by the Land Department will be subject to de-construction. The construction of the cabin must be initiated within two years from the execution of a lease or the removal or loss of the previous dwelling. The cabin shall be a single story (maximum height of 16 feet with 8 foot or less sidewalls), and constructed of materials approved by the Lessor. The shortest pier (if any) on which the cabin is built shall be one foot or less in height. The lease site Identification Tag will be attached by the Lessor in a conspicuous location on the main dwelling and must remain visible at all times.

A mobile home trailer shall not be used on the site except for a period of three months or less during construction of a cabin. Buses, railway cars, street cars, trucks, campers, motor homes, and similar equipment shall not be placed upon the site in lieu of a cabin or accessory building. Exterior walls composed of a wood based product must be painted, varnished, stained or oiled a medium to dark brown or dark green color periodically to keep them maintained in a neat and sound condition. Vinyl, aluminum or metal siding in a medium to dark brown or green color may be used as a siding material. Asphalt shingles, rolled roofing or metal roofing that has a pre-baked enamel or similar finish in a medium to dark brown or green color may be used on the roof, but not the walls; any other roofing materials must be approved by Lessor in advance. Concrete slab floors are prohibited except for approved saunas.

No more than three additional structures will be allowed, one of which may be a dwelling structure (bunkhouse) not to exceed 256 square feet, with no combination of structures exceeding 564 or 764 square feet depending on the lease. The main dwelling structure and additional structures must have separate walls. Placement of adjacent structures must have a minimum separation of six feet between exterior walls. Adjacent structures will be allowed to share a common roof and common deck so long as two sides are completely open forming a breeze-way (this open space will not be counted in the total square footage). Structures must be located within 100 feet of the primary structure and placed in such a way so as not to obstruct the public use of the land. Placement of secondary structures shall be subject to all County ordinances and will be constructed of the same materials described above for cabins.

The construction of a three-cord woodshed with no solid walls and a minimum of three-inches between slats is allowed. Slats must be narrow pieces of wood no greater than six-inches in width. The woodshed is not included as structural square footage.

**The total area occupied by all structures on a lease site shall not exceed 564 square feet or 764 square feet, depending on the leasing option. No lease shall exceed 764 square feet unless previously authorized by the Land Department.**

#### 8. STORAGE PROHIBITED.

The storage of unlicensed or unregistered boats, trailers, snowmobiles, all-terrain vehicles (ATVs), motorcycles, canoes, motor vehicles, or other machinery on this lease site is prohibited. Lessor must authorize the storage of any licensed vehicles. Campers and trailers must be licensed and must be removed from the site between December 1 and May 1.

#### **9. SITE DEVELOPMENT RESTRICTIONS.**

Lessee will not be permitted to develop the site except as specifically provided herein. Lessee will not be allowed to put a well (drilled, drive-point, sandpoint or dug), septic system, utilities, dumpsite, or other non conforming development on State tax-forfeited property.

No trees, living or dead shall be cut beyond 10 feet from the cabin or out building except by written permission from Lessor. Trees planted by Lessee on the site shall become the property of Lessor. No gravel, borrow, limestone, marl, sand, peat, or top soil may be removed from the site.

#### **10. PUBLIC ACCESS.**

Lessee is prohibited from barricading any driveways, roads or trails, or constructing any fences or stringing wire cable, or otherwise restricting the general public from traveling by foot or vehicle on State tax-forfeit land. The Lessee may prohibit the public from the structures on the lease site. Lessee shall not post "No Trespass" or "No Hunting" or similar signs on any part of the lease site except upon structures owned by the Lessee. Lessee shall not create any public hazard or make any threat to any member of the public or misrepresent to the public the Lessee's interest in the lease site.

#### **11. RESIDENCY NOT ALLOWED.**

No occupancy will be allowed which may in any way lead to a claim of residency and any permanent residency is expressly prohibited. All Lessees are specifically required to maintain a separate permanent residence.

#### **12. LESSEE ACCESS TO LEASE SITE.**

Nothing in this lease is intended in any way to increase the need for local or state governmental services. Lessor shall not be responsible for the construction or maintenance of any road or trail to the lease site. Lessee shall not construct any roads or further develop existing roads unless authorized by the Lessor. Lessee shall be responsible for repairs of all damage to any roads or trails utilized pursuant to this lease. Lessee may obtain permission from Lessor to clear a 4 foot wide trail of brush and debris for access to the lease site.

#### **13. LEASE TERMINATION/ SITE CLEAN-UP.**

This lease shall terminate on January 31 of each year or earlier upon failure to pay when due the annual lease fee, taxes or other fees or penalties imposed by Lessor for violations of the lease terms. Lessor retains the right to terminate this lease immediately upon breach of any of the terms or conditions set forth herein or in Exhibit A attached hereto or for other disorderly or otherwise objectionable conduct by Lessee or those occupying the site with the permission of the Lessee. This lease may also be terminated by the Lessor without cause upon thirty (30) days written notice sent to Lessee at the last address provided by the Lessee. A pro rata refund of the lease fee paid by Lessee may be allowed at the discretion of the Lessor.

Lessee may terminate this lease by giving Lessor thirty (30) days written notice at the appropriate address listed below and by paying all fees, taxes or other charges due on the date of termination. Lessor shall not refund any lease fee already paid.

Lessee agrees to leave the lease site and surrounding area in a neat and orderly condition free of all garbage, refuse and debris.

#### **14. REMOVAL OF PERSONAL PROPERTY.**

Upon termination of this lease, if all fees, taxes, penalties and other charges are paid, Lessee shall remove all buildings and personal property owned by Lessee from the premises within three (3) months after the date of termination, time being of the essence. Additional time may be granted at the discretion of Lessor for extenuating circumstances. If Lessee fails to remove any property within the time above stated, all such property remaining after expiration of such time will be disposed of pursuant to Minnesota Law.

#### **15. INDEMNIFICATION.**

EXCEPT FOR LIABILITY RESULTING FROM LESSOR'S SOLE NEGLIGENCE, LESSEE AGREES TO INDEMNIFY, SAVE HARMLESS AND DEFEND LESSOR, ITS EMPLOYEES, AGENTS AND SERVANTS FROM ANY AND ALL LIABILITY FOR INJURIES TO ANY PERSON OR PROPERTY ANY EMPLOYEE, AGENT, PASSENGER, INVITEE OR OTHER PERSON ENTERING ONTO THE LEASED PREMISES.

## 16. LESSOR'S RIGHTS.

Lessee understands and agrees that the site shall be subject to inspection by Lessor for purposes of appraisal or insuring compliance by Lessee with the provisions of this lease. If upon inspection it is found that the lease site and its surroundings are not in compliance with the terms of this lease, Lessor may immediately terminate the lease or give Lessee a warning or notice of violation indicating the actions necessary to bring the lease site and surroundings into compliance. Any required action stated in the notice must be completed within the time period indicated in the notice. Any penalty imposed by Lessor for a violation must be paid within the time stated in the Notice or the Lease may be canceled. Lessee agrees that any delay on the part of the Lessor in enforcing any of the terms of the lease, or in terminating the lease shall not operate as a waiver of any of the rights of Lessor hereunder.

## 17. CORRESPONDENCE.

All correspondence or notices will be sent to the "Primary Lessee" as indicated on the lease, unless notified otherwise by Lessee. All lease payments shall be sent to Lessor at the address shown on page one of the lease. All other correspondence shall be directed to the appropriate Area Office:

VIRGINIA AREA OFFICE:

St. Louis County Land Dept.  
7820 Highway 135  
Virginia, MN 55792-2934  
Phone: (218) 742-9898

DULUTH AREA OFFICE:

St. Louis County Land Dept.  
5713 Old Miller Trunk Highway  
Duluth, MN 55811-1221  
Phone: (218) 625-3700

18. SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement L01850481 on the date and year first above written.

Primary Lessee

Joint Lessee

Timothy B Richards

Scott D. Richard

Date: 2-19-06

Date: 2-19-06

FOR ST. LOUIS COUNTY AUDITOR

By: \_\_\_\_\_  
Land Commissioner's Representative

Date: \_\_\_\_\_

LEASE NUMBER Lot 850481

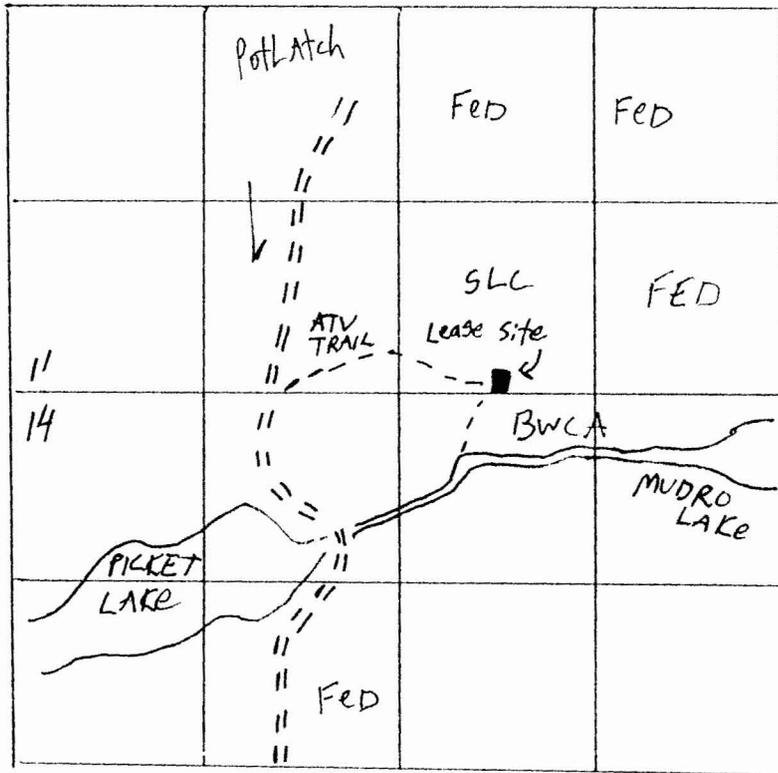
NAME WILLIAM RICHARDS

SECTION 11

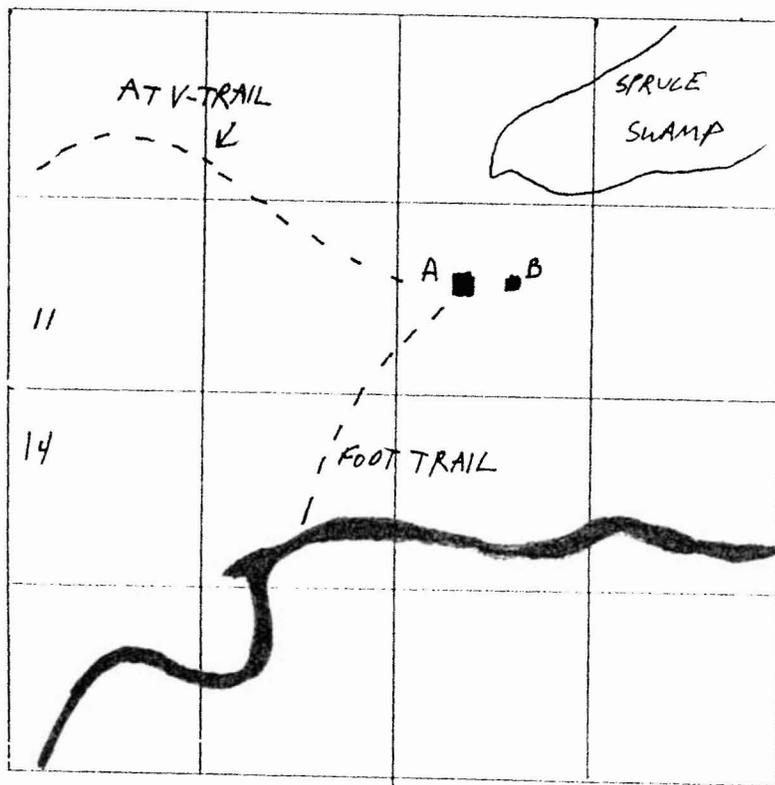
TOWNSHIP 64

RANGE 12

PARCEL SW1/4 - SE1/4



4" = 1 MILE



1" = 330' (OR →)

COPIES: AO, FO, LCO, ASSESSOR

Individual Lease Summary:

Lease Number: L01850481

Fri. Sep 07, 2007

SW 1/4 SE 1/4 S: 11 T: 64 R: 12

TIMOTHY B. RICHARDS
2673 MARTILLA ROAD
ELY MN 55731
218-365-5402

SCOTT RICHARDS
1017 S 1ST AVENUE EAST
ELY MN 55731
218-365-4554

Area: Virginia Management Unit 11 Appr. Value: 0 Renewal Cost: 235.25
Square Feet: 289 Transferable: N Transferable Reason: Asphalt rolled roofing used as siding on cabin.
Property Access: Woods rd on pvt & public land. Canoe river & foot trail on public land. N48°02'05.5" W91°49'48.5"
Lease Comments: In compliance, wood shed still under construction. Inspected by Jim Simons.

Well Type: Septic Type: Commercial Elec. Telephone
Recommended\_Fee: Fee Calc Method:
Any non-compliance issues? Last\_Inspection: 6/13/2007 Next\_Inspection: 6/1/2010

Shoreland Lease Information:

LAKE\_RIVER: SITE\_ACRES: SITE\_FEET:
SITE\_VALUE: LKCLS\_CODE: DATE\_UPDT:

Type: Wood Shed Details C) Wood shed: 6' x 6' wood frame construction. Metal roofing.
Paint/Color:
Construction Type Frame Siding Roofing Metal Structure Setback: 0
Size (nearest .5 ft) 6x6 Square Feet of Building: 36 Included in Total? Bldg. Condition: Good
Work Needed? Description (if needed): Next inspection please verify dimensions, still under construction.

Type: Toilet Details (B) The toilet is rough wood frame construction with rolled roofing and is 50 feet
of Type: east of cabin. Roofing is asphalt-rolled and metal. No door.
Paint/Color: dark brown
Construction Type Frame Siding Solid Wood Roofing Asphalt-Rolled Structure Setback: 0
Size (nearest .5 ft) 3x3 Square Feet of Building: 9 Included in Total? Bldg. Condition: Good
Work Needed? Description (if needed):

Type: Cabin Details (A) Constructed with metal roofing and rolled asphalt siding. Cabin is on rock
of Type: foundation. Appears to be only 20 feet from Fed Land. The porch repair authorized in
2005, was not specific and a deck has been built.
Paint/Color: Brown
Construction Type Frame Siding Asphalt-Rolled Roofing Metal Structure Setback: 0
Size (nearest .5 ft) 5x8 / 12x20 Square Feet of Building: 280 Included in Total? Bldg. Condition: Good
Work Needed? Description (if needed): Next inspection need deck dimensions.

Individual Lease Summary:

Lease Number: L01850481

Thu. Sep 30, 2004

SW 1/4 SE 1/4 S: 11 T: 64 R: 12

WILLIAM F. RICHARDS  
1808 GRANT-MCMAHAN ROAD  
ELY MN 55731  
365-4294

TIMOTHY B. RICHARDS  
2673 MARTILLA ROAD  
ELY MN 55731  
218-365-5402

Area: Virginia Management Uni 11 Appr. Value: 0 Renewal Cost: 184.55

Square Feet: Transferable: Transferable Reason:

Property Access: Woods rd on pvt & public land. Canoe river & foot trail on public land.

Lease Comments: Non-compliances have been corrected. Cabin porch and toilet have been painted dark brown and old building materials have been disposed of. Inspected by R. Svatos.

Well Type: Septic Type: Commercial Elec.  Telephone   
Recommended\_Fee: Fee Calc Method:  
Any non-compliance issues?  Last\_Inspection: 6/28/2004 Next\_Inspection: 6/1/2007

Shoreland Lease Information:

LAKE\_RIVER: SITE\_ACRES: SITE\_FEET:  
SITE\_VALUE: LKCLS\_CODE: DATE\_UPDT:

Type: Toilet Details (B) The toilet is rough wood frame construction with rolled roofing and is 50 feet east of cabin. Roofing is asphalt-rolled and metal.  
Paint/Color dark brown

Construction Type Frame Siding Solid Wood Roofing Asphalt-Rolled Structure Setback: 0  
Size (nearest .5 ft): 3x3 Square Feet of Building: 9 Included in Total?  Bldg. Condition: Good  
Work Needed  Description (if needed):

Type: Cabin Details (A) Constructed with rolled roofing and rolled asphalt siding. The porch is rough wood. Cabin is on rock foundation. Wood stove in cabin. Does not have any "extras". Does not appear to follow set-back requirements from public land. Appears to be only 20 feet from Fed Land.  
Paint/Color gray/dark bro

Construction Type Frame Siding Asphalt-Rolled Roofing Asphalt-Rolled Structure Setback: 0  
Size (nearest .5 ft): 5x8 / 12x20 Square Feet of Building: 280 Included in Total?  Bldg. Condition: Good  
Work Needed  Description (if needed):

Individual Lease Summary:

Lease Number: L01850481

Fri. Aug 31, 2001

SW 1/4 SE 1/4 S: 11 T: 64 R: 12

WILLIAM F. RICHARDS  
1808 GRANT-MCMAHAN ROAD  
ELY MN 55731  
365-4294

TIMOTHY B. RICHARDS  
2673 MARTILLA ROAD  
ELY MN 55731  
218-365-5402

Area: VIRGINIA Management Unit: 11 Appr. Value: 0 Renewal Cost: 167.54  
Square Feet: Transferable: Transferable Reason:  
Property Access: Woods rd on pvt & public land. Canoe river & foot trail on public land.  
Lease Comments: Non-compliances have been corrected. Cabin porch and toilet have been painted dark brown and old building materials have been disposed of. Inspected by R. Svatos.

Well Type: Septic Type: J. Simons Commercial Elec.  Telephone   
Recommended\_Fee: Fee Calc Method:  
Any non-compliance issues?  Last inspection: 6/7/2001 Next Inspection: 6/1/2004 07

Shoreland Lease Information:

LAKE\_RIVER: SITE\_ACRES: SITE\_FEET:  
SITE\_VALUE: LKCLS\_CODE: DATE\_UPDT:

Type: Toilet Details (B) The toilet is rough wood frame construction with rolled roofing and is 50 feet east of cabin. Roofing is asphalt-rolled and metal.  
Paint/Color: dark brown  
Construction Type Frame Siding Solid Wood Roofing Asphalt-Rolled Structure Setback: 0  
Size (nearest .5 ft): 3x3 Square Feet of Building: 9 Included in Total?  Bldg. Condition: Good  
Work Needed?  Description (if needed):

Type: Cabin Details (A) Constructed with rolled roofing and rolled asphalt siding. The porch is rough wood. Cabin is on rock foundation. Wood stove in cabin. Does not have any "extras". Does not appear to follow set-back requirements from public land. Appears to be only 20 feet from Fed Land.  
Paint/Color: gray/dark bro  
Construction Type Frame Siding Asphalt-Rolled Roofing Asphalt-Rolled Structure Setback: 0  
Size (nearest .5 ft): 5x8 / 12x20 Square Feet of Building: 280 Included in Total?  Bldg. Condition: Good  
Work Needed?  Description (if needed):

Gps: 48 02 05.5  
9149 48.5

In Compliance

Individual Lease Summary:

Lease Number: L01850481

Thu. Oct 22, 1998

SW 1/4 SE 1/4 S: 11 T: 64 R: 12

WILLIAM F. RICHARDS
1808 GRANT-MCMAHAN ROAD
ELY MN 55731
365-4294

TIMOTHY B. RICHARDS
2673 MARTILLA ROAD
ELY MN 55731
218-365-5402

Area: VIRGINIA Management Unit: 11 Appr. Value: 0 Renewal Cost: 161.35

Square Feet: Transferable: Transferable Reason:

Property Access: Woods rd on pvt & public land. Canoe river & foot trail on public land.

Lease Comments: This lease site is kept clean and the buildings are in good condition. There is a 6x5 wood storage shed on the site - no charge for sq footage. The lessee now used the woods road on private land. But if need be, could access cabin on public land and using Picket Lake and river. ELY WILL INSPECT IN 1998 ROTATION SINCE LAST INSPECTION IS IN FILE IS 1986.

Well Type: Septic Type: Commercial Elec. Telephone
Recommended\_Fee: Fee Calc Method:
Any non-compliance issues? Last\_Inspection: 6/26/1998 Next\_Inspection: 6/1/2001

Shoreland Lease Information:

LAKE\_RIVER: SITE\_ACRES: SITE\_FEET:
SITE\_VALUE: LKCLS\_CODE: DATE\_UPDT:

Type: Toilet Details (B) The toilet is rough wood frame construction with rolled roofing and is 50 feet east of Type: of cabin.

Paint/Color:

Construction Type Frame Siding Solid Wood Roofing Asphalt-Rolled Structure Setback: 0
Size (nearest .5 ft): 3x3 Square Feet of Building: 9 Included in Total? Bldg. Condition: Good
Work Needed? Description (if needed): Rolled asphalt siding must be painted dark brown or dark green or replaced.

Type: Cabin Details (A) Constructed with metal roofing and rolled asphalt siding. The porch is rough wood. Cabin is on rock foundation. Wood stove in cabin. Does not have any "extras" . Does not appear to follow set-back requirements from public land. Appears to be only 130 feet from Fed Land.

Paint/Color: GRAY
Construction Type Frame Siding Asphalt-Rolled Roofing Asphalt-Rolled Structure Setback: 0
Size (nearest .5 ft): 5x8 / 12x20 Square Feet of Building: 280 Included in Total? Bldg. Condition: Good
Work Needed? Description (if needed): Rough wood porch needs painting. Two packages of insulation on top of wood shed need to be used or disposed of. They are open and exposed to rain.

**DEPARTMENTAL CORRESPONDENCE**

TO D BONE DEPT LAND  
FROM G DANZL DEPT LAND  
SUBJECT LEASE REINSPECTION - 101850481 - W. RICHARDS DATE 8/31/92

I WAS OUT WITH GEORGE K. ON 7/~~11~~<sup>15</sup>/92 & RE-INSPECTED THIS LEASE & EVERY THING WAS FOUND TO BE IN COMPLIANCE. ~~THE~~ CHANGES IN THE FORM - THIS LEASE HAS BEEN DETERMINED TO BE TRANSFERRABLE. - MARGE ALSO NOTE ON THE MAP, THERE IS A NEW ACCESS RT. - AN ATV TRAIL THRU ~~THE~~ POTRATCH LAND APPEARS TO BE THE EASIEST ACCESS ROUTE - PLEASE MAKE A NEW MAP INDICATING THIS.

NEXT INSPECTION DATE 7/95

PLEASE SEND UP ANY EXTRA PICTURES YOU MAY HAVE - THANKS.

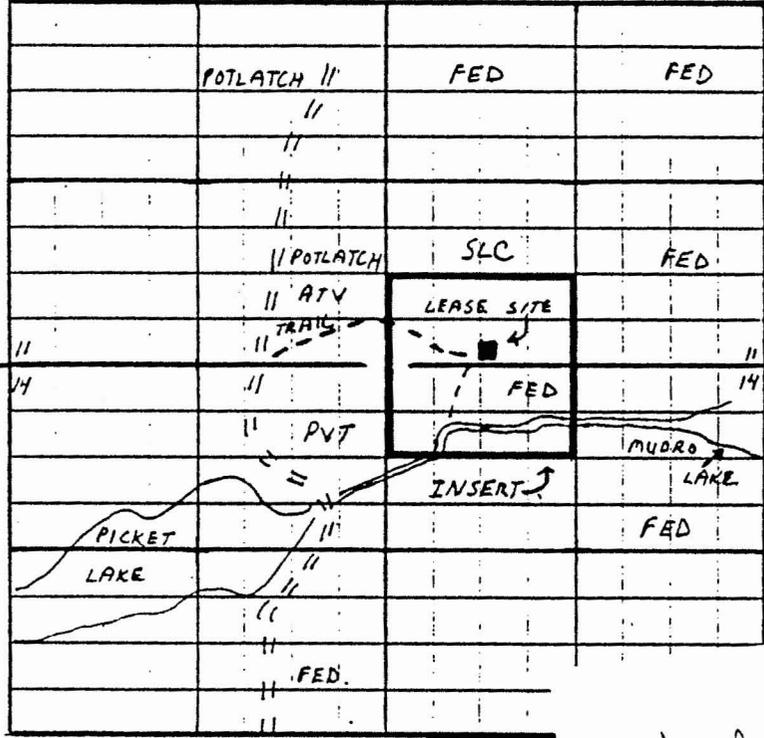
ST. LOUIS COUNTY LAND DEPARTMENT  
 LEASE INVENTORY & APPRAISAL RECORD  
 LEASE NUMBER: LO 185 0481

CODE: 01

TERM: Renew Annually

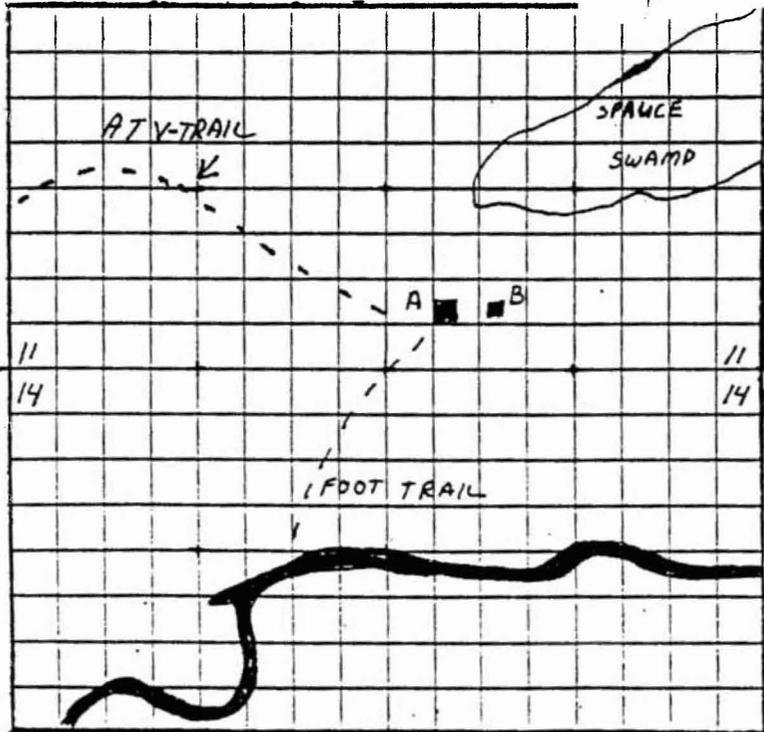


SW $\frac{1}{4}$ -SE $\frac{1}{4}$   
 SECTION 11 TWP 64 RGE 12



SCALE: 4" = 1 MILE

MAP INSERT: BUILDING LOCATION WITH  
 SCALE: 1" = 33', (or \_\_\_\_\_)



*Use this map for new trail*

AREA: I, Virginia DATE 11-7-8  
 LD INSPECTOR: Danzl 11-7-86

LEASE IDENT. TAG DISPLAYED: yes  
 LESSEE: William Richards  
St.Rt.2  
Ely, MN. 55731

LAKE: no  
 RIVER: no  
 MGMT. UNIT: exchange  
 COM. ELEC: no  
 TELEPHONE: no

ACCESS: Woods rd. on pvt. & public land. Canoe river & foot trail on public land.  
 OTHER COMMENTS:

lease site is kept clean and buildings are in good condition.  
cabin is of frame (See Over)

LEASE TYPE CLASSIFICATION  
 CURRENT CLASS: Hunting Cabin  
 PROPER CLASS: Hunting Cabin

| BLDG | TYPE   | SIZE         | SQ. FT | VALUE     |
|------|--------|--------------|--------|-----------|
| A    | cabin  | 5x8<br>12x20 | 280    | \$ 500.00 |
| B    | toilet | 3x3          | 9      | 50.00     |
| C    |        |              |        |           |
| D    |        |              |        |           |
| E    |        |              |        |           |

TOTALS = 289 550.00  
 ASSESSORS \$ VALUE =

COPIES: LCO, AO, FO, ASSESSOR