

**EXCHANGE AGREEMENT**

OMB No. 0596-0105

This Exchange Agreement (hereafter "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Poly Met Mining, Inc., a Minnesota Corporation, whose address is PO Box 475, Hoyt Lakes, Minnesota 55750, hereinafter referred to as the "Non-Federal Party," and the United States of America, acting by and through the Forest Service, Department of Agriculture. The Non-Federal Party and the Forest Service may be referred to herein as the "Parties." In consideration of the appraisals by the Parties hereto of the land or interest in land herein described and other good and valuable considerations, the receipt of which is hereby acknowledged, the Parties do hereby severally agree as follows:

WITNESSETH:

Pursuant to the Act of March 1, 1911, as amended (16 U.S.C. 516), the Act of October 21, 1976, as amended (43 U.S.C. 1716), and the Act of August 20, 1988 (P.L. 100-409, 102 Stat. 1086), the Non-Federal Party does hereby agree to convey to the United States of America the real property described in Schedule A, attached hereto and made a part hereof. In exchange therefore, the United States of America agrees to convey to the Non-Federal Party by Exchange Deed issued by the Forest Service, Department of Agriculture, the real property described in Schedule B, attached hereto and made a part hereof and, in addition thereto, pay the sum of Four Hundred Twenty-five Thousand and No/100 Dollars (\$425,000.00) to the Non-Federal Party, in order to equalize values pursuant to Section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716). The agreed to values for this exchange are:

Property of the Non-Federal Party: \$4,083,000.00

Property of the United States: \$3,658,000 land + \$425,000 cash equalization = \$4,083,000.00

First, the Non-Federal Party agrees to convey by Warranty Deed in accordance with Department of Justice Standards when requested by the Forest Service, the lands or interest in lands described in Schedule A to the United States of America and its assigns, together with necessary documents required to convey good title. Notwithstanding any other provision of this Agreement, title of the land and interests in land to be conveyed to the United States of America shall be of a quality that is acceptable to the Attorney General of the United States or the U.S. Department of Agriculture, Office of the General Counsel, pursuant to the Title Regulations of the Attorney General Governing the Review and Approval of Title for Federal Land Acquisitions. Current outstanding rights are believed to be those as set forth in Schedule A.

Second, the Non-Federal Party agrees to deliver all necessary documents to the Forest Supervisor, Superior National Forest, who will act as Escrow Holder or, in the alternative, to a third party acceptable to the Parties who shall act as escrow holder.

Third, the Non-Federal Party agrees to furnish title evidence on the real property described in Schedule A in a form satisfactory to the Office of the General Counsel of the United States Department of Agriculture.

Fourth, the Non-Federal Party agrees to bear the cost of any survey necessary to properly describe and locate the real property described in Schedule A.

When title is acceptable to the Attorney General of the United States or the U.S. Department of Agriculture, Office of the General Counsel and the Forest Service, the United States of America agrees to convey and quitclaim by Exchange Deed the real property described in Schedule B, subject to any encumbrances noted therein.

The United States of America agrees to bear the cost of any survey necessary to properly describe and locate the real property described in Schedule B.

Both Parties agree not to do, or suffer others to do, any act by which the value of the real property which is the subject of this Agreement may be diminished or further encumbered. In the event any such loss or damage occurs from any cause, including acts of God, to the real property described in Schedules A or B, prior to execution of the deeds, either party may refuse without liability to complete the exchange.

Further, both parties agree to comply with the additional negotiated provisions and conditions of the land exchange outlined in Schedule C, attached hereto and made a part hereof.

The Non-Federal Party agrees that, to the best of its knowledge, all information regarding the presence or suspected presence of hazardous materials or waste on the lands described in Schedule A has been given to the Forest Service. Each party represents that no evidence was found to indicate that any hazardous substance was stored for 1 year or more or disposed of or released on the property it is exchanging.

In addition to the rights of the United States afforded by Attachment A (“Environmental Quality Provision”), which is attached here to and made a part hereof, in the event hazardous substances are discovered prior to the transfer of title, either party may reject the parcel or refuse to complete the exchange without liability.

This Agreement is subject to the requirements of Section 17 of the National Forest Management Act of 1976 (NFMA) (16 USC 521b). Section 17(b) requires that a report concerning the exchange of the lands herein described be submitted to the Committee on Agriculture of the United States House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate for a 30-day oversight period.

The Forest Service decision, upon which this Agreement is made, was subject to the requirements of 36 CFR 218, related to the administrative review process of the National Forest System project decisions. These regulations set forth the requirements and procedures under which certain parties may object to certain decisions affecting National Forest System lands and resources. The administrative review process under 36 CFR 218 has been completed.

The Parties recognize that the land exchange contemplated herein may be affected by existing and/or threatened litigation (the "Litigation") and that, due to such Litigation, the Forest Service may delay or suspend action on this exchange to conform with the orders of a court or administrative body with jurisdiction over this exchange, or to conform with stipulations or agreements filed with such court. The Non-Federal party waives and releases any and all claims against the Forest Service, Department of Agriculture, and the United States (the "Government") based in whole or in part on any such delay or suspension, or on any Government action taken to comply with any court order or other legally binding decision.

This exchange is subject to Secretary approval and 30-day congressional oversight.

If floodplains are involved, closing of this exchange shall not occur until the 30-day publication period has expired.

Without incurring liability on the part of either party, this Agreement may be terminated in whole or in part in the event that either party cannot convey good and sufficient title, in the manner as required by this Agreement, to the real property agreed to be exchanged.

This Agreement is legally binding to the extent allowed by 36 CFR 254.14(b), and it may only be otherwise amended or terminated by mutual consent.

The Rules and Regulations of the Secretary of Agriculture shall apply to the reservation of any rights by the Non-Federal party.

No member of Congress, or Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom unless it is made with a corporation for its general benefit (18 U.S.C. 431, 433).

IN WITNESS WHEREOF, the Non-Federal Party and the Forest Supervisor, Superior National Forest, acting for and on behalf of the Forest Service, United States Department of Agriculture, have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

NON-FEDERAL PARTY

UNITED STATES OF AMERICA

Signed on \_\_\_\_\_, 20\_\_\_\_\_

Signed on \_\_\_\_\_, 20\_\_\_\_\_

Poly Met Mining, Inc.,  
A Minnesota corporation

United States of America,  
acting by and through the Forest Service,  
U.S. Department of Agriculture

By: \_\_\_\_\_  
Brad Moore

By: \_\_\_\_\_  
Constance Cummins

Its: Executive Vice President,  
Environmental and Governmental Affairs

Its: Forest Supervisor  
Superior National Forest

**ATTACHMENT "A"**

**"Environmental Quality Provision"**

In the event it is discovered, before the United States has recorded the deed which conveys the \*subject property\* (property to be conveyed to the United States) is contaminated, including but not limited to contamination resulting from hazardous wastes or substances, or that the subject property (property) is in a condition which would constitute a violation of any applicable federal, state or local laws or regulations relating to the protection of health, safety, or the environment, the United States may, at its sole election and without incurring any liabilities or obligations arising there from, either:

1) Declare this Exchange Agreement to be null and void; or

2) Adjust the acreage and the description of the \*subject property\* (property to be conveyed to the United States) thereby excluding from the conveyance those portions of the parcel which are affected by the newly discovered contamination or condition. Correspondingly, the consideration to be given by the United States as set forth under this Exchange Agreement shall be adjusted accordingly to reflect the adjustment concerning the subject property to be conveyed to the United States.

All representations, warranties, obligations and rights set forth herein shall survive the closing and not merge with the deed such that they are binding and enforceable even after the deed has been conveyed to the United States, but only until the United States has recorded the deed which conveys the \*subject property\* [property] to the United States.

## SCHEDULE A

Lands, interest in lands that the Non-Federal Party will convey to the United States of America:

Fee title to the following lands in Minnesota:

### **St. Louis County, Minnesota**

#### **TRACT 1 - Hay Lake lands**

##### **Parcel 1**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 9, S ½ of SW ¼

##### **Parcel 2**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 16

##### **Parcel 3**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 19, E 1/2

##### **Parcel 4**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 20

##### **Parcel 5**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 21

##### **Parcel 6**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 22, That portion of SW ¼ of SW ¼ lying W of Pike River Road.

##### **Parcel 7**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 27, W 1/2 of NW 1/4 and the NW 1/4 of SW 1/4, lying West of Pike River Road.

##### **Parcel 8**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
All of Section 28, except that part of the South half of the South half (S 1/2 S 1/2) lying South and Southeast of the Pike River.

**Parcel 9**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 29

**Parcel 10**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 30, E 1/2

**Parcel 11**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 31, E 1/2, Lot 4 (SWSW), and E 1/2 of SW 1/4

**Parcel 12**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 32, lying North and West of the Pike River, except the East half of Northeast Quarter of Southeast Quarter of Southwest Quarter (E 1/2 of NE 1/4 of SE 1/4 of SW 1/4), but including the Southerly 264 feet of said E 1/2 of NE 1/4 of SE 1/4 of SW 1/4 lying West of Pike River.

**Parcel 13**

Township 59 North, Range 16 West of the Fourth Principal Meridian  
Section 33, that part lying West of Pike River.

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Containing 4,651.5 acres, more or less.

**Subject to:**

Reservations: None

Outstanding Rights:

1. Mineral reservation found in Warranty Deed dated February 14, 1934, and recorded March 3, 1934, in Book 620 of Deeds, page 510, given by Clara A.H. Smith, widow, to the United States of America conveying an undivided 1/8 interest in certain lands subject to the following reservation:

The Grantor reserves from this conveyance unto herself and her heirs, and assigns for all time, all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extraction and removal of said oils, natural gas and minerals under rights reserved to and now vested in the grantor shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

S 1/2 of SW 1/4, Section 9, Township 59 N, Range 16 W	(Parcel 1)
NE 1/4 of SE 1/4, Section 20, Township 59 N, Range 16 W	(Parcel 4)
NW 1/4 of SW 1/4, Section 21, Township 59 N, Range 16 W	(Parcel 5)
SW 1/4 of NE 1/4 (Lot 2), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of SW 1/4 (Lot 5), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)
SE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)

2. Mineral reservation found in Warranty Deed dated February 16, 1934, and recorded March 3, 1934, in Book 620 of Deeds, page 512, given by William H. Acker and March C. Acker, his wife, to the United States of America conveying an undivided 1/3 interest in certain lands subject to the following reservation:

The Grantors reserve from this conveyance unto themselves, their heirs and assigns for all time, all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extraction and removal of said oils, natural gas and minerals under rights reserved to and now vested in the grantor shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

S 1/2 of SW 1/4, Section 9, Township 59 N, Range 16 W	(Parcel 1)
NE 1/4 of SE 1/4, Section 20, Township 59 N, Range 16 W	(Parcel 4)
NW 1/4 of SW 1/4, Section 21, Township 59 N, Range 16 W	(Parcel 5)
SW 1/4 of NE 1/4 (Lot 2), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of SW 1/4 (Lot 5), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)
SE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)

3. Mineral reservation found in Warranty Deed dated February 14, 1934, and recorded March 3, 1934, in Book 620 of Deeds, page 514, given by Higgins Company and Du Nord Land Company, Minnesota corporations, to the United States of America conveying an undivided 13/24ths interest in certain lands subject to the following reservation:

The Grantors reserve from this conveyance unto themselves, their successors and assigns for all time, all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extraction and removal of said

oils, natural gas and minerals under rights reserved to and now vested in the grantor shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

S 1/2 of SW 1/4, Section 9, Township 59 N, Range 16 W	(Parcel 1)
NE 1/4 of SE 1/4, Section 20, Township 59 N, Range 16 W	(Parcel 4)
NW 1/4 of SW 1/4, Section 21, Township 59 N, Range 16 W	(Parcel 5)
SW 1/4 of NE 1/4 (Lot 2), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of SW 1/4 (Lot 5), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of NE 1/4, Section 29, Township 59 N, Range 16 W	(Parcel 9)
NE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)
SE 1/4 of NE 1/4, Section 30, Township 59 N, Range 16 W	(Parcel 10)

4. Mineral reservation found in Land Exchange Deed dated December 16, 1971 and recorded December 21, 1971 as Document No. 151133, given by the State of Minnesota, to Jones & Laughlin Steel Corporation, conveying certain lands subject to the following reservation:

Reservations to the State of Minnesota of all minerals and mineral rights and all water power rights on said land as provided by law.

This pertains to the following:

All of Section 16, Township 59 N, Range 16 W (Parcel 2)

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SE 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, SW 1/4 of NW 1/4, NE 1/4 of SW 1/4,  
NW 1/4 of SW 1/4, SW 1/4 of SW 1/4,  
Section 20, Township 59 N, Range 16 W (Parcel 4)

NE 1/4 of SW 1/4, NW 1/4 of SW 1/4 (Lot 1), SW 1/4 of SW 1/4,  
SE 1/4 of SW 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)

SE 1/4 of NE 1/4, SE 1/4 of NW 1/4, NE 1/4 of SW 1/4,  
NW 1/4 of SW 1/4, SW 1/4 of SW 1/4, NW 1/4 of SE 1/4,  
Section 32, Township 59 N, Range 16 W (Parcel 12)

5. Mineral reservation found in Warranty Deed dated August 20, 1934, and recorded September 19, 1934, in Book 626 of Deeds, page 375, given by The Canton Iron Company, a Minnesota corporation, to the United States of America, conveying certain lands subject to the following reservation:



Saving, excepting and reserving unto the party of the first part, its successors and assigns, forever, all mines, minerals (including granite and other merchantable stone), fossils, oil and gas in, under or upon the above described lands, together with the right to explore for, mine, remove and carry away the same, in the manner usual and customary in the vicinity at the time of such mining and removal, and also the use of such part or parts of the surface of said lands as may be necessary or convenient for the purpose of exploring for, mining, removing and carrying away said mines, minerals, fossils, oil and gas in the manner aforesaid, and in manufacturing products therefrom, subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
NE 1/4 of SE 1/4, Section 19, Township 59 N, Range 16 W (Parcel 3)

SW 1/4 of SW 1/4, lying West of Pike River Road,  
Section 22, Township 59 N, Range 16 W (Parcel 6)

NW 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
Section 27, Township 59 N, Range 16 W (Parcel 7)

6. Mineral reservation found in Executor's Deed dated April 5, 1935, and recorded April 23, 1935, in Book 694 of Deeds, page 370, given by Sophia Whiteside, Roger V. Whiteside, William C. Robinson, and John D. Lamont, as executors and trustees of the Last Will and Testament of Robert B. Whiteside, to the United States of America, conveying certain lands subject to the following reservation:

Excluding from this conveyance for all time, all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extracting and removal of said oils, natural gas and minerals under rights reserved to and whereof the said Robert B. Whiteside was seized, at the time of his death, September 19, 1931, shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SE 1/4 of NE 1/4, NW 1/4 of SE 1/4,  
Section 19, Township 59 N, Range 16 W (Parcel 3)

7. Mineral reservation found in Warranty Deed dated June 4, 1934, and recorded June 11, 1934, in Book 623 of Deeds, page 274, given by Cloquet Lumber Company, an Iowa corporation, to United States of America, conveying certain lands subject to the following reservation:

There is excepted from this conveyance the interest in the minerals in or on the said lands heretofore reserved by former grantors in deeds now of record in the office of the Register of Deeds in and for said St. Louis County, and State of Minnesota, and reserved unto the grantors herein, and their heirs, executors and administrators for all time, all oils, natural gas and minerals in or upon said lands not heretofore reserved by former grantors, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals, such exploring for, mining, extracting and removal of said oils, natural gas and mineral under rights reserved to and now vested in the grantors shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

NE 1/4 of SE 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SE 1/4, Section 30, Township 59 N, Range 16 W (Parcel 10)

8. Mineral reservation found in Exchange Deed dated February 10, 1972, and recorded March 3, 1972, as Document No. 153988, given by the United States of America, to Jones & Laughlin Steel Corporation, conveying certain lands subject to the following reservation:

Subject to minerals and mineral rights, including repurchase rights, outstanding of record in third parties, if any.

Reserving to the United States of America and its assigns, all coal, oil, gas and other minerals not outstanding of record in third parties, and all coal, oil, gas and other mineral rights now outstanding of record in third parties upon the expiration of such third party interests, together with the usual mining rights, powers, privileges, including the right, at any and all times, to enter upon the lands and use such parts of the surface as may be necessary in prospecting or, mining, saving and removing said minerals.

This pertains to the following:

SW 1/4 of SE 14, SE 1/4 of SE 1/4,  
Section 19, Township 59 N, Range 16 W (Parcel 3)

SW 1/4 of NE 1/4, NW 1/4 of SE 1/4,  
Section 20, Township 59 N, Range 16 W (Parcel 4)

SW 1/4 of NW 1/4, SE 1/4 of SE 1/4,  
Section 28, Township 59 N, Range 16 W (Parcel 8)

NE 1/4 of NW 1/4 (Lot 3), NW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4 (Lot 8), NW 1/4 of SE 1/4 (Lot 7),  
SW 1/4 of SE 1/4 (Lot 7), SE 1/4 of SE 1/4 Lot 8),

Section 29, Township 59 N, Range 16 W (Parcel 9)

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
NE 1/4 of SE 1/4, Section 32, Township 59 N, Range 16 W (Parcel 12)

9. Mineral reservation found in Warranty Deed dated June 3, 1921, and recorded June 3, 1921, in Book 492 of Deeds, page 66, given by Poca Iron Company, a Minnesota corporation, to T. Marion Judd, conveying a 1/3 interest in certain lands subject to the following reservation:

Excepting and reserving unto the party of the first part, its successors and assigns, forever, an undivided one-third (1/3) interest in all minerals of any nature whatsoever, including coal, iron, natural gas and oil, upon or in any of said lands, together with the use of such of the surface as may be necessary for exploring for, and mining, or otherwise extracting and carrying away the same; but the party of the first part shall pay to the purchaser, or her assigns, the market value at the time mining operations are commenced, or such portion of the surface as may be used for such operations or injured thereby, including any improvements thereon.

This pertains to the following:

NW 1/4 of NW 1/4, Section 20, Township 59 N, Range 16 W (Parcel 4)

10. Mineral reservation found in Conveyance of Forfeited Lands dated July 16, 1965, and recorded July 28, 1965, as Document No. 53877, given by the State of Minnesota, to Jones and Laughlin Steel Corporation, a Pennsylvania corporation, conveying certain lands subject to the following reservation:

Excepting and reserving to the said State, in trust for taxing districts concerned, all minerals and mineral rights, as provided by law.

This pertains to the following:

NW 1/4 of NW 1/4, Section 20, Township 59 N, Range 16 W (Parcel 4)

SW 1/4 of SW 1/4, Section 27, Township 59 N, Range 16 W (Parcel 7)

NE 1/4 of SW 1/4 (Lot 6), SE 1/4 of SW 1/4 (Lot 6),  
Section 29, Township 59 N, Range 16 W (Parcel 9)

NE 1/4 of NW 1/4, NW 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
Section 32, Township 59 N, Range 16 W (Parcel 12)

11. Mineral reservation found in Warranty Deed dated August 27, 1934, and recorded August 28, 1934, in Book 625 of Deeds, page 584, given by Merton Land Company, a

Minnesota corporation, to United States of America, conveying certain lands subject to the following reservation:

The company hereby expressly saves, excepts and reserves from this sale and conveyance unto itself, its successors, and assigns, forever, all oils, natural gas, iron ore, ores, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such oils, natural gas, iron ore, ores, or mineral deposits at any and all times and open up, develop, operate, and work any wells, mine or mines, thereon and take out, remove, and ship therefrom any and all such oils, natural gas, iron ore, ores, or mineral deposits, and with the right at any and all times, to erect, construct, maintain, and use all such buildings, structures, machinery, roads, and railroads, to sink such wells or shafts, and to cave, disturb or remove the soil or surface of said lands, or any part thereof, and do any other matter or thing which may be necessary or convenient for carrying on an oil, natural gas, or a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors, and assigns, forever, all rights and power, in, to, and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved, subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SE 1/4 of NW 1/4, Section 20, Township 59 N, Range 16 W (Parcel 4)

12. Mineral reservation found in Warranty Deed dated June 20, 1934, and recorded December 14, 1934, in Book 629 of Deeds, page 648, and re-recorded February 11, 1935, in Book 631 of Deeds, page 540, given by Sarah M. Stephens, a widow; Gail Stephens Kinard (formerly Gail Stephens, and Gail Stephens Hughes, and Gail Stephens McLeod) and Kerwin W. Kinard, her husband; and Jacqueline Stephens Harris (nee Jacqueline Stephens), a widow, to the United States of America, conveying certain lands subject to the following reservation:

Reserving unto the grantors, their heirs, executors and administrators, for all time, all oils, natural gas and minerals in or upon the lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extraction and removal of said oils, natural gas and minerals under rights reserved to and now vested in the grantors shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SW 1/4 of SE 1/4, SE 1/4 of SE 1/4,  
Section 20, Township 59 N, Range 16 W (Parcel 4)

SW 1/4 of SW 1/4, Section 21, Township 59 N, Range 16 W (Parcel 5)

NW 1/4 of NW 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)

NW 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
Section 30, Township 59 N, Range 16 W (Parcel 10)

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4,  
SW 1/4 of NE 1/4, SE 1/4 of NE 1/4,  
SW 1/4 of SW 1/4 (Lot 4), NE 1/4 of SW 1/4 ( Lot 3),  
SE 1/4 of SW 1/4, Section 31, Township 59 N, Range 16 W (Parcel 11)

13. Mineral reservation found in Warranty Deed dated August 21, 1931, and recorded September 17, 1931, in Book 597 of Deeds, page 527, given by the Northern Pacific Railway Company, a Wisconsin corporation, to Henry Tenhunen, conveying certain lands subject to the following reservation:

Excepting and reserving unto the grantor, its successors and assigns, forever, all minerals of any nature whatsoever, including coal, iron, natural gas and oil, upon or in said land, together with the use of such of the surfaces as may be necessary for exploring for, and mining, or otherwise extracting and carrying away the same; but the grantor, its successors and assigns, shall pay to the grantee, or to his heirs or assigns, the market value at the time mining operations are commenced, of such portion of the surface as may be used for such operations or injured thereby including any improvements thereon.

This pertains to the following:

NE 1/4 of NE 1/4, Section 21, Township 59 N, Range 16 W (Parcel 5)

14. Mineral reservation found in Warranty Deed dated November 3, 1933, and recorded February 1, 1934, in Book 619 of Deeds, page 687, given by The Duluth and Iron Rail Road Company, a Minnesota corporation, to the United States of America, conveying certain lands subject to the following reservation:

The Rail Road Company, however, hereby expressly saves, excepts and reserves from this sale and conveyance unto itself, its successors, and assigns, forever, all oils, natural gas, iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such oils, natural gas, iron ore, ores, fossils, or mineral deposits at any and all times, and open up, develop, operate, and work any wells, mine or mines, thereon and take out, remove, and ship therefrom any and all such oils, natural gas, iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to erect, construct, maintain, and use all such buildings, structures, machinery, roads, and railroads, to sink such wells or

shafts, and to cave, disturb or remove the soil or surface of said lands or any part thereof, and do any other matter or thing which may be necessary or convenient for carrying on an oil, natural gas, or a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors, and assigns, forever, all rights and power, in, to, and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

NW 1/4 of NE 1/4, SW 1/4 of NE 1/4, SE 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, NW 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
SE 1/4 of NW 1/4, NE 1/4 of SW 1/4, SE 1/4 of SW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SE 1/4, Section 21, Township 59 N, Range 16 W (Parcel 5)

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, NW 1/4 of SE 1/4,  
SW 1/4 of SE 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)

15. Mineral reservation found in Deed dated October 24, 1929, and recorded December 16, 1929, in Book 580 of Deeds, page 4, given by Margaret A. Yawkey, Frederick W. Defoe, Cyrus C. Yawkey, as Executors of and Trustees under the Last Will and Testament of William H. Yawkey, deceased, and Margaret A. Yawkey, Thomas A. Yawkey and Elsie S. Yawkey, his wife, Emma A. Gardner and Leland G. Gardner, her husband, Parties of the First Part, to John B. Arnold, Jr., Party of the Second Part, conveying certain lands subject to the following reservation:

There is hereby reserved to the Parties of the First Part, their heirs and assigns, and not conveyed by this deed, all ores, coal, oil, gas, minerals and mineral deposits of every kind and nature on, in or under said premises, and the right and privilege at any time to enter upon said described lands and in any manner necessary or convenient to prospect for, mine, take out and remove from said described lands the minerals, mineral deposits, coal, oil and gas hereby excepted from this conveyance. And it is agreed that the First Parties, their heirs, successors or assigns, shall pay the Second Party, his heirs or assigns, for any damages to lands, crops, or buildings, caused by or in the act of prospecting said lands for minerals, coal, oil or gas, or other substances reserved to the First Parties. These terms, reservations and conditions are to run with the land and are binding upon the parties, their heirs, successors or assigns.

This pertains to the following:

NW 1/4 of SW 1/4, Section 27, Township 59 N, Range 16 W (Parcel 7)

16. Mineral reservation found in Deed dated June 4, 1915, and recorded September 5, 1916, in Book 415 of Deeds, page 221, given by T. Marion Judd and Clarence L. Judd, her husband, Asad E. Wilson and Marion D. Quick (formerly Marion D. Wilson), as Executors of the Last Will and Testament of Henry S. Wilson, deceased, and Poca Iron Company, a Minnesota corporation, to J. H. Luke, conveying certain lands subject to the following reservation:

The parties of the first part expressly save, except and reserve from this conveyance unto themselves, their heirs, successors and assigns, forever, two-thirds (2/3) of all iron ore, ores, fossils and mineral deposits in, on or under said lands, and every part thereof, together with the right, by themselves, their heirs, successors, assigns, lessees, or otherwise, to enter upon said lands and explore and develop the same for such iron ore, ores, fossils or mineral deposits, at any and all times, and to mine, remove and carry the same away; such exploration or mining to be carried on in the customary manner; including the right to sink shafts, and to use such surface as shall be necessary in the conduct of such exploration, or mining, without in any manner being liable for damages to the party of the second part.

This conveyance is also upon the express condition that in case the parties of the first part, their heirs, successors or assigns, shall explore said lands, and shall discover in or under the same, or any part thereof, a deposit of iron ore, ores, fossils, or other minerals which they shall deem desirable or profitable to mine, quarry, or otherwise work, the parties of the first part, their heirs, successors or assigns, shall and will re-purchase and become the absolute owners of two-thirds (2/3) of all the interest in the land hereby conveyed, or in any government subdivision thereof, as they may elect. And two-thirds (2/3) of all rights, and interest in and by this deed conveyed, together with all improvements which shall then be upon the premises so elected to be repurchased, shall be repurchased at and for the sum of two-thirds (2/3) of Seventy-five Dollars (\$75.00) per acre for each acre so repurchased. And for the purpose of such repurchase, the acreage given by the present United States Government survey shall be binding and conclusive upon the parties hereto. And it is agreed that such repurchase price shall likewise be in full satisfaction and accord of and for all damages in any way resulting to or sustained by the grantee in any deed delivered hereunder.

It is further agreed that this conveyance is upon the further express condition that upon payment, or offer of payment, of the repurchase price above mentioned, without further act, conveyance or instrument, the complete title to two-thirds (2/3) of said land so repurchased shall vest in the parties of the first part, their heirs, successors or assigns. And the party of the second part hereto hereby covenants and agrees upon payment, or offer of payment, of said repurchase price, to execute and deliver to the parties of the first part, their heirs, successors or assigns, a good and sufficient deed containing the usual covenants of warranty, of all interest in said lands so repurchased, free and clear from any liens or encumbrances.

NOTE: Said right of repurchase has been terminated pursuant to Minn. Stat. § 541.023, and is of no force or effect.

This pertains to the following:

NE 1/4 of SE 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)

17. Mineral reservation found in Warranty Deed dated August 6, 1936, and recorded August 10, 1936, in Book 647 of Deeds, page 547, given by J. H. Luke and Ina Luke, his wife, to the United States of America, conveying certain lands subject to the following reservation:

There is excepted from this conveyance the interest in the minerals in or on the said lands heretofore reserved by former grantors in deeds now of record in the office of the Register of Deeds in and for said St. Louis County, Minnesota; and RESERVING unto the grantors herein, and their heirs, executors, administrators and assigns, for all time, all mineral rights pertaining to the above described lands, not heretofore reserved by former grantors, together with the use of such surface as may be necessary for exploring for, mining, and removing said minerals; such exploring for, mining, and removing said minerals under the rights herein reserved shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

NE 1/4 of SE 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)

18. Mineral reservation found in Trustees' Deed dated October 26, 1934, and recorded November 5, 1934, in Book 628 of Deeds, page 129, given by Holman D. Pettibone and Frank G. Gardner, as substituted Trustees of and under the Last Will and Testament and the Codicils thereto of John M. Williams, deceased, to the United States of America, conveying certain lands subject to the following reservation:

The Grantor reserves from this conveyance for all time one-fourth (1/4th) interest in and to all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said oils, natural gas and minerals; such exploring for, mining, extraction and removal of said oils, natural gas and minerals under rights reserved to and now vested in the grantors shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SE 1/4 of SE 1/4, Section 28, Township 59 N, Range 16 W (Parcel 8)  
NE 1/4 of SE 1/4, Section 32, Township 59 N, Range 16 W (Parcel 12)



19. Mineral Reservation found in Warrant Deed dated December 23, 1933, and recorded January 26, 1934, in Book 619 of Deeds, page 595, given by Carl Nyquist, Trustee for The Chicago, Rock Island and Pacific Railway Company, to the United States of America, conveying certain lands subject to the following reservation:

The Trustee, however, hereby expressly saves, excepts and reserves from this sale and conveyance unto himself, his successors, and assigns, forever, all oils, natural gas, iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by himself, his assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such oils, natural gas, iron ore, ores, fossils, or mineral deposits at any and all times, and open up, develop, operate, and work any wells, mine or mines, thereon and take out, remove, and ship therefrom any and all such oils, natural gas, iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to erect, construct, maintain, and use all such buildings, structures, machinery, roads, and railroads, to sink such wells or shafts, and to cave, disturb or remove the soil or surface of said lands or any part thereof, and do any other matter or thing which may be necessary or convenient for carrying on an oil, natural gas, or a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto himself, his successors, and assigns, forever, all rights and power, in, to, and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SE 1/4 of NE 1/4 (Lot 1), Section 29, Township 59 N, Range 16 W	(Parcel 9)
NW 1/4 of NW 1/4, Section 33, Township 59 N, Range 16 W	(Parcel 13)

20. Mineral reservation found in Deed dated April 3, 1911, and recorded August 19, 1911, in Book 347 of Deeds, page 475, given by T. Marion Judd and Clarence L. Judd, her husband, Asad E. Wilson and Marion D. Wilson, as Executors of the Last Will and Testament of Henry S. Wilson, deceased, and Poca Iron Company, a Minnesota corporation, to W. S. Dundas, conveying certain lands subject to the following reservation:

The parties of the first part expressly save, except and reserve from this conveyance unto themselves, their heirs, successors and assigns, forever, one-half (1/2) of all iron ore, ores, fossils and mineral deposits in, on or under said lands, and every part thereof, together with the right, by themselves, their heirs, successors, assigns, lessees, or otherwise, to enter upon said lands and explore and develop the same for such iron ore, ores, fossils or mineral deposits, at any and all times, and to mine, remove and carry the same away; such exploration or mining to be carried on in the customary manner; including the right to sink shafts, and to use such surface as shall be necessary in the

conduct of such exploration, or mining, without in any manner being liable for damages to the party of the second part.

This conveyance is also upon the express condition that in case the parties of the first part, their heirs, successors or assigns, shall explore said lands, and shall discover in or under the same, or any part thereof, a deposit of iron ore, ores, fossils, or other minerals which they shall deem desirable or profitable to mine, quarry, or otherwise work, the parties of the first part, their heirs, successors or assigns, shall and will re-purchase and become the absolute owners of all the interests in the land hereby conveyed, or in any government subdivision thereof, as they may elect. And all rights and interest in and by this deed conveyed, together with all improvements which shall then be upon the premises so elected to be repurchased, shall be repurchased at and for the sum of Seventy-five Dollars (\$75.00) per acre for each acre so repurchased. And for the purpose of such repurchase, the acreage given by the present United States Government survey shall be binding and conclusive upon the parties hereto. And it is agreed that such repurchase price shall likewise be in full satisfaction and accord of and for all damages in any way resulting to or sustained by the grantee in any deed delivered hereunder.

It is further agreed that this conveyance is upon the further express condition that upon payment, or offer of payment, of the repurchase price above mentioned, without further act, conveyance or instrument, the complete title to said land so repurchased shall vest in the parties of the first part, their heirs, successors or assigns. And the party of the second part hereto hereby covenants and agrees, upon payment, or offer of payment, of the repurchase price, to execute and deliver to the parties of the first part, their heirs, successors or assigns, a good and sufficient deed containing the usual covenants of warranty, of all interest in said lands so repurchased, free and clear from any liens or encumbrances.

NOTE: Said right of repurchase has been terminated pursuant to Minn. Stat. § 541.023, and is of no force or effect.

This pertains to the following:

SW 1/4 of NW 1/4 (Lot 4), SW 1/4 of SW 1/4,  
Section 29, Township 59 N, Range 16 W

(Parcel 9)

21. Mineral reservation found in Warranty Deed dated April 11, 1935, and recorded April 17, 1935, in Book 633 of Deeds, page 157, given by Thomas A. Yawkey and Elise S. Yawkey, his wife; and Emma A. Gardner, unmarried, to the United States of America, conveying certain lands subject to the following reservation:

There is reserved unto the grantors herein, and their heirs, executors and administrators, for all time, all oils, natural gas and minerals in or upon said lands, and also the use of such surface as may be necessary for exploring for, mining, extracting and removing said

oils, natural gas and minerals; such exploring for, mining, extraction and removal of said oils, natural gas and minerals under rights reserved to and now vested in the grantors shall be subject to and in accordance with regulations of the Secretary of Agriculture.

This pertains to the following:

SW 1/4 of NW 1/4, Section 33, Township 59 N, Range 16 W (Parcel 13)

22. Mineral ownership conveyed in Quit Claim Deed dated September 26, 1952, and recorded November 6, 1952, in Book 911 of Deeds, page 576, given by H. Glen Wyer and Esther Coffin Wyer, his wife, to David Glenn Wyer and Stephen Coffin Wyer, conveying

“all their right, title and interest in and to the minerals, gas and oil located in, under and upon all the tracts or parcels of land lying and being in the County of St. Louis, and State of Minnesota, described as follows, to wit:

Twsp. 59-16 W  
N½ SE¼ and SW¼ SE¼ Section 31,  
(TORRENS TITLE)”

This pertains to the following:

NE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
Section 31, Township 59 N, Range 16 W (Parcel 11)

Other:

1. Subject to reservation of perpetual royalty interest in Warranty Deed dated March 7, 2003, and recorded October 8, 2003, as Document Nos. 917846 (Torrens) and 762132 (Abstract), given by Cliffs Biwabik Ore Corporation, a Minnesota corporation, to Leonard Land Company, LLC, a Minnesota limited liability company, conveying certain lands subject to the following reservation, which terms and conditions of said perpetual royalty interest reservation being fully set forth in said Warranty Deed:

Reserving unto Grantor, its successors and assigns, ,a perpetual royalty interest in any metallic ores and/or metallic minerals removed from those tracts described in Exhibit B attached hereto and made a part hereof wherein any interest in metallic ores and/or metallic minerals is hereby conveyed.

2. The satisfaction of that certain Mortgage in favor of the State of Minnesota, a sovereign entity, acting by and through its administrative agency known as the Office of the Commissioner of Iron Range Resources and Rehabilitation, in the original amount of \$3,250,000.00, recorded on June 29, 2011 in the office of the St. Louis County Recorder as Document No. 1164095 and recorded on June 29, 2011 in the office of the St. Louis

County Registrar of Titles as Document No. 901696; and shall be a satisfaction of record at or prior to closing of this transaction.

3. The satisfaction and/or release of that certain Hay Lake Assignment of Rents and Leases in favor of the State of Minnesota, a sovereign entity, acting by and through its administrative agency known as the Office of the Commissioner of Iron Range Resources and Rehabilitation, recorded on June 29, 2011 in the office of the St. Louis County Recorder as Document No. 1164096 and recorded on June 29, 2011 in the office of the St. Louis County Registrar of Titles as Document No. 901697; and satisfaction or release shall be of record at or prior to closing of this transaction;

These pertain to the following:

- |   |             |
|---|-------------|
| S ½ of SW 1/4, Section 9, Township 59 N, Range 16 W   | (Parcel 1)  |
| Section 16, Township 59 N, Range 16 W   | (Parcel 2)  |
| E 1/2, Section 19, Township 59 N, Range 16 W  | (Parcel 3)  |
| Section 20, Township 59 N, Range 16 W   | (Parcel 4)  |
| Section 21, Township 59 N, Range 16 W   | (Parcel 5)  |
| That portion of SW ¼ of SW ¼ lying W of Pike River Road,<br>Section 22, Township 59 N, Range 16 W   | (Parcel 6)  |
| Those portions of the W ½ of NW ¼ and<br>the NW 1/4 of SW 1/4, lying W of Pike River Rd, Section 27,<br>Township 59 N, Range 16 W   | (Parcel 7)  |
| Section 28, Except that part lying E of Pike River Road<br>and except the S ½ of the S ½ lying S and SE of the Pike River,<br>Township 59 N, Range 16 W   | (Parcel 8)  |
| Section 29, Township 59 N, Range 16 W   | (Parcel 9)  |
| E 1/2, Section 30, Township 59 N, Range 16 W  | (Parcel 10) |
| E ½ and SW ¼ of SW ¼ (a/k/a Lot 4) and E ½ of SW ¼,<br>Section 31, Township 59 N, Range 16 W  | (Parcel 11) |
| All of Section 32 lying N and W of the Pike River,<br>except the E ½ of NE ¼ of SE ¼ of SW ¼ but including<br>the S'ly 264 ft of said E 1/2 of NE 1/4 of SE 1/4 of SW 1/4,<br>Township 59 N, Range 16 W | (Parcel 12) |

Section 33, that part lying West of Pike River,  
Township 59 N, Range 16 W

(Parcel 13)

## **Lake County, Minnesota**

### **TRACT 2 - Lake County North and South**

#### **Parcel 1 (North)**

Township 57 North, Range 11 West of the Fourth Principal Meridian  
Section 5, SW 1/4 of SW 1/4.

#### **Parcel 2 (North)**

Township 57 North, Range 11 West of the Fourth Principal Meridian  
Section 6, Lot 1 (NENE), Lot 2 (NWNE), NE 1/4 of SW 1/4, NW 1/4 of SE 1/4.

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Containing 199.5 acres, more or less

#### **Parcel 3 (South)**

Township 56 North, Range 9 West of the Fourth Principal Meridian  
Section 17, NW 1/4 of NW 1/4, NE 1/4 of NW 1/4, SE 1/4 of NW 1/4.

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Containing 120.0 acres, more or less

#### **Subject to:**

Reservations: None

#### **Outstanding Rights:**

1. Mineral reservation found in Deed dated June 4, 1909, and recorded June 7, 1909, in Book 6 of Deeds, page 94, given by Alfred H. Brecklehurst to H.G. Gearhart, conveying certain lands subject to the following reservation:

Parties of the first part reserve to themselves, their heirs, executors and administrators, an undivided 1/2 interest in all minerals of each and every kind that may exist, in, on or under the above described property.

SW 1/4 of SW 1/4, Section 5, Township 57, Range 11

(Parcel 1)

2. Mineral reservation found in Warranty Deed dated May 17, 1929, and recorded December 23, 1929, in Book 29 of Deeds, page 161, given by Duluth & Iron Range Rail Road Co. (D&IRRR) to William R. Anderson, conveying certain lands subject to the following reservation:

The Rail Road Company, however, hereby expressly saves, excepts, and reserves from this sale and conveyance until itself, its successors, and assigns, forever, all iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same from such iron ore, ores, fossils, or mineral deposits at any and all times, and open up, develop, operate and work any mine or mines thereon and take out, remove, and ship therefrom any and all such iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to erect, construct, maintain, and use all such buildings, structures, machinery, roads, and railroads, to sink such shafts, and to cave, disturb, or remove the soil or surface of said lands or any part thereof, and do any other matter or thing which may be necessary or convenient for carrying on a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors, and assigns, forever, all rights and power in, to and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; provided, however, that in the event that the party of the first part, its successors and assigns, having first exercised its rights to explore said lands, desires to exercise any or all of the other rights reserved in this paragraph, it shall and may repurchase from the party of the second part, his heirs or assigns, the surface of the lands hereby granted and herein described, or any government subdivision thereof, together with the buildings which may have been erected thereon, at the reasonable value of said lands and the reasonable cost of said buildings, less depreciation, at the time of such repurchase and shall have a conveyance of all the rights and estate of the second party, his heirs or assigns, in the premises; provided that the total consideration for such repurchase of said lands and said buildings shall in no case be at a rate of less than Two Hundred Dollars per acre; and provided further that if the Purchaser so elects, any buildings which may then be on said lands may be excluded from such repurchase, on condition that the Purchaser shall remove them from said lands within six months from the date when the Company shall have given notice of its intention to exercise its option to repurchase, in which case the reasonable value of such buildings shall be deducted from the amount which would otherwise be payable on account of such reconveyance.

NOTE: Said right of repurchase has been terminated pursuant to Minn. Stat. § 541.023, and is of no force or effect.

This pertains to the following:

NW ¼ of NW ¼, Section 17, Township 56, Range 9

(Parcel 3)

3. Mineral reservation found in Warranty Deed dated February 1, 1913, and recorded February 5, 1913, in Book 13 of Deeds, page 82, given by A.E.F. White to George Rupley, conveying certain lands subject to the following reservation:

Excepting, however, from this conveyance and reserving and retaining to the grantors, their heirs and assigns, undivided one-half (1/2) of all minerals that may exist or be found on, in or under said premises with right of entry for the purpose of exploring for, mining and removing the same, doing, however, no injury to the surface of said premises or improvements thereon without just compensation therefor.

And, as reserved by a Quit Claim Deed dated July 14, 1917, and recorded November 5, 1917, in Book 18 of Deeds, page 70, given by Dairy Farm Land Co. to Fidelity Farm Land Co, conveying certain lands subject to the following reservation:

Excepting, however, from this conveyance and reserving and retaining to the Grantor, its successors and assigns, an undivided 1/8 of all minerals that may be found on, in, or under the following described premises.

These pertain to the following:

NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, Section 17, Township 56 N, Range 9 W (Parcel 3)

- 4. Mineral reservation found in State Deed dated May 12, 2014, and recorded June 2, 2014, as Document No. A000181009, given by the State of Minnesota to Lake-Forest Enterprise, Inc., conveying certain lands subject to the following reservation:

Excepting and reserving to the said state, in trust of the taxing districts concerned, all mineral rights, as provided by law.

This pertains to the following:

SW 1/4 of SW 1/4, Section 5, Township 57 N, Range 11 W (Parcel 1)

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, NE 1/4 of SW 1/4, NW 1/4 of SE 1/4, Section 6, Township 57 N, Range 11 W (Parcel 2)

NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, Section 17, Township 56N, Range 9W (Parcel 3)

**Lake County, Minnesota**  
**TRACT 3 - Wolf Lands 1**

**Parcel 1**

Township 57 North, Range 11 West of the Fourth Principal Meridian  
Section 8, NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4.

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Containing 120.0 acres, more or less

**Subject to:**

Reservations: None

Outstanding Rights:

1. Mineral reservation found in Deed dated April 7, 1909, and recorded April 10, 1909, in Book 6 of Deeds, page 33, given by Anton T. Anderson to H. Gearhart, conveying certain lands subject to the following reservation:

The party of the first part reserves to himself, his heirs, executors, and administrators an undivided three-fourths (3/4) interest in all minerals of each and every kind that may exist in, on or under the above-described property.

This pertains to the following:

NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
Section 8, Township 57 N, Range 11 West (Parcel 1)

2. Mineral reservation found in Limited Warranty Deed dated January 12, 1978, and recorded January 13, 1978, as Document No. 101158, given by Kimberly-Clark Corporation, a Delaware corporation, to B.C. Broughton (20%), Leon Graham (20%), Howard M. Whitted (10%), Donald R. Henderson (10%), Dan H. Broughton (5%), O.D. Mason, Jr. (5%), John W. Higdon (5%), Wallace H. Lindsey III (5%), Zack Rogers, Jr. (5%), John O. Morris (5%), William L. Buckley (5%), and Creagh Dozier (5%), conveying certain lands subject to the following reservation:

The party of the first part (which shall include for all of the purposes hereof its successors and assigns) hereby expressly saves, excepts and reserves to itself forever all ores, metals, minerals and fossils including, but not limited to, iron, copper, lead, zinc, nickel, fissionable materials, coal, oil, gas, and haloid salts (hereinafter severally and collectively referred to as "reserved minerals") situated in, upon or under the land conveyed to the party of the second part (which shall include for all of the purposes hereof its successors and assigns) together with a right at all times to enter upon said land or any part thereof and explore for, mine, quarry and remove any such reserved minerals. The party of the first part expressly reserves unto itself the right at any time and from time to time to enter upon all or any of the land conveyed hereby to explore for reserved minerals in such manner and to such extent as it shall deem appropriate without let, hindrance or interference by the party of the second part provided only that the party of the first part shall be liable to the party of the second part as provided herein. The party of the first part further reserves unto itself the right to mine and remove at any and all times any reserved minerals discovered on any of said land by such methods and in such manner as it deems necessary or convenient including, but not limited to, the right to erect, construct, maintain and use buildings, structures, machinery, roads and railroads, to sink wells, shafts and to cave, disturb, damage or remove the soil or surface of said land, or any part thereof, and to do any other act or thing which may be necessary or convenient for carrying on an oil, natural gas or a mining business upon in and under



said land, or any part thereof, hereby expressly reserving forever all rights and power in, to and over said land whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein excepted and reserved. If the party of the first part shall exercise any of the rights reserved in this paragraph, it shall be liable to the party of the second part for any and all damages, disturbance and destruction to the surface and any timber and improvements thereon to the extent of the fair market value of the party of the second part's interest therein at the time of such damage, disturbance or destruction. If the parties cannot agree on either such fair market value or the extent of the damage, disturbance or destruction, such shall be determined by arbitration as set forth hereinafter. The party wishing to refer the matter to arbitration shall give written notice to the other and at the same time request that three qualified arbitrators be named as soon as possible by the American Arbitration Association and if for any reason the three arbitrators are not named within thirty (30) days after the request, the requesting party shall ask another organization similar to the American Arbitration Association, or, at such party's election, any United States District or Appellate court judge, to name three qualified arbitrators. The requesting party shall, within three days after learning the names of the arbitrators, notify the other party of such names and within three days after such notification, the requesting party shall notify the other party of the arbitrator it wishes deleted; the other party shall within three days after receiving such notice, notify the requesting party of the name of the arbitrator it wishes deleted; the arbitrator whose name remains shall be deemed appointed sole arbitrator and shall determine all matters in controversy in accordance with the Rules of the American Arbitration Association, or if there are then no such rules in existence, by any rules for conducting arbitration such sole arbitrator may deem appropriate with his award being final, conclusive and binding upon both parties.

This pertains to the following:

NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
Section 8, Township 57 N, Range 11 West

(Parcel 1)

Other:

1. Non-Federal Party will satisfy that certain Mortgage dated September 5, 2008, running in favor of Peoples State Bank, recorded December 19, 2008 as Document No. A168281, prior to closing of this transaction.
2. A Limited Warranty Deed from Wolf Lands, Inc., a Minnesota corporation, in favor of Lake-Forest Enterprise, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.
3. A Warranty Deed from Lake-Forest Enterprise, Inc., a Minnesota corporation, in favor of Poly Met Mining, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.

These pertain to the following:

NE 1/4 of NW 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4, (Parcel 1)  
Section 8, Township 57 North, Range 11 West

**TRACT 3 - Wolf Lands 2**

**Parcel 2**

Township 58 North, Range 10 West of the Fourth Principal Meridian

Section 15, NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, SW 1/4 of NE 1/4, SE 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, NW 1/4 of NW 1/4, SW 1/4 of NW 1/4, SE 1/4 of NW 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4, SW 1/4 of SW 1/4, SE 1/4 of SW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4, SE 1/4 of SE 1/4.

**Parcel 3**

Township 58 North, Range 10 West of the Fourth Principal Meridian

Section 22, NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, NE 1/4 of NW 1/4.

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Containing 760.0 acres, more or less

**Subject to:**

Reservations: None

Outstanding Rights:

1. Mineral reservation found in Warranty Deed dated December 14, 1929, and recorded December 18, 1929, in Book 29 of Deeds, page 144, given by The Duluth and Iron Range Rail Road Company, a Minnesota corporation, to The Northwest Paper Company, a Minnesota corporation, conveying certain lands subject to the following reservation:

“The Rail Road Company, however, hereby expressly saves, excepts, and reserves from this sale and conveyance until itself, its successors, and assigns, forever, all iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such iron ore, ores, fossils, or mineral deposits at any and all times, and open up, develop, operate and work any mine or mines thereon take out, remove, and ship therefrom any and all such iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to construct, erect, maintain and use all such buildings, structures, machinery, roads and railroads, to sink such shafts, and to cave, disturb or remove the soil or surface of said lands or any part thereof, and to do any other matter or thing which may be necessary or convenient for carrying on a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors

and assigns, forever, all rights and power in, to and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; provided, however, that in the event that the grantor, its successors and assigns, having first exercised its rights to explore said lands, desires to exercise any or all of the other rights reserved in this paragraph, it shall and may repurchase from the grantee, its successors or assigns, so much of the surface of the lands hereby granted and herein described as desired, together with any buildings then situate upon, at the reasonable value of said lands and reasonable cost of replacing said buildings, less depreciation, at the time of such repurchase and shall have a conveyance of all the rights and estate of the grantee, its successors or assigns, in the premises; provided that the total consideration for such repurchase of said lands and said buildings shall in no case be at the rate of less than Twenty-five Dollars (\$25.00) per acre; and provided further that if the grantee so elects any buildings which may then be on said lands may be excluded from such repurchase, on condition that the grantee shall remove them from said lands within six months from the date when the Company shall have given notice of its intention to exercise its option to repurchase in which case the reasonable value of such buildings shall be deducted from the amount which would otherwise be payable on account of such reconveyance. It is understood and agreed that the Rail Road Company shall pay all taxes and assessments that may be levied or assessed on or against such reserved iron ore or other mineral deposits.”

NOTE: The repurchase rights contained in said reservation have been terminated and are of no force or affect pursuant to Minn. Stat. § 541.023.

This pertains to the following:

NE ¼ of NE ¼, NW ¼ of NE ¼, SW ¼ of NE ¼, SE ¼ of NE ¼  
NE ¼ of NW ¼, NW ¼ of NW ¼, SW ¼ of NW ¼, SE ¼ of NW ¼  
NE ¼ of SW ¼, NW ¼ of SW ¼, SW ¼ of SW ¼, SE ¼ of SW ¼  
NE ¼ of SE ¼, NW ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SE ¼  
Section 15, Township 58, Range 10 (Parcel 2)

NE ¼ of NE ¼, NW ¼ of NE ¼  
NE ¼ of NW ¼  
Section 22, Township 58, Range 10 (Parcel 3)

Other:

1. Non-Federal Party will satisfy that certain Mortgage dated September 5, 2008, running in favor of Peoples State Bank, recorded December 19, 2008 as Document No. A168281, prior to closing of this transaction.
2. A Limited Warranty Deed from Wolf Lands, Inc., a Minnesota corporation, in favor of Lake-Forest Enterprise, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.

3. A Warranty Deed from Lake-Forest Enterprise, Inc., a Minnesota corporation, in favor of Poly Met Mining, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.

These pertain to the following:

NE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , SW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , (Parcel 2)  
NE  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , SW  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , SE  $\frac{1}{4}$  of NW  $\frac{1}{4}$ ,  
NE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , SW  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , SE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ ,  
NE  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , SW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  of SE  $\frac{1}{4}$ ,  
Section 15, Township 58 N, Range 10 W

NE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , NW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , NE  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , (Parcel 3)  
Section 22, Township 58 N, Range 10 W

### **TRACT 3 - Wolf Lands 3**

#### **Parcel 4**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 30, SE  $\frac{1}{4}$  of SW  $\frac{1}{4}$ , NE  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , SW  $\frac{1}{4}$  of SE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  of SE  $\frac{1}{4}$ .

#### **Parcel 5**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 31, NW  $\frac{1}{4}$  of NE  $\frac{1}{4}$ , NE  $\frac{1}{4}$  of NW  $\frac{1}{4}$ , Lot 1 (NWNW).

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Containing 279.4 acres, more or less

#### **Subject to:**

Reservations: None

#### Outstanding Rights:

1. Mineral reservation found in Warranty Deed dated December 14, 1929, and recorded December 18, 1929, in Book 29 of Deeds, page 144, given by The Duluth and Iron Range Rail Road Company, a Minnesota corporation, to The Northwest Paper Company, a Minnesota corporation, conveying certain lands subject to the following reservation:

“The Rail Road Company, however, hereby expressly saves, excepts, and reserves from this sale and conveyance until itself, its successors, and assigns, forever, all iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such iron ore, ores, fossils, or mineral deposits at any and all times, and open up,

develop, operate and work any mine or mines thereon take out, remove, and ship therefrom any and all such iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to construct, erect, maintain and use all such buildings, structures, machinery, roads and railroads, to sink such shafts, and to cave, disturb or remove the soil or surface of said lands or any part thereof, and to do any other matter or thing which may be necessary or convenient for carrying on a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors and assigns, forever, all rights and power in, to and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; provided, however, that in the event that the grantor, its successors and assigns, having first exercised its rights to explore said lands, desires to exercise any or all of the other rights reserved in this paragraph, it shall and may repurchase from the grantee, its successors or assigns, so much of the surface of the lands hereby granted and herein described as desired, together with any buildings then situate upon, at the reasonable value of said lands and reasonable cost of replacing said buildings, less depreciation, at the time of such repurchase and shall have a conveyance of all the rights and estate of the grantee, its successors or assigns, in the premises; provided that the total consideration for such repurchase of said lands and said buildings shall in no case be at the rate of less than Twenty-five Dollars (\$25.00) per acre; and provided further that if the grantee so elects any buildings which may then be on said lands may be excluded from such repurchase, on condition that the grantee shall remove them from said lands within six months from the date when the Company shall have given notice of its intention to exercise its option to repurchase in which case the reasonable value of such buildings shall be deducted from the amount which would otherwise be payable on account of such reconveyance. It is understood and agreed that the Rail Road Company shall pay all taxes and assessments that may be levied or assessed on or against such reserved iron ore or other mineral deposits.”

NOTE: The repurchase rights contained in said reservation have been terminated and are of no force or affect pursuant to Minn. Stat. § 541.023.

This pertains to the following:

SE ¼ of SW ¼, NE ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SE ¼  
 Section 30, Township 59, Range 9 (Parcel 4)

NW ¼ of NE ¼, NE ¼ of NW ¼, NW ¼ of NW ¼ or Lot 1  
 Section 31, Township 59, Range 9 (Parcel 5)

Other:

1. Non-Federal Party will satisfy that certain Mortgage dated September 5, 2008, running in favor of Peoples State Bank, recorded December 19, 2008 as Document No. A168281, prior to closing of this transaction.

2. A Limited Warranty Deed from Wolf Lands, Inc., a Minnesota corporation, in favor of Lake-Forest Enterprise, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.
3. A Warranty Deed from Lake-Forest Enterprise, Inc., a Minnesota corporation, in favor of Poly Met Mining, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.

These pertain to the following:

SE ¼ of SW ¼, NE ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SE ¼, (Parcel 4)  
Section 30, Township 59 N, Range 9 W

NW ¼ of NE ¼, NE ¼ of NW ¼, NW ¼ of NW ¼ or Lot 1, (Parcel 5)  
Section 31, Township 59 N, Range 9 W

**TRACT 3 - Wolf Lands 4**

**Parcel 6**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 7, SE ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SW ¼

**Parcel 7**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 8, SW ¼ of SW ¼

**Parcel 8**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 17, NW ¼ of NW ¼

**Parcel 9**

Township 59 North, Range 9 West of the Fourth Principal Meridian  
Section 18, NE ¼ of NE ¼, NW ¼ of NE ¼, SE ¼ of NE ¼, SW ¼ of NE ¼, NE ¼ of NW ¼

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Containing 400.0 acres, more or less

**Subject to:**

Reservations: None

Outstanding Rights:

1. Mineral reservation found in Warranty Deed dated December 14, 1929, and recorded December 18, 1929, in Book 29 of Deeds, page 144, given by The Duluth and Iron

Range Rail Road Company, a Minnesota corporation, to The Northwest Paper Company, a Minnesota corporation, conveying certain lands subject to the following reservation:

“The Rail Road Company, however, hereby expressly saves, excepts, and reserves from this sale and conveyance until itself, its successors, and assigns, forever, all iron ore, ores, fossils, and mineral deposits in, under, or upon said lands, or any part thereof, together with the right to enter by itself, its assigns, attorneys, servants, lessees, or otherwise, upon said lands, or any part thereof, and explore and develop the same for such iron ore, ores, fossils, or mineral deposits at any and all times, and open up, develop, operate and work any mine or mines thereon take out, remove, and ship therefrom any and all such iron ore, ores, fossils, or mineral deposits, and with the right at any and all times to construct, erect, maintain and use all such buildings, structures, machinery, roads and railroads, to sink such shafts, and to cave, disturb or remove the soil or surface of said lands or any part thereof, and to do any other matter or thing which may be necessary or convenient for carrying on a mining business upon, in, and under said premises, or any part thereof, hereby expressly reserving unto itself, its successors and assigns, forever, all rights and power in, to and over said lands, whether herein expressed or not, reasonably necessary or convenient to render beneficial or efficient the complete enjoyment of the property and rights herein reserved; provided, however, that in the event that the grantor, its successors and assigns, having first exercised its rights to explore said lands, desires to exercise any or all of the other rights reserved in this paragraph, it shall and may repurchase from the grantee, its successors or assigns, so much of the surface of the lands hereby granted and herein described as desired, together with any buildings then situate upon, at the reasonable value of said lands and reasonable cost of replacing said buildings, less depreciation, at the time of such repurchase and shall have a conveyance of all the rights and estate of the grantee, its successors or assigns, in the premises; provided that the total consideration for such repurchase of said lands and said buildings shall in no case be at the rate of less than Twenty-five Dollars (\$25.00) per acre; and provided further that if the grantee so elects any buildings which may then be on said lands may be excluded from such repurchase, on condition that the grantee shall remove them from said lands within six months from the date when the Company shall have given notice of its intention to exercise its option to repurchase in which case the reasonable value of such buildings shall be deducted from the amount which would otherwise be payable on account of such reconveyance. It is understood and agreed that the Rail Road Company shall pay all taxes and assessments that may be levied or assessed on or against such reserved iron ore or other mineral deposits.”

NOTE: The repurchase rights contained in said reservation have been terminated and are of no force or affect pursuant to Minn. Stat. § 541.023.

This pertains to the following:

SE ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SW ¼  
Section 7, Township 59, Range 9

(Parcel 6)

SW ¼ of SW ¼  
Section 8, Township 59, Range 9 (Parcel 7)

NW ¼ of NW ¼  
Section 17, Township 59, Range 9 (Parcel 8)

NE ¼ of NE ¼, NW ¼ of NE ¼, SE ¼ of NE ¼,  
SW ¼ of NE ¼, NE ¼ of NW ¼  
Section 18, Township 59, Range 9 (Parcel 9)

Other:

1. Non-Federal Party will satisfy that certain Mortgage dated September 5, 2008, running in favor of Peoples State Bank, recorded December 19, 2008 as Document No. A168281, prior to closing of this transaction.
2. A Limited Warranty Deed from Wolf Lands, Inc., a Minnesota corporation, in favor of Lake-Forest Enterprise, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.
3. A Warranty Deed from Lake-Forest Enterprise, Inc., a Minnesota corporation, in favor of Poly Met Mining, Inc., a Minnesota corporation, will be executed and recorded prior to closing of this transaction.

These pertain to the following:

SE ¼ of SE ¼, SW ¼ of SE ¼, SE ¼ of SW ¼, (Parcel 6)  
Section 7, Township 59 N, Range 9 W

SW ¼ of SW ¼, (Parcel 7)  
Section 8, Township 59 N, Range 9 W

NW 1/4 of NW 1/4, (Parcel 8)  
Section 17, Township 59 N, Range 9 W

NE ¼ of NE ¼, NW ¼ of NE ¼, SE ¼ of NE ¼, (Parcel 9)  
SW ¼ of NE ¼, NE ¼ of NW ¼,  
Section 18, Township 59 N, Range 9 W

**St. Louis County, Minnesota**

**TRACT 4 - Hunting Club Lands**

**Parcel 1**



Township 66 North, Range 17 West of the Fourth Principal Meridian  
Section 17, E 1/2 of NW 1/4, NE 1/4 of SW 1/4, E 1/2 of W 1/2 of NW 1/4.

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Containing 160.0 acres, more or less

**Subject to:**

Reservations: None

Outstanding Rights: None

## SCHEDULE B

Lands, interest in lands that the United States of America will convey to the Non-Federal Party:

Fee title to the following lands in Minnesota:

### St. Louis County, Minnesota

#### Fourth Principal Meridian

T. 59 N., R. 13 W.

Sec. 1, Government Lot 1  
Sec. 1, Government Lot 2  
Sec. 1, Government Lot 3  
Sec. 1, Government Lot 4  
Sec. 1, SE 1/4 of NE 1/4  
Sec. 1, SW 1/4 of NE 1/4  
Sec. 1, SE 1/4 of NW 1/4  
Sec. 1, SW 1/4 of NW 1/4

Sec. 1, NE 1/4 of SE 1/4, Except that part beginning at the southeast corner of said NE 1/4 of SE 1/4; thence 177 feet south 88 degrees 29 minutes west along the south line to a point, thence 190 feet north 74 degrees 09 minutes east to a point on the east line; thence 48 feet south 7 degrees 36 minutes west along the east line to the point of beginning.

Sec. 1, NW 1/4 of SE 1/4  
Sec. 1, NE 1/4 of SW 1/4  
Sec. 1, NW 1/4 of SW 1/4

Sec. 1, SE 1/4 of SE 1/4, Except that part lying between two lines, one drawn parallel to and 250 feet northerly of, and the other drawn parallel to and 150 feet southerly of the following described line: Beginning at a point on the east line of said SE 1/4 of SE 1/4 located 225 feet south 7 degrees 36 minutes west of the northeast corner thereof; thence 1,393 feet south 74 degrees 09 minutes west along the center line of the railroad to a point on the west line of said SE 1/4 of SE 1/4 located 574 feet south 7 degrees 28 minutes west of the northwest corner thereof, containing 12.23 acres, more or less.

Sec 1., SW 1/4 of SE 1/4, Except that part lying between two lines, one drawn parallel to and 250 feet northerly of, and the other drawn parallel to and 150 feet southerly of the following described line: Beginning at a point on the east line of said SW 1/4 of SE 1/4 located 574 feet south 7 degrees 28 minutes west of the northeast corner thereof; thence 1,392 feet south 74 degrees 09 minutes west along the center line of the railroad to a

point on the west line of said SW 1/4 of SE 1/4 located 398 feet north 7 degrees 20 minutes east of the southwest corner thereof, being a strip of land 400 feet in width and containing 12.78 acres, more or less.

Sec 1., SE 1/4 of SW 1/4, Except that part lying southerly of a line parallel to and 250 feet northerly of the following described line: Beginning at a point on the east line of said SE 1/4 of SW 1/4, located 398 feet north 7 degrees 20 minutes east of the southeast corner thereof; thence 1,390 feet south 74 degrees 09 minutes west along the center line of the railroad to a point on the west line of said SE 1/4 of SW 1/4 located 49 feet north 7 degrees 13 minutes east of the southwest corner thereof, containing 14.11 acres, more or less.

Sec. 1, SW 1/4 of SW 1/4, Except that part beginning at the southeast corner of said SW 1/4 of SW 1/4, thence 1,194 feet south 88 degrees 28 minutes west along the south line to a point; thence 1,283 feet north 74 degrees 09 minutes east to a point on the east line; thence 321 feet south 7 degrees 13 minutes west along the east line to the point of beginning.

T. 59 N., R. 13 W.

Sec. 2, Government Lot 1  
Sec. 2, Government Lot 2  
Sec. 2, Government Lot 3  
Sec. 2, Government Lot 4  
Sec. 2, SE 1/4 of NE 1/4  
Sec. 2, SW 1/4 of NE 1/4  
Sec. 2, SE 1/4 of NW 1/4  
Sec. 2, SW 1/4 of NW 1/4  
Sec. 2, NE 1/4 of SE 1/4  
Sec. 2, NW 1/4 of SE 1/4  
Sec. 2, NE 1/4 of SW 1/4  
Sec. 2, NW 1/4 of SW 1/4  
Sec. 2, SE 1/4 of SE 1/4  
Sec. 2, SW 1/4 of SE 1/4  
Sec. 2, SE 1/4 of SW 1/4  
Sec. 2, SW 1/4 of SW 1/4

T. 59 N., R. 13 W.

Sec. 3, Government Lot 1  
Sec. 3, Government Lot 2  
Sec. 3, Government Lot 3  
Sec. 3, Government Lot 4  
Sec. 3, SE 1/4 of NE 1/4  
Sec. 3, SW 1/4 of NE 1/4

Sec. 3, SE 1/4 of NW 1/4  
Sec. 3, SW 1/4 of NW 1/4  
Sec. 3, NE 1/4 of SE 1/4  
Sec. 3, NW 1/4 of SE 1/4  
Sec. 3, NE 1/4 of SW 1/4  
Sec. 3, NW 1/4 of SW 1/4  
Sec. 3, SE 1/4 of SE 1/4  
Sec. 3, SW 1/4 of SE 1/4,  
Sec. 3, SE 1/4 of SW 1/4  
Sec. 3, SW 1/4 of SW 1/4

T. 59 N, R. 13 W.

Sec 4, Government Lot 1  
Sec 4, Government Lot 2  
Sec 4, Government Lot 3  
Sec 4, Government Lot 4  
Sec 4, SE 1/4 of NE 1/4  
Sec 4, SW 1/4 of NE 1/4  
Sec 4, SE 1/4 of NW 1/4  
Sec 4, Government Lot 5  
Sec 4, NE 1/4 of SE 1/4  
Sec 4, NW 1/4 of SE 1/4  
Sec 4, NE 1/4 of SW 1/4  
Sec 4, NW 1/4 of SW 1/4  
Sec 4, SE 1/4 of SE 1/4  
Sec 4, SW 1/4 of SE 1/4  
Sec 4, SE 1/4 of SW 1/4  
Sec 4, SW 1/4 of SW 1/4

T. 59 N, R. 13 W.

Sec. 5, Government Lot 1  
Sec. 5, Government Lot 5  
Sec. 5, SW 1/4 of NE 1/4  
Sec. 5, SE 1/4 of NW 1/4  
Sec. 5, SW 1/4 of NW 1/4  
Sec. 5, NE 1/4 of SE 1/4  
Sec. 5, NW 1/4 of SE 1/4  
Sec. 5, NE 1/4 of SW 1/4  
Sec. 5, NW 1/4 of SW 1/4  
Sec. 5, SE 1/4 of SE 1/4  
Sec. 5, SW 1/4 of SE 1/4  
Sec. 5, SE 1/4 of SW 1/4  
Sec. 5, SW 1/4 of SW 1/4

T. 59 N, R. 13 W.

Sec. 6, SE 1/4 of SE 1/4  
Sec 6., SW 1/4 of SE 1/4

T. 59 N, R. 13 W.

Sec 7, NE 1/4 of NW 1/4  
Sec. 7, Government Lot 1  
Sec. 7, SE 1/4 of NE 1/4  
Sec. 7, SE 1/4 of NW 1/4  
Sec. 7, Government Lot 2  
Sec. 7, NE 1/4 of SE 1/4  
Sec. 7, NW 1/4 of SE 1/4  
Sec. 7, NE 1/4 of SW 1/4  
Sec. 7, SE 1/4 of SE 1/4  
Sec. 7, SW 1/4 of SE 1/4  
Sec. 7, SE 1/4 of SW 1/4  
Sec. 7, Government Lot 4

T. 59 N, R. 13 W.

Sec. 8, NE 1/4 of NE 1/4  
Sec. 8, NW 1/4 of NE 1/4  
Sec. 8, NE 1/4 of NW 1/4  
Sec. 8, NW 1/4 of NW 1/4  
Sec. 8, SE 1/4 of NE 1/4  
Sec. 8, SW 1/4 of NE 1/4  
Sec. 8, SE 1/4 of NW 1/4  
Sec. 8, SW 1/4 of NW 1/4  
Sec. 8, NE 1/4 of SE 1/4  
Sec. 8, NW 1/4 of SE 1/4  
Sec. 8, NE 1/4 of SW 1/4  
Sec. 8, NW 1/4 of SW 1/4  
Sec. 8, SE 1/4 of SE 1/4  
Sec. 8, SW 1/4 of SE 1/4  
Sec. 8, SE 1/4 of SW 1/4  
Sec. 8, SW 1/4 of SW 1/4

T. 59 N., R. 13 W.

Sec. 9, NE 1/4 of NE 1/4  
Sec. 9, NW 1/4 of NE 1/4  
Sec. 9, NE 1/4 of NW 1/4

Sec. 9, NW 1/4 of NW 1/4  
Sec. 9, SE 1/4 of NE 1/4  
Sec. 9, SW 1/4 of NE 1/4  
Sec. 9, SE 1/4 of NW 1/4  
Sec. 9, SW 1/4 of NW 1/4  
Sec. 9, NE 1/4 of SE 1/4  
Sec. 9, NW 1/4 of SE 1/4  
Sec. 9, NE 1/4 of SW 1/4  
Sec. 9, NW 1/4 of SW 1/4  
Sec. 9, SE 1/4 of SE 1/4, Except the SE 1/4 of SE 1/4 of SE 1/4 of SE 1/4.  
Sec. 9, SW 1/4 of SE 1/4  
Sec. 9, SE 1/4 of SW 1/4  
Sec. 9, SW 1/4 of SW 1/4

T. 59 N., R. 13 W.

Sec. 10, NE 1/4 of NE 1/4  
Sec. 10, NW 1/4 of NE 1/4  
Sec. 10, NE 1/4 of NW 1/4  
Sec. 10, NW 1/4 of NW 1/4  
Sec. 10, SE 1/4 of NE 1/4, Except the S 1/2 of SE 1/4 of SE 1/4 of NE 1/4.  
Sec. 10, SW 1/4 of NE 1/4  
Sec. 10, SE 1/4 of NW 1/4  
Sec. 10, SW 1/4 of NW 1/4

Sec. 10, NE 1/4 of SE 1/4, Except that part thereof lying within 200 feet on either side of the centerline of Erie Railroad, containing 28.06 acres, more or less, and except that part lying SE'ly of a line parallel to and distant 200 feet SE'ly of the centerline of the Erie Railroad.

Sec. 10, NW 1/4 of SE 1/4, Except that part thereof bounded on the North by a line parallel to and distant 450 feet NW of the centerline of Erie Railroad and bounded on the South by a line parallel to and distant 200 feet SE'ly of the centerline of the Erie Railroad containing 19.34 acres, more or less, and except that part lying SE'ly of a line parallel to and distant 200 feet SE'ly of the centerline of the Erie Railroad.

Sec. 10, SE 1/4 of SW 1/4, Except that part thereof bounded on the North by a line parallel to and distant 450 feet NW of the centerline of Erie Railroad and bounded on the South by a line parallel with and distant 200 feet SE'ly of the centerline of the Erie Railroad containing 23.01 acres, more or less, and except that part lying SE'ly of a line parallel to and distant 200 feet SE'ly of the center line of Erie Railroad.

Sec. 10, NE 1/4 of SW 1/4, Except the S 1/2 of NE 1/4 of SW 1/4.

Sec. 10, NW 1/4 of SW 1/4.

Sec. 10, SW 1/4 of SW 1/4, Except that part thereof lying SE'ly of a line parallel to and distant 450 feet NW'ly of the centerline of Erie Railroad, containing 18.42 acres, more or less.

T. 59 N., R. 13 W.

Sec. 11, NE 1/4 of NE 1/4, Except that part thereof bounded on the North by a line parallel to and distant 250 feet North of the centerline of Dunka Railroad Spur, and on the South by a line parallel to and 200 feet south of the centerline of the Erie Railroad, containing 13.37 acres, more or less, and except that part lying South of a line parallel to and distant 200 feet South of the centerline of the Erie Railroad.

Sec. 11, NW 1/4 of NE 1/4, Except that part thereof bounded on the North by a line parallel to and distant 250 feet North of the centerline of Dunka Railroad Spur, and on the South by a line parallel to and 200 feet South of the centerline of the Erie Railroad, containing 22.32 acres, more or less, and except that part lying South of a line parallel to and distant 200 feet South of the centerline of the Erie Railroad.

Sec. 11, SE 1/4 of NW 1/4, Except that part thereof lying within 200 feet on either side of the centerline of the Erie Railroad containing 28.52 acres, more or less, and except that part lying SE'ly of a line parallel to and distant 200 feet SE'ly of the centerline of Erie Railroad.

Sec. 11, NE 1/4 of NW 1/4, Except that part thereof lying SE'ly of a line parallel to and distant 250 feet NW'ly of the centerline of Dunka Spur Railroad, containing 36.56 acres, more or less.

Sec. 11, NW 1/4 of NW 1/4

Sec. 11, SW 1/4 of NW 1/4, Except that part thereof lying SE'ly of a line parallel to and 200 feet NW'ly of the centerline of the Erie Railroad containing 21.64 acres, more or less.

T. 59 N., R. 13 W.

Sec. 12, NE 1/4 of NE 1/4

Sec. 12, NW 1/4 of NE 1/4

Sec. 12, NE 1/4 of NW 1/4, Except that part thereof lying NW'ly of a line parallel to and distant 150 feet SE'ly of the centerline of the Dunka Spur Railroad; and excepting that part thereof lying within 200 feet of the centerline of Erie Railroad, containing 39.08 acres, more or less.

Sec. 12, SE 1/4 of NE 1/4

Sec. 12, SW 1/4 of NE 1/4, Except that part thereof lying within 200 feet of the centerline of Erie Railroad, containing 39.31 acres, more or less.

Sec. 12, SE 1/4 of NW 1/4, Except that part thereof lying within 200 feet on either side of the centerline of Erie Railroad, containing 24.85 acres, more or less, and except that part lying SW'yly of a line parallel to and distant 200 feet SW'yly of the centerline of the Erie Railroad.

Sec. 12, NW 1/4 of NW 1/4, Except that part thereof bounded on the North by a line parallel to and distant 250 feet North of the centerline of the Dunka Railroad Spur; and on the South by a line parallel to and distant 200 feet South of the centerline of the Erie Railroad, containing 2.35 acres, more or less, and except that part lying South of a line parallel to and distant 200 feet south of the centerline of the Erie Railroad.

T. 59 N., R. 13 W.

Sec. 17, NW 1/4 of NW 1/4

Sec. 17, SW 1/4 of NW 1/4

Sec. 17, NW 1/4 of SW 1/4, Except that part thereof lying SE'yly of a line parallel to and distant 100 feet NW'yly of the centerline of the Dunka Road, containing 30.13 acres, more or less.

Sec. 17, NE 1/4 of SW 1/4, Except that part thereof lying SE'yly of a line parallel to and distant 100 feet NW'yly of the centerline of the Dunka Road, containing 5.79 acres, more or less.

T. 59 N., R. 13 W.

Sec. 18, NE 1/4 of NE 1/4

Sec. 18, NW 1/4 of NE 1/4

Sec. 18, NE 1/4 of NW 1/4

Sec. 18, SE 1/4 of NE 1/4

Sec. 18, SW 1/4 of NE 1/4

Sec. 18, SE 1/4 of NW 1/4

Sec. 18, NE 1/4 of SE 1/4, Except the S'yly 120 feet thereof, containing 37.31 acres, more or less.

Sec. 18, NW 1/4 of SE 1/4

Sec. 18, NE 1/4 of SW 1/4

T. 59 N., R. 12 W.

Sec. 6, Government Lot 3



Sec. 6, Government Lot 4

Sec. 6, Government Lot 9, Except that part beginning at the southeast corner of said Lot 9 thence 1,426 feet due west along the south line to the southwest corner thereof; thence 48 feet north 7 degrees 36 minutes east along the west line; thence 81 feet north 74 degrees 09 minutes east to a point of curve; thence 729 feet on a curve to the right having a radius of 11,709.20 feet to a point of tangent; thence 617 feet north 77 degrees 45 minutes east to a point on the east line; thence 385 feet south 4 degrees 44 minutes east along the east line to a point of beginning.

T. 59 N., R. 12 W.

Sec. 7, Government Lot 3

Sec. 7, Government Lot 4

T. 60 N., R. 13 W.

Sec. 33, SE 1/4 of SE 1/4

Sec. 33, SW 1/4 of SE 1/4

T. 60 N., R. 13 W.

Sec. 34, SE 1/4 of SE 1/4

Sec. 34, SW 1/4 of SE 1/4

Sec. 34, SE 1/4 of SW 1/4

Sec. 34, SW of SW 1/4

T. 60 N., R. 13 W.

Sec. 35, SE 1/4 of SE 1/4

Sec. 35, SW 1/4 of SE 1/4

Sec. 35, SE 1/4 of SW 1/4

Sec. 35, SW 1/4 of SW 1/4

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Containing 6,650.2 acres, more or less

**Subject to:**

Reservations:

1. Reserving in perpetuity to the United States of America and its assigns, all minerals together with the usual mining rights, powers, and privileges, including the right at any and all times to enter upon the lands and use such parts of the surface as may be necessary in prospecting for, mining, and removing said minerals on the following described lands:

Fourth Principal Meridian

T. 59 N., R. 12 W.

Sec. 6, Lots 3, 4, and 9.

T. 59 N., R. 13 W.

Sec. 1, SE1/4 of SE 1/4

Sec. 12, NW 1/4 of NE 1/4

Outstanding Rights:

1. Reservation of minerals found in Warranty Deed dated October 21, 1935, and recorded November 27, 1935, in Book 640 of Deeds, page 39, given by Duluth and Iron Range Rail Road Company, a Minnesota corporation, to the United States of America, affecting the following lands:

Section 1, Township 59 N, Range 13 W

Government Lots 1, 2, 3 and 4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 2, Township 59 N, Range 13 W

Government Lots 1, 2, 3 and 4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 3, Township 59 N, Range 13 W

Government Lots 1, 2, 3 and 4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 4, Township 59 N, Range 13

Government Lots 1, 2, 3 and 4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4,  
Government Lot 5,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 5, Township 59 N, Range 13 W

Government Lot 5,  
SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 6, Township 59 N, Range 13 W

SE 1/4 of SE 1/4, SW 1/4 of SE 1/4.

Section 7, Township 59 N, Range 13 W

NE 1/4 of NW 1/4, Government Lot 1,  
SE 1/4 of NW 1/4, Government Lot 2,  
NE 1/4 of SE 1/4, SE 1/4 of SE 1/4.

Section 8, Township 59 N, Range 13 W

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4, NE 1/4 of NW 1/4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 9, Township 59 N, Range 13 W

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, NW 1/4 of NW 1/4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, NW 1/4 of SW 1/4,  
SE 1/4 of SE 1/4 (part),

SE 1/4 of SW 1/4, SW 1/4 of SW 1/4.

Section 10, Township 59 N, Range 13 W

NE 1/4 of NE 1/4, NW 1/4 of NE 1/4,  
NE 1/4 of NW 1/4, NW 1/4 of NW 1/4,  
SE 1/4 of NE 1/4 (part),  
SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NE 1/4 of SE 1/4 (part), NW 1/4 of SE 1/4 (part),  
SE 1/4 of SW 1/4 (part), NE 1/4 of SW 1/4 (part).

Section 11, Township 59 N, Range 13 W

NE 1/4 of NE 1/4 (part), NW 1/4 of NE 1/4 (part),  
SE 1/4 of NW 1/4 (part), NE 1/4 of NW 1/4 (part),  
NW 1/4 of NW 1/4, SW 1/4 of NW 1/4 (part).

Section 12, Township 59 N, Range 13 W

NE 1/4 of NE 1/4,  
NE 1/4 of NW 1/4,  
SE 1/4 of NE 1/4, SW 1/4 of NE 1/4 (part),  
SE 1/4 of NW 1/4 (part).

Section 18, Township 59 N, Range 13 W

NW 1/4 of NE 1/4, SW 1/4 of NE 1/4,  
SE 1/4 of NW 1/4,  
NE 1/4 of SW 1/4.

Section 33, Township 60 N, Range 13 W

SE 1/4 of SE 1/4, SW 1/4 of SE 1/4.

Section 34, Township 60 N, Range 13 W

SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW of SW 1/4.

Section 35, Township 60 N, Range 13 W

SE 1/4 of SE 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, SW of SW 1/4.

2. Reservation of minerals found in Warranty Deed dated November 2, 1935, and recorded November 16, 1935, in Book 639 of Deeds, page 353, by Louise F. Clark, unmarried, to the United States of America, affecting the following lands:

Section 5, Township 59 N, Range 13 W

Government Lot 1

Section 7, Township 59 N, Range 13 W

SE 1/4 of NE 1/4, NW 1/4 of SE 1/4,  
NE 1/4 of SW 1/4, SW 1/4 of SE 1/4,  
SE 1/4 of SW 1/4, Government Lot 4.

Section 8, Township 59 N, Range 13 W

NW 1/4 of NW 1/4, SW 1/4 of NW 1/4.

Section 9, Township 59 N, Range 13 W

SW 1/4 of SE 1/4

Section 10, Township 59 N, Range 13 W

NW 1/4 of SW 1/4, SW 1/4 of SW 1/4 (part).

Section 17, Township 59 N, Range 13 W

NW 1/4 of NW 1/4, SW 1/4 of NW 1/4,  
NW 1/4 of SW 1/4 (part), NE 1/4 of SW 1/4 (part).

Section 18, Township 59 N, Range 13 W

NE 1/4 of NE 1/4, NE 1/4 of NW 1/4,  
SE 1/4 of NE 1/4, NE 1/4 of SE 1/4, NW 1/4 of SE 1/4.

3. Reservations to third parties of all minerals in the following lands:

Section 7, Township 59 N, Range 12 W

Lots 3 and 4

Other:

1. Federal Land Policy and Management Act Private Road Easement dated January 1, 1991, and recorded April 30, 1991, as Document No. 519573, from the United States of America, acting by and through the Forest Service, Department of Agriculture, to Cyprus Northshore Mining Corporation, a Minnesota corporation, affecting the following lands:

Lots 1, 3 and 4, Section 4, Township 59 N, Range 13 W,  
Lot 1 and S 1/2 of NW 1/4, Section 5, Township 59 N, Range 13 W,  
S 1/2 of SE 1/4, Section 33, Township 60 N, Range 13 W,  
SW 1/4 of SW 1/4, Section 34, Township 60 N, Range 13 W.

The Forest Service will terminate this easement following the closing of this transaction. Non-Federal Party will execute an agreement for continued use with permit holder at the date of closing.

2. Special Use Permit, running in favor of Minnesota Power, a Division of Allete, Inc., for operation, maintenance, and construction of electric transmission power lines, affecting the following lands:

NW 1/4 of NW 1/4, Section 17, Township 59 N, Range 13 W,  
NE 1/4 of NW 1/4, NE 1/4 of NE 1/4, and NW 1/4 of NE 1/4,  
Section 18, Township 59 N, Range 13 W,  
and other lands.

The Forest Service will terminate that part of said Permit affecting the above-described lands following the closing of this transaction. Non-Federal Party will execute an agreement for continued use with permit holder at the date of closing.

3. Special Use Permit, running in favor of Northshore Mining Corporation, for operation, maintenance, and construction of electric transmission lines, affecting the following lands:

Lots 1, 3 and 4, Section 4, Township 59 N, Range 13 W,  
Lot 1 and S 1/2 of NW 1/4, Section 5, Township 59 N, Range 13 W,  
S 1/2 of SE 1/4, Section 33, Township 60 N, Range 13 W,  
SW 1/4 of SW 1/4, Section 34, Township 60 N, Range 13.

The Forest Service will terminate that part of said Permit affecting the above-described lands following the closing of this transaction. Non-Federal Party will execute an agreement for continued use with permit holder at the date of closing.

## **Schedule C**

### **Additional Terms and Conditions of Exchange**

1. It is agreed that for purposes of this Exchange Agreement, the Non-Federal Party and the United States of America are jointly referred to as the “Parties.”
2. It is understood that the United States of America will convey the real property described in Schedule B by an Exchange Deed(s) with no warranty of title.
3. With respect to any mineral or other rights outstanding in third parties described on Schedule A with whom the Non-Federal Party has no privity, the Non-Federal Party does not warrant the existence or efficacy of any such rights.
4. In the event that there is a title deficiency which precludes the exchange of one or more parcels, the Parties agree that they will use their best efforts to realign the exchange, within the parameters of the Federal code, rules and regulations, to the extent permissible within existing environmental documentation and analyses, including the Forest Service decision upon which the Agreement is made.