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**GIANTS RIDGE MASTER ASSOCIATION
AMENDED AND RESTATED MASTER DECLARATION**

**As approved by Giants Ridge Master Association
Members and Board
pursuant to**

Giants Ridge Master Association Resolutions #07-01, 08-02, 08-03 and 10-01

**As Printed March 17, 2010, with Updated Exhibit A Legal Descriptions
and Property Owner Consent Forms**

Return to:

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AMENDED AND RESTATED MASTER DECLARATION

GIANTS RIDGE

This Amended and Restated Master Declaration (the "Master Declaration"), is made and executed this 22nd day of March, 2010, by Giants Ridge Master Association, a Minnesota nonprofit corporation (the "Association"), with approval by the required number of votes of Members of the Master Association, pursuant to the requirements of the Original Declaration referenced below.

WITNESSETH

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Giants Ridge Golf & Ski Resort (the "Original Declaration") was recorded in the offices of the St. Louis County Registrar of Titles as Document No. 663947 and the St. Louis County Recorder as Document No. 750422, on April 21, 1999;

WHEREAS, the Master Association, as defined in this Master Declaration, has been formed to act as a "master association" within the meaning of MCIOA, for the purposes described in this Master Declaration;

WHEREAS, the Property and any Additional Property subjected to this Master Declaration do not, collectively, constitute a separate common interest community as defined in MCIOA;

WHEREAS, the Association desires to amend, restate and replace of record the Original Declaration to continue to provide for certain services and maintenance for the Property; the enforcement of the covenants, conditions and restrictions contained in this Master Declaration; and the preservation of the value, amenities and architectural character of the Property.

THEREFORE, the Master Association, with the approval of the required number of votes of Members of the Master Association pursuant to this Master Declaration, declares (i) that this Master Declaration shall supersede and replace in its entirety the Original Declaration, (ii) that this Master Declaration shall constitute covenants to run with the Property, and (iii) that the Property, and any Additional Property added thereto, shall be owned, encumbered, used, operated, occupied and conveyed subject to the covenants, conditions, restrictions, easements, charges and liens described in this Master Declaration, all of which shall be binding upon all Persons having or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1

DEFINITIONS

The following terms, as used in this Master Declaration, shall have the following meanings:

1.1 "Additional Property" means the real property described in Exhibit E attached hereto, and all Improvements located thereon, now or in the future, which Additional Property may be added to the Property pursuant to Section 13.

1.2 "Architectural Review Committee" or "A.R.C." means that permanent committee of the Master Association, created for the purpose of establishing and enforcing criteria for the construction and modification of Improvements.

1.3 "Assessable Unit" means (i) each Unit and (ii) each Unit Equivalent.

1.4 "Building" means a permanent physical structure which is located within a Unit or the Master Common Elements, or which contains a Unit or other space that is part of the property.

1.5 "Business Class Assessment" means those Assessments levied from time to time against only the Business Members in accordance with the Master Governing Documents.

1.6 "Business Director" means a member of the Master Board nominated by and elected from among the Business Members in accordance with the Master Bylaws.

1.7 "Business Member" means a Person who holds a Business Membership.

1.8 "Business Membership" means a Membership designated as such pursuant to Section 3.

1.9 "Business Parcel" means a Development Parcel designated as a Business Parcel pursuant to Section 3.

1.10 "Business Parcel Developer" means the developer of a Business Parcel.

1.11 "Business Parcel Owner" means the owner of a Business Parcel, or the lessee of a Business Parcel under a lease for a term of twenty years or more including renewals exercisable by the lessee.

1.12 "CIC" means a common interest community as defined in MCIOA, whether subject to or exempt from MCIOA, which has been created on a Development Parcel.

1.13 "CIC Plat" means the recorded plat depicting a CIC pursuant to the requirements of Section 515B.2-110(c) or (d) of MCIOA, as applicable, including any amended or supplemental CIC Plat recorded from time to time in accordance with MCIOA.

1.14 "City" means the City of Biwabik, Minnesota, in which a part of the Recreation Area is located.

1.15 "Community Enhancement Fee" means the fee automatically assessed and levied upon the sale of a Unit as provided in Section 6.9.

1.16 "County" means St. Louis County, Minnesota, in which the Recreation Area is located.

1.17 "Design Standards" means the Design Standards for Giants Ridge, as described in Section 8.

1.18 "Development Parcel" means any parcel of land within the Recreation Area designated as a Development Parcel by the Master Developer pursuant to this Master Declaration or any amendment to this Master Declaration, and subjected to this Master Declaration, regardless of whether it is improved. A Development Parcel may be a Residential Parcel or a Business Parcel, and shall include all Improvements located on the Development Parcel from time to time.

1.19 "Development Parcel Owner" means the record owner of a Development Parcel (excluding Unit Owners), or a Person leasing a Development Parcel under a lease for a term of twenty years or more, including renewals exercisable by the lessee, and its successors and assigns.

1.20 "Dwelling" means all or part of a Building consisting of one or more floors, approved by the City or County for occupancy as a single-family residence, and located on a Residential Parcel or a Business Parcel. A Dwelling may be (i) a detached, free-standing structure, or (ii) one of multiple owned or rented single-family residences within a Building.

1.21 "Foreclosure" means foreclosure, whether by action or advertisement, of a Mortgage or the cancellation of a contract for deed, or the conveyance of the Property in question to the secured party by deed in lieu of foreclosure or cancellation.

1.22 "Golf Courses" means the golf courses and related facilities currently known as The Legend and The Quarry, developed by the Master Developer and located within the Recreation Area, or any other golf courses developed on the Golf Course Property in the future.

1.23 "Golf Course Owner" means the owner of the Golf Course Property, and its successors and assigns.

1.24 "Golf Course Property" means the property on which the Golf Courses are currently located, and such Property or Additional Property as may be developed for golf course purposes in the future.

1.25 "Government Member" means a state or local governmental entity or agency that holds a Government Membership (if and when authorized by MCIOA).

1.26 "Government Membership" means a Membership designated as such pursuant to Section 3, when and if authorized by MCIOA or laws amendatory thereof.

1.27 "Improvement" means any physical improvement of any kind, including without limitation any Building, wall, fence, sign, enclosure, screening, utilities system, communications system, irrigation or drainage system, pond, Roadway, trail, planting, retaining wall, landscaping, or any other type of structure or physical improvement, and any additions or changes thereto, located on the Property.

1.28 "Lease" means any lease, sublease, or rental contract, whether oral or written, for any part of the Property.

1.29 "Lodge" means the public restaurant, conference facilities, swimming pool and related facilities located on the Lodge Property.

1.30 "Lodge Owner" means the owner or ground lessee of the Lodge Property, and its successors and assigns.

1.31 "Lodge Property" means that part of the Property on which the Lodge is currently located, as described in Exhibit C attached hereto, and any additional adjacent land subsequently leased or sold to the Lodge Owner, subjected to this Master Declaration and used for the construction of an addition to the Lodge.

1.32 "Master Assessments" means, collectively, all assessments levied (i) by operation of the Master Governing Documents or MCIOA, or (ii) by the Master Association pursuant to Section 6.

1.33 "Master Association" means Giants Ridge Master Association, a nonprofit corporation created pursuant to, the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A, and Section 515B.2-121(a) of MCIOA. The Master Association is a "master association" as defined in MCIOA.

1.34 "Master Board" means the board of directors of the Master Association as provided for in the Master Bylaws.

1.35 "Master Bylaws" means the bylaws governing the operation of the Master Association, as amended from time to time.

1.36 "Master Common Elements" means all portions of the Property now or hereafter owned by the Master Association and intended for the common use and enjoyment of Unit Owners, Occupants, Development Parcel Owners and their tenants, and the invitees of such Persons. The Master Common Elements shall be designated as described in Section 3.3.6 and be as legally described in Exhibit B attached hereto.

1.37 "Master Common Expenses" means all expenditures made or liabilities incurred by or on behalf of the Master Association and incident to its operation.

1.38 "Master Declaration" means this instrument and all exhibits hereto, as amended from time to time, as recorded in the office of the St. Louis County Recorder and Registrar of Titles.

1.39 "Master Developer" means 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, created under and pursuant to Minnesota Statutes Section 298.22 and its successors and assigns, any administrative agency to which Master Developer's authority to administer or manage all or any portion of the Property or Additional Property shall by law be transferred, and any Person who, under the terms of this Master Declaration or by law, succeeds to any Master Developer Rights.

1.40 "Master Developer Control Period" means the time period during which the Master Developer has the exclusive right to appoint the members of the Master Board, as described in Section 12.

1.41 "Master Developer Rights" means the exclusive rights reserved to the Master Developer to appoint the members of the Master Board and complete the development of the Property, as described in Section 12.

1.42 "Master Governing Documents" means this Master Declaration, and the Articles of Incorporation and Master Bylaws of the Master Association, as amended from time to time, all of which shall govern the use and operation of the Property.

1.43 "Master Rules" means rules of the Master Association, as approved from time to time by the Master Board or by the A.R.C. in the manner provided in Section 8.15, which relate to the Master Association's affairs, or the use or operation of the Property, and apply to the entire Property.

1.44 "MCIOA" means the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, and statutes amendatory thereof.

1.45 "Member" means a Person who is a member of the Master Association as described in Section 3.

1.46 "Member Representative" means the person registered pursuant to Section 2.2 of the Master Bylaws to cast a Member's vote in matters to be voted upon by Members of the Master Association.

1.47 "Membership" means a Residential Membership or Business Membership.

1.48 "Mortgage" means a mortgage, contract for deed, or other security instrument granting, creating or conveying a lien upon or a security interest in any portion of the Property, or any interest therein.

1.49 "Mortgagee" means a Person that is the holder of a loan secured by a mortgage on any Unit, and its successors and assigns.

1.50 "Non-Weighted Vote" means that type of Member vote described in Section 3.5.1.

1.51 "Occupant" means any person other than a Unit Owner occupying a Dwelling.

1.52 "Parcel Covenants" means a Residential Declaration or other comparable instrument recorded against part or all of a Development Parcel and containing covenants, easements or restrictions burdening or benefiting the Development Parcel.

1.53 "Person" means a natural person, corporation, limited liability company, partnership, limited partnership, limited liability partnership or other legal entity.

1.54 "Predevelopment Parcel" means a part of the Property which has not been designated as part or all of a Development Parcel.

1.55 "Predevelopment Parcel Owner" means the record owner of a Predevelopment Parcel (excluding Unit Owners), or a Person leasing a Predevelopment Parcel under a lease for a term of twenty years or more, including renewals exercisable by the lessee, and its successors and assigns.

1.56 "Property" means all of the real property subject to this Master Declaration, now or in the future, including all Improvements located thereon. The Property is legally described in Exhibit A attached hereto.

1.57 "Recreation Area" means the Property and the Additional Property.

1.58 "Residential Association" means the owners association governing a CIC.

1.59 "Residential Board" means the Board of Directors of a Residential Association.

1.60 "Residential Class Assessment" means those Assessments levied from time to time against only the Residential Members in accordance with the Master Governing Documents.

1.61 "Residential Common Expenses" means all expenditures made or liabilities incurred by a Residential Association incident to the operation of that Residential Association.

1.62 "Residential Declaration" means a declaration or similar instrument, under MCIOA or otherwise, recorded against part or all of a Development Parcel and containing covenants, conditions, restrictions and easements establishing or governing a CIC located on the Development Parcel.

1.63 "Residential Declarant" means a Person named as a declarant in a Residential Declaration.

1.64 "Residential Member" means a Residential Association holding a Residential Membership.

1.65 "Residential Membership" means a membership designated as such pursuant to Section 3.

1.66 "Residential Parcel" means a Development Parcel designated as a Residential Parcel pursuant to Section 3.

1.67 "Residential Rules" means rules approved from time to time by a Residential Board, which only apply to the Residential Association administered by the Residential Board.

1.68 "Roadway" means any street, highway, road, trail, path, walk or other thoroughfare within the Property which is constructed by or with the approval of Master Developer, the Master Association, a Development Parcel Owner, the County or the Town for the common use of the Members and/or the public, except for parking areas.

1.69 "Ski Area" or "Ski Areas" means the alpine ski area and nordic ski area, and all related facilities located thereon from time to time, and any additions thereto which are part of the Recreation Area.

1.70 "Ski Area Owner" means the owner of one or both of the Ski Areas, and its successors and assigns.

1.71 "Ski Area Property" means the property on which the Ski Areas are located, identified as P.A. 19 on the PUD of Giants Ridge Golf & Ski Resort approved by the St. Louis County Planning Commission on May 20, 1997.

1.72 "Subdeveloper" means a Residential Declarant or Business Parcel Developer.

1.73 "Town" means the Town of White, in which a part of the Recreation Area is located.

1.74 "Unit" means a part of a Residential Parcel or Business Parcel containing one or more rooms which is intended for separate ownership, and occupancy as a Dwelling, the boundaries of which are described in the applicable Parcel Covenants and shown on a plat or registered land survey, or a plat complying with Section 515B.2-110(c) of MCIOA or Minnesota Statutes Chapters 505, 508 or 508A, as applicable.

1.75 "Unit Equivalent" means the standard applicable to Business Parcels for the purpose of establishing the voting rights and Common Expense allocations accruing to Business Memberships associated with the Business Parcels. A Unit Equivalent shall be (i) each 1,000 square feet of gross footprint area of one or more floors of a Building located on a Business Parcel and used for office, residential rental, retail or other business use; or (ii) an alternative Unit Equivalent reasonably determined by the Master Developer, based upon standards applied in other comparable recreational developments (if available), for a Development Parcel which

contains substantial open space and relatively little Building space (for example, a golf course or ski area). For purposes of computing the "gross footprint area" of a floor as used in this definition, multiple floors of the Building, of substantially the same size and located one above the other, shall be considered a single floor.

1.76 "Unit Owner" means the owner of a Unit. The term Unit Owner shall exclude any mortgagees, contract for deed vendors and other secured parties as defined in MCIOA, but shall include contract for deed vendees and holders of a life estate.

1.77 "Weighted Vote" means that type of Member vote described in Section 3.5.2.

Any terms used in the Master Governing Documents, and defined in MCIOA and not in this Section, shall have the meaning set forth in MCIOA. References to Sections refer to Sections of this Master Declaration unless otherwise indicated. References to the singular may refer to the plural, and conversely, depending upon context.

SECTION 2

PROPERTY

2.1 Property. The Property subject to this Master Declaration is described in Exhibit A attached hereto. That part of the Property constituting Master Common Elements shall be designated pursuant to Section 3.3.6, and shall be conveyed to and owned by the Master Association. The designation of any part of the Property as Master Common Elements shall not mean or imply a dedication of such property or that the public-at-large acquires any easement, or right of use or enjoyment therein, or access thereto, except as expressly set forth in this Master Declaration or in other recorded instruments approved by the Master Board.

2.2 Annexation of Additional Property. Master Developer may, at its sole and absolute discretion, at any time and from time to time, annex all or part of the Additional Property to the Property; except that the annexation of the Golf Course Property or the Ski Area Property shall also require the written consent of the owner and any ground lessee of the respective property. The Master Developer shall exercise its rights in accordance with the provisions of Section 13 and may designate the annexed property as a Development Parcel or as Master Common Elements, or any combination thereof. Additional Property may be annexed to the Property as a Development Parcel or Predevelopment Parcel.

2.3 Annexation of Other Property. In addition to the Additional Property, other real property may be annexed to the Property and subjected to this Master Declaration with the prior written approval of (i) the Master Board, and (ii) the Master Developer so long as the Master Developer owns a Predevelopment Parcel or Development Parcel or has the right to subject Additional Property to this Master Declaration. Such property may be annexed to the Property as a Development Parcel or Predevelopment Parcel. The Master Association shall have authority to, and shall, amend the Master Declaration as necessary to subject the property to this Master Declaration, reallocate Master Common Expense obligations, voting rights and Memberships, and the amendment.

2.4 De-Annexation of Property. Parts of the Property may be de-annexed and released from this Master Declaration subject to the following requirements:

2.4.1 Parts of the Property exclusively owned by the Master Developer may be unilaterally de-annexed by the Master Developer executing and recording an amendment to this Master Declaration describing the de-annexation and the property to be de-annexed.

2.4.2 As to parts of the Property not exclusively owned by the Master Developer, the de-annexation shall be approved in writing by the Master Developer so long as it owns a Development Parcel or has the right to subject Additional Property to this Master Declaration, by the Master Board and by the owner of the property to be de-annexed; and, if the de-annexation is approved, an amendment to this Master Declaration describing the de-annexation and the parcel being de-annexed shall be executed by the Master Developer, the Master Association and the owner of the property to be de-annexed, and recorded. The Master Developer or Master Board may impose conditions on their approval of the de-annexation.

2.4.3 Upon recording of the amendment, the de-annexed parcel shall no longer be subject to this Master Declaration and any Membership rights or obligations accruing thereto shall terminate, except as to obligations arising prior to the de-annexation.

2.5 Subdivision, Redesignation and Conversion of Property. In addition to the Master Developer's rights to subdivide, combine, redesignate and convert Development Parcels owned by it, a Development Parcel owned in its entirety by a Person other than the Master Developer may be subdivided or combined, the Development Parcel type redesignated or the boundaries relocated, subject to the prior written approval of (i) the Master Association, (ii) the Development Parcel Owner, and (iii) the Master Developer so long as the Master Developer owns a Predevelopment Parcel or Development Parcel or has the right to subject any Additional Property to this Master Declaration. Any such subdivision, redesignation or combination shall be done in accordance with all applicable governmental laws, codes and regulations, and the costs associated therewith shall be paid by the Person requesting the change unless otherwise agreed by the Master Board. An amendment to this Master Declaration shall be executed by the approving Persons and recorded to reflect any changes in legal descriptions, reallocations of Memberships and related matters. Nothing in this Section shall prohibit or restrict the subdivision or combination of Units or the relocation of Unit boundaries pursuant to MCIOA or the applicable Parcel Covenants, or the exercise of Master Developer Rights.

2.6 Golf Courses. The Master Developer has developed two golf courses and related facilities on the Golf Course Property. The Golf Courses shall be open to the public during operating hours while privately owned, and, while publicly owned to the extent that lawfully appropriated funds are available to fund their operations. The Golf Courses shall be separate and distinct from the Master Association and any Development Parcel, but may be subjected to this Master Declaration (for limited purposes or otherwise) by the Master Developer pursuant to its Master Developer Rights, or otherwise subject to the prior written approval of the Master Board and the Golf Course Owner. Unless otherwise agreed in writing by the Golf Course Owner, no Member, Unit Owner or Occupant, nor their invitees, shall have any right or privilege to enter upon or use the Golf Course Property, except under the same conditions as the general public.

The Master Association has no responsibility or liability for activities occurring on the Golf Course Property, and all Persons using the area do so at their own risk.

2.7 Ski Areas. The Master Developer has developed an alpine Ski Area and a nordic Ski Area and related facilities on the Ski Area Property. The Ski Areas shall be open to the public, during operating hours, while privately owned, and while publicly owned to the extent that lawfully appropriated funds are available to fund their operation. The Ski Areas shall be separate and distinct from the Master Association and any Development Parcel, but may be subjected to this Master Declaration (for limited purposes or otherwise) by the Master Developer pursuant to its Master Developer Rights, or otherwise subject to the prior written approval of the Master Board and the Ski Area Owner. Unless otherwise agreed in writing by the Ski Area Owner, no Member, Unit Owner or Occupant, nor their invitees, shall have any right or privilege to enter upon or use the Ski Area Property, except under the same conditions as the general public. The Master Association has no responsibility or liability for activities occurring on the Ski Area Property, and all Persons using the area do so at their own risk.

2.8 Interests Subject to Plan of Development. Every Person holding or acquiring an interest in any portion of the Property, shall take title or hold such interest subject to the Master Developer's rights pursuant to this Master Declaration. Notwithstanding anything to the contrary in this Master Declaration, the Master Developer's rights or obligations under the Master Governing Documents may not be changed in whole or in part without the prior written consent of the Master Developer, which consent may be granted or denied in the Master Developer's sole and absolute discretion.

SECTION 3

ASSOCIATION STRUCTURE, AUTHORITY AND MEMBERSHIP

3.1 Formation/Purposes. The Master Association is formed as a Minnesota non-profit corporation pursuant to Minnesota Statutes Chapter 317A and Section 515B.2-121(a) of MCIOA. The Master Association is formed, and shall have the obligation and the power, to perform the following functions:

3.1.1 To operate, administer, maintain, repair and replace the Master Common Elements, and all Improvements thereon, and to provide such other maintenance, repair and replacement as the Master Association is obligated to provide under Section 9.1.

3.1.2 To administer and enforce the covenants, conditions, restrictions, easements, and other rights and obligations, set forth in the Master Governing Documents or the Parcel Covenants, as applicable.

3.1.3 To control, preserve and enhance the architectural, aesthetic and environmental character of the Property.

3.1.4 To administer and coordinate the operation and use of the Master Common Elements for the benefit of the entire Giants Ridge community.

3.1.5 To undertake and administer, consistent with the seasonal recreational nature of the Recreation Area, centralized service, rental management and administrative functions, or other social, recreational or developmental activities as may benefit the Members and Unit Owners from time to time.

3.2 Powers and Administration. The operation and administration of the Master Association shall be governed by the Master Governing Documents, MCIOA and the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A (the "Corporate Act").

3.2.1 The Master Association is responsible for the overall operation, management and control of the Property. The Master Association shall have and exercise all powers relating to the operation and maintenance of the Property on behalf of its Members and all Unit Owners and Occupants, except to the extent that such powers are expressly reserved to one or more of the Residential Associations or Development Parcel Owners or relinquished by the Master Association in accordance with the procedures described in the Master Bylaws. All Parcel Covenants shall contain provisions delegating the powers of the Residential Associations to the Master Association, subject to the foregoing reservation or relinquishment of powers.

3.2.2 The Master Association shall have all powers with respect to the operation, management and control of the Property and the Master Association as are granted to an association by Section 515B.3-102 of MCIOA, as set forth in the Master Bylaws, together with those powers granted by the Minnesota Nonprofit Corporation Act and by law.

3.2.3 The power and authority of the Master Association is vested in the Master Board, unless action or approval by the Members is expressly required by the Master Governing Documents or MCIOA. All references to the Master Association mean the Master Association acting through the Master Board unless specifically stated to the contrary.

3.2.4 It is recognized that the interests of the Members may be served in the future by expanding or restricting the Master Association's powers. The powers of the Master Association may be expanded by amending this Master Declaration or Master Bylaws, as applicable, and the Parcel Covenants which are affected by the change in powers, if necessary.

3.3 Memberships and Development Parcels. Membership in the Master Association and the designation of Development Parcels shall be governed by the following requirements and qualifications:

3.3.1 Initially, there shall be two classes of memberships: Residential Memberships and Business Memberships. One Business Membership shall be issued for each Business Parcel and one Residential Membership shall be issued for each Residential Parcel, as provided in Section 3.3.4. Each Membership shall have the rights and obligations described in the Master Governing Documents.

3.3.2 A Residential Parcel is a Development Parcel on which the planned or existing Improvements have the following minimum characteristics:

3.3.2.1 The Improvements consist primarily of Units, either attached or detached, and related CIC common elements (if any);

3.3.2.2 The Units are primarily marketed to and owned by different Persons, rather than by one or a few Persons, for year-round or seasonal residential occupancy; provided, that this shall not preclude the short or long-term rental of a Unit by the Unit Owner or enrollment in a rental management program; and,

3.3.2.3 The Units are constructed and equipped for year-round or seasonal residential occupancy (for example, detached single-family homes, condominium units or townhouse units).

Notwithstanding the foregoing, a Residential Parcel may include business uses which are secondary to the primary residential use.

3.3.3 A Business Parcel shall consist of one or more separate parcels of real estate owned by one or more Persons on which the planned or existing Improvements are primarily configured, constructed and equipped for business activities and operations (for example, retail businesses such as a gift shop, a service business such as a restaurant, or a rental apartment building owned by a single owner). Notwithstanding the foregoing, a Business Parcel may contain Units whose residential use is secondary to the primary business use.

3.3.4 In the case of a Business Parcel, the Business Parcel Owner shall be the Member. If there are multiple owners of a Business Parcel, they shall designate one of them to act as the Member or form a joint entity to act as the Member. In the case of a Residential Parcel, the Residential Association which governs the Residential Parcel shall be the Member. No person holding a security interest in any part of the Property shall be a Member solely by reason of such interest.

3.3.5 When and if authorized by MCIOA, there shall be a third class of Membership, a "Government Membership," which may be issued to a state or local governmental entity that has a material financial, regulatory or public policy interest in the Recreation Area. Prior to the admission of a Person under a Government Membership, the Master Board shall establish such additional reasonable standards for a Government Membership as are deemed appropriate, consistent with law, which standards may, but need not, include voting rights, obligations to pay Master Common Expenses, or the right to nominate candidates for the Master Board, but must (if required by MCIOA) include the subjection of real property owned by the governmental entity to the Master Declaration. The Government Membership standards shall be subject to approval of the Master Developer for so long as the Master Developer owns a Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property, shall be set forth in writing, and shall be uniformly applied to the issuance of Government Memberships.

3.3.6 The Master Developer shall determine and designate, at its sole discretion, (i) the type of Development Parcel, (ii) when a Membership is issued and a Development Parcel type is designated with respect to a Predevelopment Parcel, and (iii) what part (if any) of a Predevelopment Parcel or Development Parcel shall be Master Common Elements, subject to the following conditions and procedures.

3.3.6.1 Real property may be subjected to this Master Declaration pursuant to Section 2.2 or 2.3 without contemporaneously designating a Development Parcel type, identifying any Master Common Elements or issuing a Membership with respect thereto. However, a Membership shall be issued and a Development Parcel type shall be designated no later than the time when the development of the property in question, including the construction of the improvements to be located thereon, is substantially complete.

3.3.6.2 The Master Developer may, at any time, designate part or all of a Predevelopment Parcel or Development Parcel exclusively owned by it as Master Common Elements; provided, that the part designated as Master Common Elements shall be conveyed to the Master Association at the time of its designation as Master Common Elements.

3.3.6.3 No voting rights or other rights or interests associated with a Membership, no obligation to pay Master Assessments and no Master Assessment lien, shall accrue or attach to any Predevelopment Parcel until such time as a Development Parcel type is assigned to the Predevelopment Parcel and a Membership is issued with respect thereto, as and if permitted by law, and neither the Predevelopment Parcel nor the Predevelopment Parcel Owner shall be subject to any obligations or enjoy any rights associated with a Membership except as otherwise expressly provided in Sections 7.14 and 9.2.4.

3.3.6.4 The Master Board shall, by resolution, promptly confirm the Master Developer's designation of each Development Parcel type and the issuance of the related Membership, the effective date thereof, and the legal description of those parts (if any) of any Predevelopment Parcel or Development Parcel designated as Master Common Elements by the Master Developer. The Master Association shall maintain in its records a schedule of the foregoing designations and legal descriptions in such form as to be readily accessible and understandable.

3.3.7 Except as otherwise provided in this Master Declaration, additional Memberships in the Master Association may be created only by (i) subjecting Additional Property or other property to this Master Declaration and issuing a new Membership as provided in Section 3.3.4, or (ii) subdividing a Development Parcel. Except as otherwise provided in this Master Declaration, a Membership shall be appurtenant to, and shall not be subdivided or separated from, the Development Parcel to which it is attached.

3.3.8 Memberships may be combined upon the combining or merging one or more Development Parcels. In the event of the partial condemnation of a Development Parcel or the de-annexation of part of a Development Parcel, the Membership shall attach

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to the surviving part of the Development Parcel unless otherwise agreed by the Master Board and the Member owning or governing the Development Parcel.

3.3.9 Except as expressly authorized by this Master Declaration, no CIC shall be terminated, no Residential Declaration shall be amended if the amendment would affect the rights or obligations as between the Master Association and the Residential Association, and no Residential Association shall be dissolved or subjected to bankruptcy or insolvency proceedings, without the prior written approval of (i) the Master Board; (ii) the Residential Board of the affected Residential Association, (iii) the Master Developer so long as it owns an unsold Development Parcel for sale or has the right to add Additional Property to the Property; and (iv) the applicable Residential Declarant so long as it owns an unsold Unit for sale in the Residential Parcel or has the right to add additional real estate to the Residential Parcel.

3.4 Residential Associations. A Residential Parcel shall be governed by a Residential Association whose members are the Unit Owners of the Units located within the Residential Parcel. Except to the extent delegated or reserved to, or otherwise performed by, the Master Association, the Residential Association shall be responsible for administering the Residential Declaration applicable to the Residential Parcel under its jurisdiction and for maintaining, in accordance with the Master Governing Documents and its Residential Declaration, any property which it owns or which it is required to maintain by its Residential Declaration.

3.4.1 Each Residential Association shall have a Residential Board, which shall be appointed by the Residential Declarant or elected by the members of the Residential Association, as required by the applicable Residential Declaration. The Residential Board shall administer the affairs of the Residential Association in accordance with and to the extent permitted by its Residential Declaration and the Master Governing Documents.

3.4.2 The Residential Declarant shall ensure that the Residential Declaration authorizes the Master Association to exercise the powers described in this Master Declaration and is otherwise consistent with the Master Governing Documents, and shall obtain the written approval of the Residential Declaration by the Master Developer prior to recording. No Residential Association shall be required to be subject to MCIOA if it would otherwise be exempt from MCIOA under Section 515B.1-102 thereof.

3.5 Member Voting Allocation. Each Member is allocated a vote in the affairs of the Master Association as follows:

3.5.1 With respect to the election of Master Board directors and unless a different type of vote is specified in the Master Governing Documents for a particular action, each Member shall have one equal vote (a "Non-Weighted Vote").

3.5.2 With respect to matters other than the election of Master Board directors and for which the Master Governing Documents specify such special type of vote, each Member shall have both a weighted vote (a "Weighted Vote") that is equal to the number of Assessable Units located within the Development Parcel owned or governed by the Member and a Non-Weighted Vote.

3.5.3 Each Member shall elect or appoint a Member Representative and alternate Member Representative (individually and collectively referred to as a "Member Representative") to cast the vote allocated to that Member and to otherwise represent the Member, as provided in the Master Bylaws. Member votes shall be cast by the Member Representatives of the respective Members, as directed by the Residential Board or Development Parcel Owner governing or owning the Development Parcel to which the Membership is attached.

3.5.4 The voting rights described in this Section 3.5 shall not be separated or conveyed separately from a Membership, and any conveyance, assignment, encumbrance, judicial sale or other transfer or encumbrance of such rights separate from the Membership is void.

3.6 Master Common Expense Allocation. Master Common Expenses shall be allocated equally among all Assessable Units, and shall be assessed and levied against each Member in proportion to the total number of Assessable Units in the Development Parcel owned or governed by the Member; subject to the exceptions and qualifications described in Sections 6.4, 6.5 and 6.7.

3.7 Master Bylaws. The Master Association shall have Master Bylaws which shall govern the operation and administration of the Master Association, subject to this Master Declaration in the event of a conflict. The Master Bylaws are binding upon all Members, Unit Owners and Occupants, and their invitees, all secured parties and all other Persons using the Property or holding or acquiring any interest in the Property.

3.8 Master Board of Directors. The Master Association's affairs shall be administered and managed by the Master Board, as provided in the Master Bylaws. Directors shall be elected, serve and exercise their powers as provided in the Master Bylaws.

3.9 Scope and Binding Effect of Actions. All agreements and determinations made by the Master Association in accordance with the powers and purposes established by the Master Governing Documents are binding upon all Persons having any interest in or using the Property.

3.10 Management. The Master Association shall at all times retain a manager or managers to manage the Master Association and the Property. The manager shall be a reputable and experienced manager, and shall be subject to approval by the Master Developer so long as the Master Developer owns a Predevelopment Parcel or Development Parcel for sale or has the right to add Additional Property to the Property. The manager may be the Master Developer or its affiliates, an employee of the Master Developer or Master Association, or an independent contractor. The Master Board may delegate to a manager some or all of the management duties imposed upon the Master Association's officers and directors by the Master Governing Documents. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Master Governing Documents and by law.

3.11 Master Rules. The Master Board shall have exclusive authority to approve and implement such reasonable Master Rules as it deems necessary from time to time for the purpose of operating and administering the affairs of the Master Association and regulating the use of the

Property. The Master Rules shall not be inconsistent with the Master Governing Documents or MCIOA. The inclusion in other parts of the Master Governing Documents of authority to approve Master Rules shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Master Rules shall be effective only after reasonable notice thereof has been given to the Members.

3.12 Suspension of Membership Rights. A Member's rights, interests and privileges with respect to the Master Association, shall continue only while it is in good standing as a Member. A Member shall be considered "not in good standing" during any period of time that (i) the Member is delinquent for more than thirty days in the payment of any Master Assessment, late charge, fine, or fee or (ii) has failed to cure a material violation of any provision of the Master Governing Documents or the Master Rules caused by the Member, or its Unit Owners or Occupants, or their invitees, within thirty days after notice of the violation has been given to the Member by the Master Association. The cure period for a violation may be extended for a reasonable time as determined by the Master Board, if a cure for the violation has been diligently undertaken and the cure is feasible. While not in good standing, the Member shall not be entitled to vote or exercise any other right or privilege of a Member; provided, that no Member shall be denied reasonable access to the Member's Development Parcel or Units or the use of utilities.

3.13 Appointment of Directors by the Master Developer. The Master Developer has the exclusive right to appoint the directors of the Master Association during the Master Developer Control Period, as set forth in Section 12.

SECTION 4

MASTER COMMON ELEMENTS AND PROPERTY RIGHTS

4.1 General. Those parts of the Property owned by the Master Association and designated as such constitute Master Common Elements, and are owned by the Master Association for the benefit of the Members, Unit Owners and Occupants, Development Parcel Owners and their tenants, and the invitees of such Persons. Said benefited Persons shall have reasonable rights of use and enjoyment in the Master Common Elements, subject to the Master Governing Documents, and said rights shall pass with the title to a Unit or Development Parcel as an appurtenance thereto, whether or not specifically described.

4.2 Management and Operation. Except as otherwise expressly provided in the Master Governing Documents, the Master Association shall manage, administer, operate, maintain, repair and replace the Master Common Elements. Master Common Expenses for the operation of the Master Association, the maintenance, repair, replacement and management of the Master Common Elements, and such other management, maintenance, repair and replacement as the Master Association is obligated to provide under Section 9, shall be assessed against and collected from the Members in accordance with Section 6.

4.3 Title to Master Common Elements. Title to any part of the Property constituting Master Common Elements shall be conveyed to the Master Association promptly upon its designation as Master Common Elements. Master Common Elements shall be conveyed and owned subject to: (i) building and zoning laws, and state and federal regulations; (ii) reservations of mineral rights in the State of Minnesota; (iii) the lien of real estate taxes not

yet due and payable; (iv) this Master Declaration, and other agreements, easements, covenants, conditions and restrictions of record; and (vi) any exceptions which would be apparent from a survey or physical inspection of the property in question.

4.4 Authority to Deal With Property. The Master Association shall have the power and authority to acquire, own, manage, sell, transfer, convey or encumber such interests in real and personal property as it may deem beneficial to its Members, without subjecting such property to this Master Declaration. Such interests may include fee simple or other ownership interests, liens, leaseholds, easements, licenses or any other possessory or use interests.

4.5 Limitations on Rights and Easements. The easements and any other rights of the Members, Owners and Occupants with respect to the Master Common Elements shall be subject to the obligations, conditions and restrictions described in this Master Declaration, all of which shall be appurtenant to and pass with the title to each Unit, Development Parcel or Predevelopment Parcel, as applicable.

SECTION 5

EASEMENTS

The following appurtenant easements and rights are hereby granted or reserved, as applicable, over, under and across the Property.

5.1 Access. Each Unit, Development Parcel and Predevelopment Parcel shall be the beneficiary of a nonexclusive easement for access to and from public roadways and trails on and across those portions of the Master Common Elements or Development Parcels designated for use as Roadways, as originally constructed or otherwise designated by the Master Association, subject to any restrictions authorized by the Master Governing Documents.

5.2 Use and Enjoyment. Each Unit and Development Parcel shall be the beneficiary of nonexclusive easements for use and enjoyment on and across the Master Common Elements, subject to any restrictions authorized by the Master Governing Documents.

5.3 Utilities, Services and Operating Systems. The Master Common Elements, the Units, Development Parcels and Predevelopment Parcels shall be subject to and benefited by nonexclusive easements in favor of applicable governmental authorities, the Master Association and all utility companies and other service providers for the installation, use, maintenance, repair and replacement of all utilities, services and common operating systems, such as natural gas, electricity, telephone cable TV, internet and other electronic communications, water, sewer, and similar services, irrigation systems, water management systems, fire control systems and other common operating systems, and metering and control devices, that (i) exist, (ii) are constructed in the future as part of the development of the Property or the Additional Property by a governmental authority, utility provider, the Master Developer or a Subdeveloper, (iii) are approved by applicable governmental authorities, (iv) are approved by the Master Association under authority contained in the Master Governing Documents or MCIOA, or (v) are described or referred to in a plat, this Master Declaration or other recorded instruments. Each Unit, Development Parcel and Predevelopment Parcel shall also be subject to and benefited by a non-exclusive easement in favor of other Units, Development Parcels and Predevelopment Parcels,

the Master Common Elements and the Master Association for all such utilities, services and systems installed in accordance with the foregoing provision of this Section.

5.4 Maintenance, Repair, Replacement and Reconstruction. The Development Parcels, and Predevelopment Parcels and Master Common Elements shall be subject to and benefited by nonexclusive easements in favor of the Master Association for the maintenance, repair, replacement and reconstruction of the Master Common Elements, the Development Parcels and Predevelopment Parcels and utilities serving the Development Parcels and Predevelopment Parcels, to the extent necessary to fulfill the Master Association's obligations under the Master Governing Documents. The Master Association and its management agents and employees, shall have access at reasonable times and upon reasonable notice to perform such maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency.

5.5 Drainage. The Property and Additional Property (regardless of whether it is added to the Property), shall be subject to and benefited by nonexclusive easements for surface water drainage over those parts of the Property and Additional Property which are designed, improved or graded for such purposes.

5.6 Wetlands Maintenance. In addition to maintenance easements granted by other recorded instruments, the Master Developer reserves for itself and the Master Association, and their successors, assigns, and designees, a perpetual, nonexclusive right and easement of access over those Master Common Elements, Development Parcels and Predevelopment Parcels within 100 feet of bodies of water or wetlands located on the Property or Additional Property, to maintain and landscape the slopes and banks pertaining to such areas and to maintain, repair and replace any equipment or other Improvements located within or serving the areas, in the event the Master Association agrees or is required to undertake such maintenance. Nothing herein shall be construed to make the Master Association, the Master Developer or any other Person responsible for performing the described maintenance or liable for damage resulting from flooding or erosion due to weather events or other natural occurrences.

5.7 Master Association Access. An exclusive easement in favor of the Master Association, its directors, officers, agents, and employees, including without limitation any management agent for the Master Association, for access on and across the Master Common Elements, Development Parcels and Predevelopment Parcels for the purpose of performing their respective duties. Except in the event of emergencies, this easement shall be exercised only during normal business hours and then, whenever practicable, only upon advance notice to the Unit Owner, Occupant, Residential Association or Development Parcel Owner directly affected.

5.8 Mortgagee Access. A non-exclusive easement in favor of each Mortgagee for access to that part of the Property subject to its mortgage, on and across Roadways and other portions of the Master Common Elements designated from time to time for such purposes.

5.9 Environmental Compliance. An exclusive easement in favor of Master Developer and the Master Association, and their respective agents, employees, successors, and assigns, on and across the Master Common Elements, Development Parcels and Predevelopment Parcels for the purpose of taking any action necessary to effect compliance with environmental laws, rules, regulations or procedures from time to time promulgated by the Master Board of or by any

governmental authority. Such easement shall include without limitation the right to implement erosion control procedures, the right to drain water, and the right to apply authorized fertilizers and pesticides.

5.10 Public Access. A non-exclusive easement in favor of the public for reasonable access over those paved or improved Roadways necessary to reach the Golf Course Property, the Ski Area Property, the Lodge Property and other parts of the Property open to the public. Public access pursuant to this Section may be reasonably regulated by the Master Association in accordance with the terms of this Master Declaration, subject to any governmental laws, rules, regulations and procedures relating to access.

5.11 Declaration of Reciprocal Easements. There is recorded against the Master Common Elements, the Lodge Property, the Golf Course Property, and other adjacent properties described therein a Declaration of Reciprocal Easements (the "Declaration of Reciprocal Easements") for the purpose of providing various cross-easements for parking, roadway access, pedestrian access, use and enjoyment between and among the properties referred to therein. The Declaration of Reciprocal Easements and this Master Declaration shall be construed and implemented in a consistent, complementary, fair and equitable manner, it being the intent of the Master Developer that the rights and easements granted by this Master Declaration and the Declaration of Reciprocal Easements shall operate together for the overall benefit of the aforementioned properties and the Recreation Area as a whole. If a conflict exists between this Master Declaration and the Declaration of Reciprocal Easements, after the application of the foregoing principles of construction, the Declaration of Reciprocal Easements shall control.

5.12 Golf Course Operation. The following rights and easements are granted or reserved in favor of the Golf Course Property for the benefit of the Golf Course Owner and its employees, and authorized users of the Golf Course, as applicable:

5.12.1 A non-exclusive easement for the installation, maintenance, repair, replacement and use within the Master Common Elements of security systems, utility systems, drainage systems, cable TV and other television or electronic information transfer systems, and for the drainage and discharge of surface water onto and across the Master Common Elements and Development Parcels; provided, that such drainage and discharge shall (i) comply with all applicable environmental laws and regulations and (ii) shall not materially damage or affect the Property or any Improvements. Such easements shall not interfere with existing Improvements and shall utilize, wherever possible, the easement areas designated for such utilities, cable TV and other services.

5.12.2 An exclusive easement for the reasonable use, maintenance and repair of golf cart, pedestrian and maintenance paths on and across those parts (if any) of the Master Common Elements, the yard areas of any Units or the unimproved parts of Development Parcels which have been improved by Master Developer for use as golf course paths.

5.12.3 An exclusive easement on and across the Master Common Elements, the yard areas of Units and the unimproved parts of Development Parcels, for reasonable access to maintain those parts of the Golf Course Property which cannot be reasonably accessed more directly. Unless otherwise agreed in writing by the owner of the property,

the area encumbered by this easement shall be limited to those portions of the Master Common Elements, Development Parcels and Units within twenty feet of the shared boundary lines of the Golf Course Property and Master Common Elements, Units or Development Parcels.

5.12.4 An exclusive easement on and across the Master Common Elements, yard areas of Units and unimproved parts of Development Parcels in favor of golfers and the Golf Course Owner for reasonable access to recover golf balls from such easement areas. Unless otherwise agreed in writing by the owner of the property, the area encumbered by this easement shall be limited to those portions of the Master Common Elements, Development Parcels and Units within twenty feet of the shared boundary lines of the Golf Course Property and Master Common Elements, Units or Development Parcels. Notwithstanding the foregoing, no person shall enter the easement areas with a golf cart or other vehicle except on authorized paths, nor commit a nuisance, cause damage or spend an unreasonable amount of time on the easement areas. This easement applies only to golf balls which are involuntarily caused to land on the easement areas, and shall not absolve any Person from liability for damage or personal injury based on statutory or common law liability principles.

5.12.5 An exclusive easement on and across parts of the Property adjoining the Golf Course, including without limitation Master Common Elements, Units and Development Parcels, for normal noise, light and motion occurring on and arising out of activities on the Golf Course Property and involving the operation and use of the Golf Course, including without limitation the playing of golf, operation of golf carts, operation and maintenance of Golf Course equipment, and related activities customarily occurring on or about a golf course.

5.12.6 The exercise of the easement rights set forth in Section 5.12 shall not unreasonably interfere with any Member's use of the Master Common Elements, or the use of any Unit or Development Parcel, and the Golf Course Owner shall promptly repair any damage caused by the exercise of the easement rights.

5.13 Ski Area Operation. The following rights and easements are granted or reserved, as the case may be, in favor of the Ski Area Property for the benefit of the ski area owner and its employees, and authorized users of the ski area, as applicable:

5.13.1 A non-exclusive easement for the installation, maintenance, repair, replacement and use within the Master Common Elements of security systems, utility systems, drainage systems, cable TV and other television or electronic information transfer systems, and for the drainage and discharge of surface water onto and across the Master Common Elements; provided, that such drainage and discharge shall (i) comply with all applicable environmental laws and regulations and (ii) shall not materially damage or affect the Property or any Improvements. Such easements shall not interfere with existing Improvements and shall utilize, wherever possible, the easement areas designated for utilities, cable TV and other services.

5.13.2 An exclusive easement on and across the Master Common Elements, the yard areas of Units and the unimproved parts of Development Parcels, for access to

maintain those parts of the Ski Area Property which cannot be accessed directly. Unless otherwise agreed in writing by the owner of the property, the area encumbered by this easement shall be limited to those portions of the Master Common Elements, Development Parcels and Units within twenty feet of the shared boundary lines of the Golf Course Property and Master Common Elements, Units or Development Parcels. The area encumbered by this easement shall be limited to those portions of the Master Common Elements, yard areas of the Units and unimproved parts of Development Parcels within twenty feet of the shared boundary lines of the Ski Area Property and Master Common Elements or Units.

5.13.3 An exclusive easement on and across other parts of the Property adjoining the Ski Area Property, including without limitation Master Common Elements, Units and Development Parcels, for normal noise, light and motion occurring on and arising out of activities on the Ski Area Property and involving the operation and use of the Ski Areas, including without limitation snow making, snow grooming, skiing, snow boarding, lift operation, equipment operation and maintenance, and related activities commonly occurring in a public ski area.

5.13.4 The exercise of the easement rights set forth in Section 5.13 shall not unreasonably interfere with any Member's use of the Master Common Elements, or the use of any Unit or a Development Parcel, and the Ski Area Owner shall promptly repair any damage caused by the exercise of the easement rights.

5.14 Emergency Access. In case of emergency, all Units and Development Parcels are subject to an easement, without notice and at any time, in favor of the Master Association for access by the Master Association's management agents, and in favor of fire, police or other public safety personnel.

5.15 Project Signs. The Master Developer and the Master Association shall have a non-exclusive easement and right to erect and maintain temporary and permanent signs and related landscaping, fencing, monuments and related Improvements identifying the Property or a Development Parcel on and over the Master Common Elements, Development Parcels designated or Units owned by the Master Developer, or otherwise reserved for the placement of signs. Those parts of the Master Common Elements or Development Parcels on which permanent monument signs or related Improvements are located shall be subject to non-exclusive easements in favor of the Master Association for the continuing use, maintenance, repair and replacement of said signs and Improvements.

5.16 Master Developer Rights. The Development Parcels and the Master Common Elements are subject to exclusive easements in favor of the Master Developer for the exercise of its Master Developer Rights as described in the Master Governing Documents. Easements in favor of the Master Developer shall terminate only upon the voluntary, written surrender of the easement right or at such time as the Master Developer no longer owns a Development Parcel or Predevelopment Parcel for sale, or has the right to add Additional Property to the Property.

5.17 Roadways. The Development Parcels shall be subject to and benefited by non-exclusive roadway easements on and across those portions of the Master Common Elements, Development Parcels or Predevelopment Parcels designated for use as such, as originally

constructed by the County, the City, the Master Developer or a Subdeveloper, or otherwise designated by the Master Association, subject to any restrictions authorized by the Master Governing Documents.

5.18 Other Easements. The Property shall be subject to such other easements as may be authorized by the Master Developer or the Master Association under authority contained in the Master Governing Documents or MCIOA or recorded against the Property by reason of the requirements of any governmental authority having jurisdiction over the Property in connection with the development of the Property or Additional Property.

5.19 Continuation, Scope and Conflict of Easements. The easements set forth in this Section (i) shall run with the Property and shall be appurtenant to the benefited and burdened properties; (ii) shall supplement and not limit any easements described elsewhere in this Master Declaration, or otherwise recorded; (iii) shall be permanent, subject only to termination in accordance with the terms of the easement; and (iv) shall include reasonable access to the easement areas over and through the Property for purposes of construction, maintenance, repair, replacement and reconstruction of Improvements constructed or installed within the easement areas.

5.20 Non Interference; Impairment Prohibited. All Persons exercising easement rights shall do so in a reasonable manner so as not to materially interfere with the operation of the Property or cause damage to the Property, and shall be financially liable for all costs of repair of any part of the Property which is damaged by the Person's exercise of the easement rights. No Person shall impair, obstruct or cause damage to any easement area, or Improvements or equipment installed therein. Notwithstanding anything in this Master Declaration to the contrary, no Owner, Occupant or Development Parcel Owner shall be denied reasonable access to his or her property or the right to utility services thereto.

5.21 Benefit of Easements. All easements benefiting a Development Parcel shall benefit the Owners and Occupants of Units located thereon, and their families and guests, and the Development Parcel Owner and its tenants. However, an Owner who has delegated the right to occupy a Unit to an Occupant or Occupants, whether by a lease or otherwise, shall not have the use and other easements rights in the Unit or Residential Parcel in which the Unit is located during such delegated occupancy, except (i) as a guest of an Occupant, or (ii) in connection with the inspection of the Unit or recovery of possession of the Unit pursuant to law.

5.22 Restriction on Third Party Easement Grants. No Person other than the Master Developer or the Master Association shall grant any easement or similar rights upon any portion of the Property without the prior written approval of (i) the Master Board, and (ii) the Master Developer so long as the Master Developer owns an unsold Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property; provided, that such approval shall not be unreasonably withheld if the easement is for a purpose consistent with the Master Governing Documents and does not prejudice the rights of any Person thereunder.

5.23 Creation of Additional Easements. The Master Developer hereby reserves the right, in the event that part or all of the Additional Property is not added to the Property, to have, use, create, grant and convey the following easements for the benefit of the Additional Property

not added (the "Excluded Property"), for the following purposes and under the following conditions:

5.23.1 To connect any utilities, cable TV, data, electronic communication or other service systems or facilities constructed on the Excluded Property to any utilities, cable TV, data, electronic communication or other systems providing services to the Property, including the right to utilize such facilities and services as are located within or serve the Property.

5.23.2 To have reasonable access over and under the Property to install, repair, maintain and replace all utilities and related facilities and systems installed on the Excluded Property, and to do such other acts as are necessary to connect with and utilize such services, facilities and systems located on the Property.

5.23.3 To have reasonable access to the Excluded Property and to construct and maintain any Improvements reasonably necessary to make the access usable.

5.23.4 To cause to be recorded against the Property and the Excluded Property such instruments as may be reasonably necessary to create and memorialize any of the foregoing rights and easements. The Master Association and the Residential Associations or, as applicable, Business Parcel Owners shall, upon the Master Developer's reasonable request, join in executing any such instruments, and shall otherwise cooperate with the Master Developer in furtherance of the establishment of the rights and easements referred to herein.

5.23.5 If an easement authorized by this Section is established, the owner of the Excluded Property shall, to the extent permitted by law, be responsible for paying all expenses in connection with the maintenance, repair, replacement and operation of easement-related Improvements constructed on the Excluded Property, and a reasonable share of the expenses of maintenance, repair, replacement or operation of the Improvements constructed on the Property.

SECTION 6

MASTER COMMON EXPENSES, ASSESSMENTS AND FEES

6.1 General. The Master Association has authority to levy Master Assessments against the Members. A budget shall be established and Master Assessments for Master Common Expenses shall be determined and levied against the Members by the Master Board, in its discretion, subject to the requirements and procedures set forth in this Section 6, and the requirements of the Master Bylaws. Master Assessments shall include annual Master Assessments under Section 6.2, and may include special Master Assessments under Section 6.3 and limited Master Assessments under Section 6.4. Subject to Section 6.7, annual Master Assessments and special Master Assessments shall be allocated among the Members in accordance with Section 3.6. Limited Master Assessments shall be allocated among the Members as provided in Sections 6.4. A Community Enhancement Fee shall be automatically levied pursuant to Section 6.9 upon each sale of a Unit or Business Parcel.

6.2 Annual Master Assessments. Annual Master Assessments shall be established and levied by the Master Board. Each annual Master Assessment shall cover all of the anticipated Master Common Expenses of the Master Association for that year which are to be allocated among the Members, except for limited Master Assessments anticipated and planned for by the Master Board. Annual Master Assessments shall be payable in monthly, quarterly, semi-annual or annual installments, as determined by the Master Board. Annual Master Assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of those parts of the Property, and Improvements located outside of the Property, for which the Master Association is responsible and which are not funded by limited Master Assessments pursuant to Section 6.4, or the Community Enhancement Fee described in Section 6.9.

6.3 Special Master Assessments. In addition to annual Master Assessments, the Master Board may levy a special Master Assessment against the Members at any time for the purposes described in this Master Declaration. Among other things, special Master Assessments shall be used for the purpose of defraying in whole or in part the cost of any unforeseen and unbudgeted Master Common Expense.

6.4 Limited Master Assessments. The Master Board may levy and allocate a limited Master Assessment among one or more, but not all, Members in accordance with the following requirements and procedures:

6.4.1 Subject to Section 6.5, any Master Common Expense benefiting a single class of Members may be assessed as a Business Class Assessment against only the Business Members or as a Residential Class Assessment against only the Residential Members.

6.4.2 Subject to Section 6.5, any Master Common Expense benefiting fewer than all of the Members may, at the Master Board's discretion, be assessed against the Members benefited, equally, by actual cost or based upon the relative number of Assessable Units among the benefited Members.

6.4.3 Reasonable attorney's fees and other professional fees and costs incurred by the Master Association in connection with (i) the collection of Master Assessments, and (ii) the enforcement of the Master Governing Documents or the Parcel Covenants against a Member may be assessed against the Member.

6.4.4 Late charges, fines and interest may be assessed as provided in Section 11.2.

6.4.5 If damage to the Master Common Elements is caused by the act or omission of any Unit Owner, Occupant, Business Parcel Owner or their tenants or invitees, the Master Association may assess the costs of repairing the damage exclusively against the applicable Member to the extent not covered by insurance.

6.4.6 The costs of maintenance performed by the Master Association as result of the failure of a Member to perform its maintenance obligations as set forth herein or in

the relevant Parcel Covenants may be assessed against the responsible Member in accordance with Section 9.1.4.

6.5 Limits on Assessment Authority. Notwithstanding anything to the contrary in this Master Declaration, the following limitations shall apply to the authority of the Master Board to levy Master Assessments:

6.5.1 A Master Assessment against only one Membership class must be approved by a majority vote of the directors which includes the affirmative vote of at least one director elected from the affected Membership class.

6.5.2 The following Master Board actions require a vote of the Members:

6.5.2.1 Master Association borrowings which, in the aggregate with all outstanding borrowings, exceed the greater of \$50,000 or fifty percent of the annual Master Assessment levied against the Members pursuant to Section 6.2 for the fiscal year in which the borrowing is approved.

6.5.2.2 Master Association funding of capital Improvements to the Recreation Area at a cost in excess of the greater of \$50,000 or fifty percent of the aggregate Master Assessments levied against the Members pursuant to Section 6.2 for the fiscal year in which the capital Improvement is approved.

6.5.2.3 An increase in the aggregate annual Master Assessments levied against the Members by an amount in excess of fifteen percent of the aggregate Master Assessments levied against the Members for the previous fiscal year, exclusive of Master Association insurance premiums.

6.6 Master Assessment Procedures. The following procedures shall govern the levying of Master Assessments:

6.6.1 In accordance with the Master Bylaws and this Master Declaration, the Master Board shall annually approve a Master Association budget, and shall allocate and levy an annual Master Assessment against the Members in proportion to the number of Assessable Units under the Member's jurisdiction. Special Master Assessments may be levied at any time. Limited Master Assessments may be levied at any time; however, to the extent that a limited Master Assessment can be budgeted prior to the start of the Master Association fiscal year, they shall be levied at the same time as the annual Master Assessment. A Master Assessment may be prorated for a partial year. Notice of a Master Assessment shall be given to the Members in accordance with the Master Bylaws. The Community Enhancement Fee shall be automatically levied, without need for notice of levy.

6.6.2 The share of each Master Assessment levied against a Residential Association shall promptly be levied and allocated by the Residential Association among the Assessable Units in the Residential Parcel in accordance with its Residential Declaration.

6.6.3 Subject to Section 6.7, annual Master Assessments and special Master Assessments shall be allocated among the Members in accordance with Section 3.6.

6.6.4 Except for Community Enhancement Fees, each Member shall pay its share of the Master Assessment to the Master Association in advance, monthly, quarterly or annually, as determined by the Master Board. Notice of a Master Assessment shall be given to the Members as provided in the Master Bylaws.

6.7 Liability for Master Assessments. Each Member shall be liable for the share of the Master Assessments levied against it.

6.7.1 Except as provided in Section 6.7.2, the liability for Master Assessments is absolute and unconditional and no Member is exempt from liability for payment of the Master Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by reason of a Residential Association's failure to collect its assessments from its members, by waiver of any rights, or by reason of any claim against the Master Association or its officers, directors or agents for their failure to fulfill any duties under the Master Governing Documents or MCIOA.

6.7.2 Notwithstanding anything to the contrary in the Master Governing Documents or any Parcel Covenants, the Master Developer shall not be liable to pay any Master Assessment, nor any assessment levied by a Residential Association for Master Assessments, with respect to any Development Parcel owned by it until the date on which a Dwelling constituting or located within the Development Parcel has a certificate of occupancy or other comparable certification issued by the City or County. The Master Developer may, in writing, grant a similar exemption from liability for Master Assessments to a Subdeveloper or builder. In addition, the Master Board may allocate a reduced share of the Master Assessment to certain Members to take into consideration incomplete or unoccupied Dwellings or Buildings which are not otherwise receiving full services from the Master Association.

6.8 Working Capital. There shall be established a working capital fund to meet future Master Association operating expenses or to purchase additional equipment or services.

6.8.1 Unless otherwise unanimously agreed in writing by the Master Board, there shall be contributed on a one-time basis for the initial conveyance of each Unit to the initial purchaser a working capital contribution in an amount equal to two times the annual Master Assessment payable with respect to the Unit; provided, that a conveyance to a Subdeveloper that acquires a Development Parcel for purposes of development and construction shall be exempt from the foregoing contribution requirements.

6.8.2 The contribution shall be paid at the time of closing of the initial sale of the Unit to a purchaser other than a Subdeveloper or builder and shall not be credited against the regular installments of Master Assessments.

6.9 Community Enhancement Fee. Unless otherwise unanimously agreed in writing by the Master Board, the Master Association shall charge and collect a Community Enhancement Fee in accordance with the requirements of this Section 6.9.

6.9.1 The Community Enhancement Fee as of the date of recording this Master Declaration shall be the greater of \$50 or twenty-five percent of the then current annual Master Assessment for the Association's fiscal year in which the closing takes place. The Community Enhancement Fee may be changed for any future calendar year by the vote of seventy percent of all Master Board directors; provided, that the vote approving the change must include the vote of the director appointed by the Master Developer.

6.9.2 Upon each transfer of title to a Unit (exclusive of exempt transfers under Section 6.9.5), the Community Enhancement Fee shall be charged to the buyer of the Unit and shall be payable to the Master Association at the closing of the transfer. If not paid at closing, the obligation shall survive the closing and shall be a continuing personal obligation of the buyer of the Unit. Each Unit Owner selling his or her Unit shall notify the Master Association's Secretary, or its designee, at least 15 days prior to the scheduled closing and provide the name of the buyer, the proposed date of closing, and any other information the Master Board may reasonably require. In the case of the sale of a Unit by contract for deed, the transfer of title for purposes of this Section shall be deemed to occur at the time of the execution and delivery of the contract for deed to the contract vendee.

6.9.3 Recognizing that the title to individual Dwellings in a Business Parcel will not be conveyed, a Business Parcel Owner shall pay a Community Enhancement Fee to the Master Association at the time of closing of the resale of the Business Parcel in an amount equal to two annual Master Assessments for each Assessable Unit, exclusive of Units. A Business Parcel Owner that has entered into an agreement for the sale of its Business Parcel shall provide to the Master Association's secretary, or its designee, at least 30 days prior to the scheduled closing of the sale, the name of the buyer, the proposed date of closing, and any other information the Master Board may reasonably require.

6.9.4 The Community Enhancement Fees may be used to fund that portion of the annual replacement reserve contributions not funded by annual or special Assessments, or used for other purposes approved by the Master Board, including but not limited to Master Association operating expenses, Master Common Element Improvements, operating reserves, or funding of activities, events, programs or services beneficial to the general good and welfare of the Recreation Area. Community Enhancement Fees shall not be used to engage in litigation, or in any political activity, including lobbying, protesting, or taking or asserting a position in any planning or zoning matter.

6.9.5 Notwithstanding the above, no Community Enhancement Fee shall be levied upon the following transfers of title to a Unit or Development Parcel ("exempt transfers"):

6.9.5.1 by or to the Master Developer;

6.9.5.2 to any Subdeveloper, Development Parcel Owner or authorized builder that holds title solely for purposes of development and resale or development and rental;

6.9.5.3 by a co-Unit Owner to any Person who was a co-Unit Owner of the same Unit immediately prior to such transfer;

6.9.5.4 by a Unit Owner to the Unit Owner's estate, surviving spouse, or heirs by reason of the death of the Unit Owner;

6.9.5.5 by a Unit Owner to an entity wholly owned or controlled by the Unit Owner, or to a family trust created by the Unit Owner as grantor for the benefit of the Unit Owner, his or her spouse, and/or heirs; provided, that upon any subsequent transfer of an ownership interest in such entity, the Community Enhancement Fee shall become due;

6.9.5.6 to a Mortgagee in connection with the foreclosure of a Mortgage or a deed in lieu of foreclosure; or

6.9.5.7 under other circumstances that the Master Board, in its discretion, unanimously designates, in writing, as an exempt transfer.

6.10 Voluntary Conveyances; Statement of Master Assessments. In a voluntary conveyance of a Unit or Business Parcel, the buyer shall be liable for any Community Enhancement Fee not paid upon closing. The Master Association shall furnish to the seller of a Unit, upon request, a statement as to the current status of Master Assessments and Community Enhancement Fees against the Unit. The Master Association may charge a reasonable fee for such services.

SECTION 7

USE RESTRICTIONS

It is Master Developer's intent to create a mixed use residential and recreational development, which includes a variety of recreational facilities, and related retail services, for the use of the public and the Unit Owners and Occupants. The use restrictions contained in this Section are designed to reconcile and facilitate the various residential, recreational and retail uses of the Property, recognizing that the purely residential uses of the Property must in some cases be compromised to accommodate the recreational and commercial uses. Accordingly, the following restrictions shall apply to the Property:

7.1 Use of Residential Parcels. Residential Parcels shall be used primarily for residential use; provided, that certain incidental business activities may be conducted on such parcels other than in the Units located on the parcels, as permitted by this Section and by Town or County ordinances or regulations. No business or commercial building or other structure may be erected on any Residential Parcel and no business may be conducted thereon, except as authorized by the Master Governing Documents and approved by the Master Board and the Residential Association governing the Residential Parcel.

7.2 Use of Business Parcels. Business Parcels shall be used primarily for commercial and retail use; provided, that Units may be constructed on such parcels and used for residential purposes if authorized by the Master Governing Documents and approved by the Master Board

and the Business Parcel Owner. Notwithstanding the foregoing, no commercial or retail business may be conducted in a Unit, except for home occupations as described in Section 7.3.

7.3 Home Occupations. A Unit Owner residing in a Unit may maintain a home occupation in such Unit and handle matters relating to such home occupation by telephone or correspondence therefrom; but only if the use (i) is incidental to the residential use, (ii) does not involve physical alteration of the Unit visible from the exterior, (iii) does not involve any observable business activity such as signs, advertising displays, deliveries, or use of the Unit by customers, employees or vendors, and (iv) complies with requirements contained in any applicable governmental laws, regulations, codes or ordinances.

7.4 Permitted Business Use. Notwithstanding anything to the contrary in the Master Governing Documents, (i) the Master Association may maintain offices for management and related operational purposes, (ii) Development Parcel Owners may maintain offices and related facilities to develop, market and operate their properties, and (iii) the Master Developer may maintain offices and other business facilities on the Property in connection with the exercise of its Master Developer Rights.

7.5 Rentals. Recognizing that one of the purposes of the Recreation Area is to provide recreational housing on a short term basis for persons using the recreational facilities located in the Recreation Area, nothing in this Section 7 shall be deemed to restrict the short or long term rental of Units designed and intended for such purposes, and the conducting of rental activities on the respective Development Parcels, subject to the following qualifications:

7.5.1 It is deemed to be in the best interests of all Unit Owners and Development Parcel Owners that the rental of Dwellings be conducted through a centralized rental management program. Accordingly, the Master Association shall have the authority to enter into a contract with a rental manager of its choice to administer or manage Dwelling rentals on behalf of those Persons who elect to participate in the Master Association's rental program. Unit Owners or Business Parcel Owners are not required to participate in the Master Association's rental program; however, the Master Board may deny to Persons who do not participate the right to receive part or all of the benefits and services included with the program.

7.5.2 The Master Association's rental management program may include a comprehensive central reservations system involving an "800" telephone number and a system by which all participating Persons will be allocated a fair share of the rental opportunities, subject to availability of their Dwellings and specific renter demands.

7.5.3 Rental activity shall be conducted in such a manner as to maintain the character of the Property as a whole and the type characteristics of the Development Parcel on which the rental activity is conducted, and shall not unreasonably interfere with use and enjoyment of the Property by Members, Unit Owners and Occupants, and their invitees.

7.6 Animals. The Master Board shall have the exclusive authority to prohibit, or to allow and regulate, by Master Rules, the keeping of animals on the Property. This authority may be exercised so as to permit or prohibit different types of animals, but those animals which are

permitted (if any) shall be limited to common domestic house pets such as dogs, cats, fish, birds and the like. However, no animal may be bred, or kept or maintained for business or commercial purposes, anywhere on the Property. The word "animal" shall be interpreted in its broadest sense and shall include all living creatures except humans. Notwithstanding the foregoing, no provision of the Master Governing Documents, nor Master Rules, may prohibit the keeping of a qualified service dog or similar animal by a person who is handicapped within the meaning of the Fair Housing Amendments Act of 1988 or comparable state law.

7.7 Vehicles, Trailers, Watercraft, Etc. All vehicles owned or used by Unit Owners or Occupants shall be parked in garages to the extent that garages are available. Notwithstanding the foregoing, garages shall not be used for storage or converted to other use so that they become unavailable for parking of vehicles. The Master Association shall have the authority to promulgate Master Rules to govern or prohibit outside storage or parking of vehicles, trailers, watercraft, recreational equipment and other personal property. No Unit Owner, Occupant or Development Parcel Owner shall repair or restore any vehicle of any kind on the Property except: (i) within enclosed garages or workshops; or (ii) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a proper repair facility. The Master Association has the authority to designate a portion of the Master Common Elements as a parking area for vehicles, trailers, watercraft, recreational equipment and other personal property, and to have illegally parked or stored vehicles or other personal property towed or otherwise removed.

7.8 Temporary Structures. No structure or other Improvement of a temporary character such as, but not limited to, house trailers, vans, shacks, sheds, animal enclosures, fencing, or other temporary or accessory buildings or structures, shall be erected, kept or maintained on the Property, except as authorized by the Master Board. This restriction shall not apply to temporary structures authorized or used by Master Developer or Development Parcel Owners for development, construction or sale of property throughout the Recreation Area.

7.9 Changes to Improvements. No Person shall construct, add to or change any Improvement as originally approved or constructed by Master Developer or the Master Association without the approval of the A.R.C.

7.10 Time Share and Tenants-In-Common Ownership. Except for Units existing on the date of recording of this Master Declaration, no Predevelopment Parcel, Development Parcel, Building or Dwelling, or part thereof, may be subjected to a time-sharing or fractional ownership or right-to-use plan, which divides a Unit or any other party of the Property into more than five separate ownership or use interests, unless approved in writing (i) by the Master Board, and (ii) by the Master Developer so long as it owns a Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property. Notwithstanding the foregoing, a Residential Declaration may contain provisions prohibiting or further restricting time shares, fractional ownership plans or other ownership or right-to-use plans.

7.11 Traffic Regulations. All vehicular traffic on the Roadways and elsewhere on the Property shall be subject to the laws of the State of Minnesota, the County, and the Town. The Master Association shall have authority to promulgate, administer, and enforce reasonable Master Rules governing vehicular and pedestrian traffic, including reasonable safety measures and speed limits more restrictive than those in force on public streets within the Recreation Area.

The Master Association shall be entitled to enforce the Master Rules by such enforcement procedures as it deems appropriate, including without limitation levying fines and towing. Only persons qualified under applicable laws and regulations may operate any type of motor vehicle, including without limitation golf carts, snowmobiles, all-terrain vehicles or watercraft, within the Recreation Area. In addition, the operators of golf carts shall comply with any operating regulations established by the Golf Course Owner. All vehicles operated in the Recreation Area shall be operated in a careful, prudent, and safe manner; and with due consideration for the rights of all residents and users of the Recreation Area.

7.12 Additional Protective Covenants. Master Developer may require the imposition on a Development Parcel, in connection with the creation or development of the Development Parcel, or the annexation of any Additional Property, additional protective covenants and use restrictions not inconsistent with those contained in this Master Declaration.

7.13 Quiet Enjoyment; Interference Prohibited. All Unit Owners and Occupants and their invitees shall have a right of quiet enjoyment in their respective Units, and the Occupants of rental Units shall have the same rights with respect to the Units they occupy from time to time. The Property shall be occupied and used so as not to cause a nuisance, nor unduly restrict, or interfere with the use and quiet enjoyment of Units located on the Property. Notwithstanding the foregoing, it is recognized that a mixed use, recreational development such as Giants Ridge involves a variety of recreational activities, such as skiing, golf, snowmobiling and the like, all of which can generate noise of different types. Such noise and related activity are an inherent and normal consequence of a mixed-use recreational development and shall not be deemed to impair the use or quiet enjoyment of the Property by Unit Owners or Occupants and other occupants or users of the Property.

7.14 Standards for Predevelopment Parcels. It is recognized that significant portions of the Predevelopment Parcel areas contain no Improvements and that there are other Predevelopment Parcel areas that contain a variety of Improvements that are in various stages of condition, construction and repair. Further, portions of the Predevelopment Property in the future may be either preserved intentionally in their natural state, be adapted to recreational rather than commercial or residential development uses, or, if they contain Improvements, be improved, renovated or reconstructed for recreational rather than commercial or residential purposes, for a significant period of time prior to completion of the development of the Recreation Area or designation as a Development Parcel. Some Predevelopment Parcel areas may never be designated as Development Parcels. Further, the Master Declarant is the owner of the Predevelopment Parcels but is not a Member of the Master Association and therefore does not have the rights and obligations attached to a Membership. It is intended that Predevelopment Parcels, prior to designation as Development Parcels, be maintained in reasonably good and sanitary condition in compliance with City codes and ordinances, but that they need not be maintained or operated to the same standards as Development Parcels, and that the covenants, easements, restrictions and conditions contained in this Master Declaration may not be strictly enforced against Predevelopment Parcels where such enforcement would impose an undue hardship upon the owner of an affected Predevelopment Parcel, diminish the value or recreational use potential of the affected Predevelopment Parcel, or interfere with the exercise of any Master Developer Rights.

SECTION 8

ARCHITECTURAL AND LANDSCAPE STANDARDS

8.1 General. It is the intent of Master Developer to create a general plan and uniform scheme of development of the Property and to create within the Property a residential and recreational community of high quality and harmonious Improvements. Accordingly, the A.R.C. shall have the right to approve or disapprove all architectural aspects, landscaping and location of any proposed Improvements, as well as the general plan for development of all Development Parcels. In addition, the A.R.C. shall have the right to approve or disapprove all proposed additions, changes and any other type of remodeling to the exterior of any Unit or other Improvement; except for any changes to a Unit or other Improvement by Master Developer. The A.R.C. may, in its sole discretion, impose standards for design, construction or development (the "Design Standards") which may be greater or more stringent than standards prescribed in applicable building, zoning or other governmental laws, codes or regulations; provided, that such standards shall be consistent with the architectural character and use of the Property as planned and developed by Master Developer. The procedures and Master Rules governing the A.R.C. are set forth in this Section 8.

8.2 Architectural Review Committee. The A.R.C. shall be a permanent committee of the Master Association, and shall administer and perform the architectural and landscape review and control functions of the Master Association.

8.2.1 The A.R.C. shall initially consist of a minimum of three (3) natural persons, who need not be Members. Until the expiration of the Master Developer Control Period, Master Developer shall have the right to determine the number of members of the A.R.C., and all members shall be appointed by Master Developer and hold office at the pleasure of Master Developer. Thereafter, Master Developer shall have the right to appoint and replace the majority of the members of the A.R.C. so long as Master Developer owns a Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property, and the Master Board shall have the right to appoint the remainder of the members.

8.2.2 Upon the earlier of the expiration of the Master Developer Control Period or the date on which Master Developer no longer has the right to subject any Additional Property to the Master Declaration the Master Board shall (i) determine how many persons shall serve on the A.R.C. (which shall be no fewer than three nor more than seven natural persons), (ii) appoint the members of the A.R.C. (subject to Master Developer's right to appoint the majority of members,), (iii) set uniform terms for the members of the A.R.C., and (iv) determine which member of the A.R.C. shall serve as its chair. Following the expiration of Master Developer's right to appoint the majority of the members of the A.R.C., a majority shall be Unit Owners and Development Parcel Owners (or their representatives).

8.2.3 A majority of the A.R.C. shall constitute a quorum to transact business at any meeting, and the action of a majority of those present shall constitute the action of the A.R.C.

8.3 Application and Approval Required. Except as expressly provided to the contrary in this Master Declaration, no Improvement shall be constructed, erected, removed, planted or maintained, nor shall any addition to or any change, replacement or alteration thereof be made, until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and location of the Improvements shall have been submitted to and approved in writing by the A.R.C.

8.3.1 Approval shall be requested by written application on such forms as may be required by the A.R.C. The A.R.C. may require the applicant to submit complete sets of plans and specifications prepared by an architect, landscape architect, engineer or other person found to be qualified by the A.R.C. The A.R.C. may require submission of samples of building materials and colors proposed to be used. If the A.R.C. determines that the information submitted is incomplete or insufficient in any manner, the A.R.C. may require the submission of additional information.

8.3.2 If the application is approved by the A.R.C. then an application shall be made to the appropriate official of the governmental authority whose approval of the project is required.

8.3.3 All construction shall be done by qualified contractors approved in writing by the A.R.C.

8.3.4 The applicant shall indicate in the application whether he or she wishes to attend the A.R.C. meeting at which the application will be considered.

8.3.5 Notwithstanding anything to the contrary in this Section 8, the installation of antennas and satellite dishes shall be restricted and governed by federal law and regulations. Applicants should contact the A.R.C. for details.

8.4 Approval Standards. The A.R.C. shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole and absolute discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the A.R.C. shall consider, at a minimum, the following criteria:

8.4.1 Compatibility of colors, minimum and maximum size, location, and design in relation to the Master Developer's design standards, existing buildings or other Improvements and topography.

8.4.2 Comparable or better quality of materials as used in existing buildings or other Improvements of comparable type on the Property.

8.4.3 Ease of maintenance and repair.

8.4.4 Adequate protection of the Property, the Master Association, Unit Owners and Occupants, and Development Parcel Owners from liability and liens arising out of the proposed alterations.

8.4.5 Substantial preservation of other Unit Owners' or Development Parcel's sight lines, if material.

- 8.4.6 Compliance with governmental laws, codes, ordinances and regulations.
- 8.4.7 Preservation, to the extent feasible, of existing trees and vegetation.
- 8.4.8 Preservation of the recreational/residential nature of the Property.

The A.R.C. shall have authority to establish such additional criteria and restrictions as it may, from time to time, determine. The A.R.C. shall give notice to the Members of any such additional criteria or restrictions at least 30 days prior to the effective date.

8.5 Hearing Process. The A.R.C. shall consider all applications at scheduled meetings of the A.R.C. The A.R.C. may establish regular meeting dates or may meet on an as needed basis. If the A.R.C. meets on a regularly scheduled basis, it shall provide a meeting schedule to the Master Board, and to any Member or unit owner upon request. If an applicant has indicated in the application that the applicant wishes to appear at the A.R.C. meeting at which the application will be considered, the A.R.C. shall give at least ten days prior written notice of the meeting time and place to the applicant. Applications shall be considered in the order in which they were received, except that where additional information is required by the A.R.C., consideration of the application may be delayed until all requested information is received.

8.6 Notice of Decision. Upon approval or disapproval of an application by the A.R.C., the A.R.C. shall notify the applicant in writing, which notification shall set forth the approval or denial of the application, or any qualifications or conditions of approval. The notice shall be given to the applicant no later than sixty days after the application and all related information and review fees required by the A.R.C. and the Master Declaration have been received by the A.R.C. If the A.R.C. disapproves the application, it shall state the grounds upon which the disapproval is based. Any applicant may appeal the decision of the A.R.C. to the Master Board by giving written notice to the Master Board, including a detailed explanation of the basis for the appeal, within thirty days of the A.R.C.'s decision. The determination of the Master Board shall be final and binding upon the applicant; provided, that no Improvement shall be erected or shall be allowed to remain which violates any of the covenants, conditions or restrictions contained in this Master Declaration, or which violates any governmental law, zoning or building ordinance, or regulation.

8.7 Variances. The A.R.C. may, in its sole discretion, grant variances from the requirements contained in this Section 8 or as elsewhere promulgated by the A.R.C., on a case by case basis; provided, that the variance sought (i) involves unique or extenuating circumstances, (ii) is reasonable and (iii) does not impose a hardship upon or prejudice other Unit Owners, Development Parcel Owners or the Master Association. The granting of such a variance by the A.R.C. shall not nullify or otherwise affect the A.R.C.'s right to require strict compliance with its requirements on any other occasion.

8.8 Completion Schedule. Construction of all Improvements for which the approval of the A.R.C. is required under this Master Declaration shall be completed within the time period specified by the A.R.C.

8.9 Proof of Compliance. Prior to the use or occupancy of any Improvement the Unit Owner or Development Parcel Owner, as applicable, shall obtain written approval from the A.R.C., certifying that the construction of the Improvement has been completed in accordance with the plans and specifications previously approved by the A.R.C. The A.R.C. may, from time to time, delegate to a member or members of the A.R.C., the Master Association manager or another qualified Person, the responsibility for issuing such approvals.

8.10 Inspection and Remedies. The A.R.C., and any agent or member of the A.R.C., has the right of entry and inspection upon any portion of the Property for the purpose of determining whether there is compliance with the applicable architectural standards. If any Person fails to comply with the requirements of the Master Declaration or the Master Rules promulgated by the A.R.C., the violator shall pay all costs in connection with the resolution or correction of the violation, including without limitation any attorneys or other professional fees incurred by the Master Association. The A.R.C. may, in addition to its other remedies, record against the Unit or Development Parcel with respect to which the application is made, in the public records of the County, an instrument stating that the Improvements fail to meet the requirements of the A.R.C.

8.11 Review Fees. The A.R.C. may adopt a schedule of reasonable fees for processing applications for approval. Such fees, if any, shall be payable to the Master Association at the time that the plans and specifications and other documents are submitted to the A.R.C. The payment of such fees, as well as other expenses of the A.R.C. required to be paid, shall be deemed to be a Master Assessment against the Unit or Development Parcel with respect to which the application is made.

8.12 Master Developer Exemption. Notwithstanding anything contained herein to the contrary, any Improvements of any nature made or approved at any time by the Master Developer including, without limitation, Improvements made or to be made to the Master Common Elements or Additional Property, shall not be subject to the review or other procedures of the A.R.C.

8.13 Protection from Liability. Neither Master Developer, the Master Association or its directors or officers, the members of the A.R.C., nor any Person acting on behalf of any of them, shall be liable for any costs or damages incurred by any Person due to any alleged mistakes in judgment, negligence or any action of the A.R.C. in connection with the approval or disapproval of plans, specifications or contractors. The Master Association shall indemnify, defend and hold harmless the A.R.C. and each of its members from all costs, expenses and liabilities, including attorneys' fees, of all nature resulting by virtue of the acts of the A.R.C. or its members. Neither Master Developer, the directors or officers of the Master Association, the members of the A.R.C., nor any Person acting on behalf of any of them, shall be responsible for any defects in any plans or specifications, nor for any defects in any Improvements constructed pursuant thereto. Each Person submitting an application for approval shall be solely responsible for the sufficiency of all plans and specifications submitted; for assuring compliance with all governmental laws, ordinances and regulations; for the quality of the contractor and for the construction of the Improvements constructed.

8.14 No Representation of Compliance. No approval of plans and specifications and no publication of standards by the A.R.C. shall be construed as representing or implying that

such plans, specifications, or standards will, if followed, result in properly designed Improvements. Such approvals and standards shall not be construed as representing or guaranteeing that any Unit or other Improvement built in accordance therewith was built in a good and workmanlike manner. Neither Master Developer, the Master Association, nor the A.R.C. shall be responsible or liable for any defects in any plans or specifications submitted or approved; any loss or damages to any person arising out of the approval or disapproval of any plans, specifications or contractor; any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations; nor any defects in construction undertaken pursuant to such plans and specifications.

8.15 Additional Master Rules. The A.R.C. is authorized to promulgate from time to time additional written architectural standards, guidelines and other Master Rules consistent with this Master Declaration governing the construction, location, landscaping and design of Improvements, the contents of plans and specifications, and other information required to evidence compliance with this Section 8. Any such publications by the A.R.C. shall be binding and enforceable against all Persons with respect to all Improvements subject to approval by the A.R.C.

SECTION 9

MAINTENANCE OF PROPERTY

9.1 Master Association Responsibilities. The Master Association shall be responsible for the maintenance, repair and replacement of the Master Common Elements and all Improvements thereto, and all common signs and project monuments constructed by Master Developer or the Master Association and benefiting the Property as a whole regardless of where located. The Master Association may, at its discretion, also undertake or delegate responsibility to other Persons for, the maintenance, repair and replacement of the roofs and exterior shells of Buildings and/or the exteriors of Improvements constructed on a Development Parcel by the Master Developer, a Unit Owner, a Development Parcel Owner or a Subdeveloper, subject to the following qualifications:

9.1.1 The Master Board may, at the time that a Development Parcel is designated as such and a Membership is issued with respect thereto, determine whether the Member or the Master Association shall be responsible for the maintenance, repair and replacement of all or part of the Development Parcel in question. Unless otherwise determined by a Master Board resolution, the Member shall be responsible for the maintenance, repair and replacement of the exterior shells of the Buildings and the other Improvements located on the Development Parcel which it owns or governs. The Master Board's determinations shall be based upon uniform criteria, and shall take into consideration relevant factors such as cost, benefit, ease of administration and architectural standards. Unless otherwise indicated, the term "responsible" includes financial responsibility as well as responsibility to cause the maintenance or other work to be performed.

9.1.2 Notwithstanding the requirements of Section 9.1.1, the responsibility for the maintenance, repair and replacement of Improvements located on a Development Parcel or Predevelopment Parcel, or any part thereof, may be changed at any time subject

to written approval by the Master Board, by the Member owning or governing the Development Parcel, and by Master Developer so long as it owns a Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property.

9.1.3 For purposes of this Section, the "exterior shells" of the Buildings include the exterior siding, window frames, soffits, roof underlayment and shingling, decks, patios, exterior lights (exclusive of bulbs) and chimney sheathing (exclusive of cleaning). Exterior shells do not include any glass surfaces or enclosures, portions of Buildings located inside of the siding or other sheathing forming the exterior shell, framing and other structural components, foundations or foundation walls, or any Improvement added by the Unit Owner or Member, unless expressly agreed to in writing by the Master Board.

9.1.4 The expense of any maintenance, repair or reconstruction of the Recreation Area necessitated by the acts or omissions of a Member, Unit Owner or Occupant, or their invitees, shall be borne solely by the Unit Owner or the Member owning or governing the Development Parcel, and the Member shall be subject to a Master Assessment for such expense.

9.1.5 Notwithstanding the assumption or delegation of responsibility of maintenance, repair and replacement, the Master Board may impose standards and specifications for the performance of such responsibilities on the Persons obligated to perform them, and may enter, and correct any adverse condition or maintenance deficiency, upon any Development Parcel, and assess any costs incurred in connection therewith against the Member owning or governing the Development Parcel.

9.2 Member, Unit Owner and Predevelopment Parcel Owner Responsibilities. Unless changed pursuant to Section 9.1.2, the responsibilities of the Members, Unit Owners and Predevelopment Parcel Owners are as follows:

9.2.1 Business Parcel Owners shall be responsible for the maintenance, repair and replacement of all Improvements located on the respective Development Parcels owned by them, except those which are part of a CIC located within the Business Parcel.

9.2.2 Unit Owners shall be responsible for all maintenance, repair and replacement of their Units, except such responsibilities (if any) as are expressly assumed by the Master Association under Section 9.1. or by the Residential Association in which the Unit Owners are members.

9.2.3 Predevelopment Parcel Owners shall be responsible for the maintenance, repair and replacement of all Improvements located on the respective Predevelopment Parcels owned by them.

9.2.4 Members, Unit Owners, and Predevelopment Parcel Owners shall maintain their respective Development Parcels, Units and Predevelopment Parcels, and related Improvements, in good, clean, sanitary and aesthetically pleasing condition, and in compliance with the Master Governing Documents and all applicable governmental laws, codes, ordinances and regulations. Notwithstanding the foregoing, it is recognized

that some Predevelopment Parcels may never contain Improvements or may contain public recreational Improvements that are not associated with any private commercial or residential development Improvements. Accordingly, the maintenance, repair and replacement standards for a Predevelopment Parcel shall be limited to assuring that the Predevelopment Parcel is kept and maintained free of hazardous material and substances and otherwise is in compliance with applicable laws, codes, ordinances and regulations relating to the maintenance of such property.

SECTION 10

INSURANCE AND RECONSTRUCTION

The Master Association shall obtain and maintain the following insurance relating to the Property:

10.1 Property Insurance. Property insurance in broad form insuring all insurable Improvements located on the Master Common Elements and any insurable Improvements on other real property owned or leased by the Master Association, against loss or damage by fire and other hazards, including, without limitation and as applicable, extended coverage, flood, vandalism, and malicious mischief. Such insurance shall be in an amount sufficient to cover the full insurable replacement cost of such Improvements and other property, subject to such reasonable deductibles as the Master Board shall determine.

10.2 Liability Insurance. Commercial general liability insurance covering the Master Common Elements and all damage or injury caused by the negligence of the Master Association, its members, its directors and officers, or any of its agents. Such public liability policy shall provide such coverage, limits and deductibles as the Master Board shall determine.

10.3 Directors' and Officers' Liability Insurance. Directors' and officers' liability insurance covering all directors, officers and committee members for their acts or omissions while acting within the scope of their duties on behalf of the Master Association.

10.4 Workers' Compensation Insurance. Workers' compensation insurance to the extent necessary to comply with any applicable laws.

10.5 Other Insurance. Such other types and amounts of insurance as may be determined by the Master Board to be necessary or desirable, including without limitation insurance or fidelity bonds covering dishonest acts by those Persons having control or custody of the Master Association's funds.

10.6 Master Association as Trustee/Premiums. All insurance coverage obtained by the Master Board of Directors shall be written in the name of the Master Association as trustee for its Members. The premiums for the insurance shall be a Master Common Expense. The Master Board shall have exclusive authority to negotiate, settle and adjust losses under all policies obtained by the Master Association; provided, that any Mortgagee of the Master Common

Elements having an interest in such losses shall be kept informed and have input into any settlement negotiations materially affecting its interests.

10.7 Policy Requirements. Insofar as permitted by law, the Master Association shall be required to make every effort to secure insurance policies with the following provisions and endorsements:

10.7.1 All policies shall be written with a company licensed to do business in the State of Minnesota and holding a rating of A-Xi or better in such financial categories as established by Best's Insurance Reports, if such a company is available, or if not available, its equivalent rating or the best rating possible.

10.7.2 All property insurance policies shall be for the benefit of the Members and Mortgagees, as their interests may appear.

10.7.3 All policies shall contain a waiver by the insurer of its right to cancel without first giving thirty (30) days' prior written notice of such cancellation to the Master Association and to any Mortgagee to which a mortgagee endorsement has been issued.

10.7.4 No insurance policy or coverage shall be brought into contribution with insurance purchased by Unit Owners, Residential Associations or Development Parcel Owners, and all policies shall contain appropriate provisions to that effect.

10.7.5 All policies shall contain a waiver of subrogation by the insurer as to any claims against the Master Association, the Master Association's directors and officers, the Unit Owners, Residential Associations, Development Parcel Owners, or the Master Association manager.

10.7.6 All policies shall contain a provision that no policy may be canceled, invalidated, or suspended on account of the conduct of one or more of the Unit Owners, Residential Associations or Development Parcel Owners, or on account of the acts of any director, officer, employee, or agent of the Master Association or of its manager, without prior demand in writing delivered to the Master Association to cure the defect and the allowance of a reasonable time thereafter within which to cure the defect.

10.7.7 If practicable, all liability insurance shall contain cross-liability endorsements to cover liability of the Master Association to a Unit Owner, Occupant, Residential Association or Development Parcel Owner, and shall also name the Master Developer as an additional insured for so long as Master Developer owns any Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property.

10.8 Individual Insurance. Each Residential Association and Development Parcel Owner shall carry, at its expense, public liability, property damage, title, and other insurance with respect to its own property. The Master Association may require that any Business Parcel Owner carry additional insurance or endorsements to cover risks unique to the Business Parcel in

question. The Master Association may require such Persons to furnish copies or certificates of their insurance to the Master Association.

10.9 Damage or Destruction to Master Common Elements. Immediately after any damage or destruction by fire or other casualty to all or any part of the Master Common Elements covered by the Master Association's insurance, the Master Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance, and shall obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section 10, means repairing or restoring the damaged property to substantially the same condition in which it existed prior to the casualty.

10.9.1 The Master Association shall, as expeditiously as possible, restore or replace the damaged Improvements; unless within sixty days following the damage or destruction (i) Master Developer during the Master Developer Control Period and (ii) at least seventy-five percent of the total votes of the Members of the Master Association (on a non-weighted basis) shall otherwise agree.

10.9.2 If the insurance proceeds are not sufficient to defray the cost of repair and reconstruction, and such deficiency cannot be appropriated from any reserve fund established for such purpose, the Master Board may levy a special Master Assessment or Master Assessments in an amount sufficient to pay the excess cost of repair or reconstruction. Such Master Assessments shall be held for the benefit of the Master Association and its Members together with the insurance proceeds.

10.9.3 Insurance proceeds and Master Assessments shall be disbursed by the Master Association in payment for such repair or reconstruction in accordance with such commercially reasonable methods of distribution as are established by the Master Board. Any proceeds remaining after defraying such costs shall be retained by and for the benefit of the Master Association.

10.9.4 If it is determined that the damage or destruction shall not be repaired or reconstructed, the funds shall be retained by and for the benefit of the Master Association, and the ruins and debris on the Master Common Elements shall be cleared and the Master Common Elements shall be left in a clean, orderly, safe and sightly condition.

10.10 Damage or Destruction to Improvements Not on Master Common Elements. In the event of damage or destruction to Improvements located on any Development Parcel, the Unit Owner, Residential Association or Development Parcel Owner, as applicable, shall be responsible for the prompt and diligent repair and reconstruction of the Improvements owned or governed by it; unless the Master Board agrees in writing that the Improvements need not be repaired or reconstructed. If such agreement is made, the Unit Owner, Residential Association or Development Parcel Owner, as applicable, shall promptly clear away the ruins and debris of any damaged Improvements or vegetation and leave the property in question in an orderly, safe, and sightly condition. All repair or reconstruction shall restore the damaged Improvements to substantially the same condition as existed prior to the casualty and in accordance with the requirements of this Master Declaration and all applicable zoning, subdivision, building, and

other governmental regulations. All such repair or reconstruction shall be commenced promptly following the casualty and shall be carried through diligently to conclusion.

10.11 Condemnation of Master Common Elements. If all or any part of the Master Common Elements are taken by any authority having the power of condemnation or eminent domain, or is conveyed in lieu thereof by the Master Association, the award or proceeds made or collected for such taking or sale in lieu thereof shall be payable to the Master Association and shall be disbursed or held as follows:

10.11.1 If the proposed taking or sale in lieu thereof involves a portion of the Master Common Elements on which Improvements have been constructed, then the Master Association shall restore or replace such Improvements, to the extent practicable, on the remaining Master Common Elements in accordance with plans approved by the Master Board, the A.R.C., and by Master Developer if during the Master Developer Control Period. If the awards or proceeds are not sufficient to defray the cost of such repair and replacement and such deficiency cannot be appropriated from any reserve fund established for such purpose, the Master Board may levy a Master Assessment to pay such excess cost of repair or reconstruction. If the damaged Improvements cannot be economically or feasibly repaired or restored, the award or proceeds shall be retained by and for the benefit of the Master Association.

10.11.2 If the taking or sale in lieu thereof does not involve any Improvements to the Master Common Elements, or if there are net funds remaining after any repair or reconstruction of the Improvements is completed, then such funds shall be retained by and for the benefit of the Master Association.

10.11.3 If the proposed taking includes all or any part of a Unit or other Improvement and a part of the Master Common Elements, then the Master Board, and the Unit Owner or Development Parcel Owner shall have ninety days following the receipt from the condemning authority of the first proposed award to agree upon whether to accept the award, how to apportion the award or how to otherwise jointly proceed. If agreement cannot be reached within the ninety-day period, then any party may proceeding independently to obtain its own settlement.

10.12 Condemnation of Development Parcels. If all or any part of a Development Parcel is taken by condemnation or eminent domain, or is conveyed in lieu thereof, the following procedures and requirements shall apply:

10.12.1 The Residential Association or Development Parcel Owner, as applicable, shall promptly restore the remaining portions of the Units or Development Parcel subject to the standards described in Section 10.12.3.

10.12.2 If the Residential Association or Development Parcel Owner determines not to restore the remaining property after applying the standards described in Section 10.12.3, then the Residential Association or Development Parcel Owner shall promptly clear away any debris and remaining Improvements on the Development Parcel and shall leave the remaining property in a clean, orderly, safe, and sightly condition.

10.12.3 Any decision not to restore and reconstruct on the remaining property shall be permitted only if (i) the size or configuration of the remaining property is insufficient to permit the restoration of the remaining Improvements thereon substantially to their condition prior to such taking, in compliance with this Master Declaration and all applicable zoning, subdivision, building, and other governmental regulations or (ii) the reduced number of the remaining Units or reduced size of the business previously operated on the property makes it impractical to operate, and (iii) the Master Board approves the decision not to restore. If the remaining property is not restored, then it shall be left in a clean, orderly, safe, and sightly condition. Notwithstanding the foregoing, the decision as to whether to reconstruct part or all of any Improvements located on any Residential Parcel shall be governed by the Residential Declaration governing the Residential Parcel if a conflict with this Master Declaration exists; provided that the Master Board must concur with any decision not to restore.

10.12.4 Nothing in this Section shall prohibit the Master Association or Master Developer from acquiring the remaining property nor shall prohibit the sale of the property by the Unit Owner, Residential Association or Development Parcel Owner, as applicable; provided, that any successor in interest shall take title subject to this Master Declaration.

10.13 Termination of Membership. If it is determined not to restore and reconstruct substantially all the Improvements following a condemnation proceeding, the membership in the Master Association accruing to the Development Parcel in question shall terminate when said decision is made; provided, that the Master Board shall have authority to allocate a membership in the Master Association to the remaining property in the event that it is redeveloped in a fashion acceptable to the Master Board.

SECTION 11

COMPLIANCE AND REMEDIES

Each Unit Owner and Occupant, and any other Person owning or acquiring any interest in, or using, the Property, shall be governed by and comply with the provisions of the Act, the Master Governing Documents and the Master Rules, and such amendments thereto as may be made from time to time, and the decisions of the Master Association. Except as limited by law or the Master Governing Documents with respect to any public entity owner, a failure to comply shall entitle the Master Association to the relief set forth in the Master Governing Documents and the Master Rules, in addition to the rights and remedies authorized elsewhere by law.

11.1 Entitlement to Relief. The Master Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Master Governing Documents or available at law or in equity, to enforce compliance with the Master Governing Documents, the Master Rules, MCIOA, the decisions of the Master Association or the governing documents of any Residential Parcel. A Member, Unit Owner or Predevelopment Parcel Owner shall also have standing to enforce such compliance. However, no Unit Owner or Member may withhold any Master Assessments payable to the Master Association, or take or omit other action

in violation of the Master Governing Documents, the Master Rules or MCIOA as a measure to enforce such Person's position, or for any other reason.

11.2 Remedies. In addition to any other remedies, express or implied, administrative or legal, the Master Association shall have the right, but not the obligation, to undertake any one or more of the following actions:

11.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction. Each Member, Unit Owner and Predevelopment Parcel Owner consents to the jurisdiction and venue of the County or City, as applicable, to govern any such action or alternative dispute resolution.

11.2.2 Impose late charges of up to the greater of \$20, or fifteen percent of the amount past due, for each past due Master Assessment or installment thereof, and impose interest at the highest rate permitted by law on all such unpaid amounts.

11.2.3 If any Master Assessment or installment thereof becomes more than thirty days past due, all remaining installments of Master Assessments assessed against the defaulting Member may be accelerated by the Master Board, and shall then be payable in full together with all costs of collection and late charges. Ten days' advance written notice of the acceleration shall be given to the defaulting Member.

11.2.4 Impose reasonable fines, penalties or charges for each violation of the Master Governing Documents, MCIOA or the Master Rules.

11.2.5 Suspend the rights of any Member to vote when the Master Assessments due with respect to the Member's Development Parcel are past due, and suspend the rights of any Unit Owner, Occupant or Member, and their invitees to use any Master Common Element recreational facilities, for any violation; provided, that the suspension of use rights shall not apply to those portions of the Master Common Elements providing utilities service and access to any Unit, Development Parcel or Predevelopment Parcel. Suspensions shall be limited to periods of default and for up to one year thereafter, for each violation.

11.2.6 Restore any portions of the Property damaged or altered, or allowed to be damaged or altered, by any Member, Unit Owner or Occupant, or their invitees, in violation of the Master Governing Documents, and to assess the cost of such restoration against the Unit or Development Parcel owned by the responsible Person.

11.2.7 Enter any Development Parcel on which, or as to which, a violation or breach of the Master Governing Documents exists which may imminently affect the health or safety of other Persons using the Property, or the safety or soundness of any Unit or other part of the Property or the property of other Persons, and to summarily abate and remove, at the expense of the offending Person, any structure, thing or condition which is causing the violation.

11.3 Rights to Hearing. Before the imposition of any of the remedies authorized by Section 11.2.4 through 11.2.7 the Master Board shall, upon written request of the offender, grant

to the offender an opportunity for a fair and equitable hearing as contemplated by MCIOA. The hearing shall be before the Master Board, or a committee of disinterested Members and/or Unit Owners appointed by it. The offender, and any Member that has made a written request for notice, shall be given notice of the specific nature of the violation and the right to a hearing. The offender shall have ten days within which to request a hearing. The hearing shall be scheduled by the Master Board or committee (as applicable) and held within thirty days of receipt of the hearing request by the Master Board, and with at least ten days prior written notice to the offender. If the offender fails to appear at the hearing then the right to a hearing shall be waived and the Master Board or committee (as applicable) may take such action as it deems appropriate. The decision of the Master Board or committee (as applicable) and the rules for the conduct of hearings established by the Master Board shall be final and binding on all parties. The Master Board or committee (as applicable) decision shall be delivered in writing to the offender within ten days following the hearing, if not delivered to the offender at the hearing.

11.4 Alternative Dispute Resolution. In the event of a dispute between or among Unit Owners, Members or Predevelopment Parcel Owners with regard to the interpretation or implementation of any part of the Master Governing Documents, except as to (i) the levying or collection of Master Assessments or (ii) the enforcement by the Master Association of any covenants, conditions or restrictions contained in the Master Governing Documents, any party directly involved in the dispute may require that all parties directly involved in the dispute enter into alternative dispute resolution in accordance with the provisions of this Section 11.4, as follows:

11.4.1 If the parties are unable to resolve their differences within thirty days following written notice of the disputed issues to the other parties, then any party may demand by notice to the adverse party or parties that the issues be submitted to mediation. The mediation shall be conducted by a qualified mediator listed on the Minnesota Statewide ADR-Rule 114 Neutrals Roster, and shall be selected by a majority of the parties, or if a majority cannot agree within thirty days after the demand for mediation then by the Chief District Court Judge for the County. If practicable, a mediator shall be selected who has experience with the issues being mediated. The first mediation session shall be held within thirty days following the appointment of the mediator, unless both parties agree to an alternative time schedule. The mediation shall be conducted pursuant to the Minnesota Civil Mediation Act, and the parties shall enter into an "Agreement to Mediate" as defined in said statute. The parties shall undertake mediation in good faith and with a bona fide intent to resolve the controversy in question.

11.4.2 If a "Mediated Settlement Agreement," as defined in the Minnesota Civil Mediation Act, is not executed within ninety days following the execution of the Agreement to Mediate, then any party may demand binding arbitration. The arbitration shall be in accordance with the then existing rules and code(s) of ethics of the American Arbitration Association. The arbitration shall be conducted before a panel of three arbitrators (unless the parties agree in writing on one arbitrator).

11.4.3 The party demanding the arbitration shall designate in writing, no later than fifteen days after the demand for arbitration, the name of an arbitrator who is a member of the American Arbitration Association and (if possible) knowledgeable in the issues being arbitrated, and the other party shall make a similar designation within the

same period of time. If there are multiple parties on one or both sides of the dispute, then each side shall designate only one arbitrator. The arbitrators so designated shall designate a third arbitrator. If the arbitrators so designated are unable to agree upon the third arbitrator within fifteen days of their appointment, then the third arbitrator shall be designated by the Chief Judge of the District Court of the County as soon thereafter as possible. The arbitrators shall proceed with diligence to hold a hearing or hearings, and to make their decision, within ninety days of the appointment of the panel of arbitrators (or the single arbitrator if one arbitrator is agreed upon).

11.4.4 The arbitrators shall make their decision in strict conformity with the rules of the American Arbitration Association, and shall have no power to depart from or change any of the rules, unless agreed to by the parties to the arbitration. The decision of the arbitrators shall be binding upon all parties to the arbitration and shall be enforceable by any court exercising jurisdiction over the Property or the parties. The arbitration decision, and any court action or order arising out of the decision, shall not be appealable and shall be the final resolution of the issues presented for arbitration.

11.4.5 The parties to the arbitration proceeding shall each bear the expense of their selected arbitrators' fees and shall share the expense of the third arbitrator equally; however, the prevailing party shall be entitled to reimbursement from the other party or parties for its reasonable attorneys fees and costs of arbitration in connection with the preparation and presentation of its case. The arbitrators shall determine, as part of their findings, which party prevailed, and the amount of the reimbursable fees and costs.

11.4.6 All mediation and arbitration proceedings shall be venued in the County, unless otherwise agreed by the parties.

11.5 Liability for Members' Acts. A Unit Owner or Member shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Unit Owner's or Member's acts or omissions, to the extent that such expense is not covered by the proceeds of insurance. Any insurance deductible amount and/or increase in insurance premium rates, resulting from the acts or omissions may be assessed against the Person responsible for the condition and against the Person's Unit or Development Parcel.

11.6 Costs and Attorneys Fees. Subject to Section 11.4.5, with respect to or any measures, legal, administrative, or otherwise, which the Master Association takes to enforce the provisions of MCIOA, the Master Governing Documents or the Master Rules, the Master Association may assess the offending Unit Owner or Member with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Master Association, attorneys fees, court costs, collection agency fees and interest (at the highest rate allowed by law). If the offending Unit Owner or Member files or is forced to file for bankruptcy, the Master Association shall also be entitled to recover all attorney's fees and costs incurred by it in connection with the bankruptcy proceedings.

11.7 Liability for Charges, Etc. Any Master Assessments, charges, fines, penalties, attorney's fees, costs or interest imposed under this Section shall be the personal obligation of such Person in the same manner as Master Assessments under Section 6. All remedies shall be

cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Master Association's right to pursue any others.

SECTION 12

MASTER DEVELOPER RIGHTS

Master Developer hereby reserves exclusive and unconditional authority to exercise the following Master Developer Rights for as long as it owns a part of the Property for development or has the right to subject any Additional Property to the Property, or for such shorter period as may be specifically indicated:

12.1 Complete Improvements. To complete all Improvements to the Property contemplated by the Master Developer's development plans, allowed by this Master Declaration or approved by the County or City, and to make alterations in the Master Common Elements, or in Predevelopment Parcels, Development Parcels or Additional Property owned by it, to accommodate its activities.

12.2 Marketing Facilities. To construct, operate and maintain sales offices, management offices, leasing offices, models and other development, sales and rental facilities within any part of the Property owned or leased by the Master Developer.

12.3 Signs. To construct and maintain signs and other sales displays offering parts of the Property or Additional Property for sale or lease, on any part of the Property owned or leased by it or subject to its easement rights.

12.4 Easements. To have and use reasonable access easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Property for the purpose of exercising its Master Developer Rights, and to create and grant easements as described in Section 5.23.

12.5 Control the Master Association. To control the operation and administration of the Master Association, including but not limited to the power to appoint and remove the members of the Master Board and officers of the Master Association, until the earliest of: (i) voluntary surrender of control by the Master Developer, (ii) the date when seventy-five percent of the Units and other parcels of real estate that are initially included within the Property or intended to be added to the Property have been conveyed to Persons for occupancy by such Persons or their tenants, or (iii) the date ten years following the date of recording of the Original Declaration or such longer period authorized by MCIOA.

12.6 Additional Covenants and Restrictions. To review and approve, prior to recording, any additional covenants or restrictions affecting any portion of the Property.

12.7 Exclusive Rights to Use Name of Development. To exclusively use the name "Giants Ridge" or "Giants Ridge Golf & Ski Resort," or any derivative thereof in any logo, depiction or display associated with either name in any printed, electronic or other form; subject to (i) licensing of such names by the Master Developer to other Persons, and (ii) the use of said names in printed matter solely to identify the Unit Owner's property located within Giants

Ridge, and the use of said names by the Master Association in its name and in related Master Association documents.

12.8 Add, Relocate, Replat, Subdivide and De-Annex Property. To add Additional Property, and to combine, replat, subdivide or de-annex parts of the Property, as described in Section 13.

12.9 Approval of Certain Amendments. As long as the Master Developer owns any part of the Property, or has the right to add any Additional Property to the Property, the Master Developer's written approval shall be required for any amendment or other change to the Master Governing Documents or Parcel Covenants.

12.10 Other Rights. To exercise any other rights and powers granted or reserved to the Master Developer by any other section of the Master Governing Documents or by MCIOA.

12.11 Delegation of Rights. The Master Developer may temporarily or permanently delegate in writing part or all of its rights under this Section 12, except for those rights under Section 12.5 or 12.9, to one or more Subdevelopers or other Persons, for purposes consistent with this Master Declaration. Such a delegation shall not be deemed a transfer under Section 13.5, unless executed and recorded in accordance with that Section.

SECTION 13

RIGHTS TO ADD, RELOCATE, REPLAT, COMBINE, SUBDIVIDE AND DE-ANNEX

13.1 Master Developer's Rights to Add Additional Property. The Master Developer hereby expressly reserves the exclusive right to add Additional Property to the Property, subject to the following conditions:

13.1.1 The right of the Master Developer to add Additional Property to the Property shall terminate twenty years after the date of recording of this Master Declaration or such longer period authorized by MCIOA, or upon earlier express written withdrawal of such right by the Master Developer or a successor Master Developer; provided, that said rights may be extended by a vote of the Members.

13.1.2 The Additional Property may be added to the Property in parcels of any size and configuration determined by the Master Developer, subject to any governmental requirements. Additional Property owned in its entirety by the Master Developer may be unilaterally added by the Master Developer executing and recording an amendment to this Master Declaration. Additional Property not owned in its entirety by the Master Developer, or other property, may be added by the Master Developer and all Persons holding an ownership interest in the Additional Property executing and recording an amendment to this Master Declaration.

13.1.3 The Master Developer has no obligation to add, or consent to the addition of, the Additional Property or any other property to the Property, and may develop Additional Property owned by it for any purpose consistent with the applicable governmental requirements. There are no assurances as to the times at which any part of

the Additional Property will be added to the Property, the order in which it will be added, the number of parcels per phase nor the size of the parcels.

13.1.4 The addition of Additional Property does not, absent an express written declaration by the Master Developer, designate the annexed property as a Development Parcel or create a Membership or any other rights or obligations with respect thereto.

13.2 Master Developer Rights to Create and Change Predevelopment Parcels, Development Parcels and Units. The Master Developer shall have the exclusive right, with respect to all parts of the Property owned exclusively by it, and as to any other part of the Property with consent of the owner, to (i) combine, subdivide, replat or relocate the boundaries between Predevelopment Parcels or Development Parcels; or (ii) combine, replat or subdivide Predevelopment Parcels or Development Parcels, and create new Master Common Elements, Development Parcels or Units therefrom, or (iii) de-annex parts of the Property, subject to any other requirements contained in this Master Declaration and to the following additional requirements:

13.2.1 The Master Developer must own the entire parcel, Predevelopment Parcel, Development Parcel or Unit, or the part thereof being combined, subdivided, relocated, replatted or de-annexed, or must have the consent of the owner if said property in question is owned by another Person.

13.2.2 The creation, combination, subdivision or replatting of a Predevelopment Parcel or Development Parcel shall comply with this Master Declaration, and all governmental laws, codes and regulations applicable to the transaction.

13.2.3 Where authorized to act unilaterally, the Master Developer shall have the authority to execute and record an amendment to this Master Declaration, as needed, for the purpose of exercising its rights hereunder.

13.2.4 The Parcel Covenants of any affected Development Parcel shall be amended, if necessary to reflect the changes.

13.2.5 The Master Board shall take such actions, if any, as may be necessary to implement the Master Developer's actions under this Section.

13.3 Scope of Authority. Notwithstanding anything to the contrary in this Master Declaration, the Master Developer shall have the same Development Rights with respect to Predevelopment Parcels as it does with respect to Development Parcels.

13.4 Number of Units. The total number of Units subject to this Master Declaration as of the date of recording is 253, and the total number of Units to be created on the Predevelopment Parcels, by the addition of the Additional Property pursuant to Section 13.1, or by the subdivision of Units or other parts of the Property pursuant to Section 13.2, is estimated to be 2,580 units.

13.5 Transfer of Master Developer Rights. Some or all of the Master Developer Rights may be voluntarily transferred, conditionally, temporarily or permanently, by the Master Developer by a separate instrument signed by the Master Developer and the transferee, and

recorded against the portions of the Property owned by the Master Developer or the transferee and affected by the transfer. Such a transfer shall not be subject to the limitations set forth in Section 12.11.

13.6 Rights and Obligations of the Master Developer. Upon transfer of any the Master Developer Rights, the liability of the Master Developer shall be as follows:

13.6.1 The Master Developer shall be liable for any obligation or liability arising out of its acts or omissions occurring before the transfer.

13.6.2 The Master Developer shall be liable for any obligation or liability relating to any Master Developer Rights retained by the Master Developer.

13.6.3 The Master Developer shall not be liable for any act or omission arising from the exercise of Master Developer Rights, or for any other act or omission, by a transferee of the Master Developer Rights.

13.7 Rights and Obligations of a Successor Master Developer. Any transferee of the Master Developer Rights shall be entitled to exercise such Master Developer Rights from and after the date of recording of the instrument transferring the rights. The transferee shall thereafter be subject to all of the obligations with respect to the rights transferred; except (i) misrepresentations of the Master Developer; (ii) warranty obligations of the Master Developer; (iii) breach of fiduciary obligations by the Master Developer or by any officers or members of the Master Board appointed by the Master Developer, (iv) any liability or obligation imposed on the Master Developer as a result of the Master Developer's acts or omissions after the transfer; and (v) any liability arising out of any Master Developer Rights retained by the Master Developer.

SECTION 14

AMENDMENTS

This Master Declaration may be amended by recording an amendment in the office of the applicable county recording officer, subject to the following requirements:

14.1 Approvals. The amendment shall be approved as follows:

14.1.1 The amendment must be approved by seventy-five percent of the total Weighted Votes in the Master Association and a majority of the total Non-Weighted Votes in the Master Association, and

14.1.2 The amendment must be approved in writing by the Master Developer so long as the Master Developer owns a Predevelopment Parcel or Development Parcel or has the right to add Additional Property to the Property.

14.2 Recording/Binding Effect. All amendments shall be recorded, shall be effective only when recorded, and shall run with the Property and bind the Property for the same period and to the same extent as do the covenants and restrictions set forth herein.

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14.3 Affidavit of Compliance. An affidavit by the President or Secretary of the Master Association as to the outcome of a vote or the execution of any written approvals shall be adequate evidence thereof for all purposes, including without limitation the recording of the amendment.

SECTION 15

INDEMNIFICATION

The Master Association shall, to the extent the alleged liability is not covered by insurance, indemnify every individual acting in any official capacity on behalf of the Master Association, pursuant to the provisions of Minnesota Statutes 317A.521.

SECTION 16

MISCELLANEOUS

16.1 Governmental Assessments. If a City or any other governmental authority levies an assessment under the applicable Minnesota Statutes for public Improvements to property adjoining the Property, if such Improvements benefit substantially all of the Property, and if the assessment is levied against fewer than all of the Development Parcels, then the Master Association shall assess and allocate against those Development Parcels which were not assessed by the governmental authority a share of the assessment, and reimburse the owners of the Development Parcels against which the assessment was levied, such that all Development Parcels are paying substantially an equal share of the assessment.

16.2 Severability. If any term, covenant, or provision of this instrument or any exhibit attached hereto is held to be invalid or unenforceable for any reason whatsoever, such determination shall not be deemed to alter, affect or impair in any manner whatsoever any other portion of this instrument or exhibits.

16.3 Construction. The Master Governing Document shall be construed in accordance with the laws of the state of Minnesota. Where applicable, the masculine gender of any word shall mean the feminine or neutral gender, or vice versa, and the singular of any word used herein shall mean the plural, or vice versa. References to MCIOA or any section thereof shall be deemed to include any statutes amending or replacing MCIOA, and the comparable sections thereof.

16.4 Notices. Unless specifically provided otherwise in the Master Governing Documents or MCIOA, all notices required to be given by or to the Master Association, the Master Association officers, an Owner or Occupant, a Residential Association or a Member, shall be in writing and shall be effective upon hand delivery, or mailing if properly addressed with postage prepaid and deposited in the United States mail, except as expressly provided otherwise in the Master Governing Documents.

16.5 Conflicts Among Documents. In the event of any conflict among the provisions of MCIOA, this Master Declaration, or the Master Bylaws, MCIOA shall control unless it is silent or permits said documents to control. As among this Master Declaration and the Master

Bylaws, this Master Declaration shall control. The Master Governing Documents shall control as against any Parcel Covenants or Master Rules.

16.6 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Master Declaration shall be perpetual, subject only to termination as provided in this Master Declaration or MCIOA.

IN WITNESS WHEREOF, the Association, and the required number of Members, have approved this Declaration, effective as of the date of recording, all in accordance with the requirements of the Original Declaration and the Act.

GIANTS RIDGE MASTER ASSOCIATION

By: _____

Title: _____

STATE OF MINNESOTA)

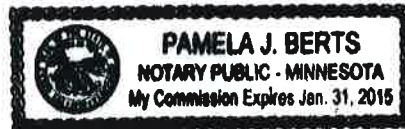
) ss.

COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me this 22 day of March, 2010, by Linda Johnson, the President of Giants Ridge Master Association, a Minnesota nonprofit corporation, on behalf of the corporation.

Notary Public

This instrument was drafted by:
Felhaber, Larson, Fenlon & Vogt, P.A. (DBE)
220 South Sixth Street, Suite 2200
Minneapolis, Minnesota 55402
(612) 373-8520





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AFFIDAVIT OF SECRETARY

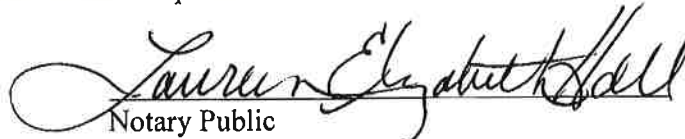
STATE OF MINNESOTA)
) ss.
 COUNTY OF ST. LOUIS)

The undersigned, Secretary of Giants Ridge Master Association, a Minnesota nonprofit corporation, being first duly sworn on oath, hereby swears and certifies that, pursuant to the applicable provisions of the Original Declaration and the Act, the Amended and Restated Declaration of Giants Ridge (the "**Amended Declaration**") has been duly approved by a majority vote of the Master Board, and by (i) Members having at least 67 percent of the votes of all Members, (ii) by the Master Developer, and (iii) a majority of the Residential Members and Commercial Members, in compliance with the requirements of Section 15 and other provisions of the Original Declaration. The terms used in this Affidavit shall have the same meaning assigned to them in the Amended Declaration.

 
 Secretary

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

Subscribed and sworn to before me this 22nd day of March, 2010, by
Brian Hiti, the Secretary of Giants Ridge Master Association,
 a Minnesota nonprofit corporation, on behalf of said corporation.


 Notary Public

This instrument was drafted by:
 Felhaber, Larson, Fenlon & Vogt, P.A. (DBE)
 220 South Sixth Street, Suite 2200
 Minneapolis, Minnesota 55402
 (612) 373-8520



**CONSENT AND JOINDER BY
MASTER DECLARANT/ STATE OF MINNESOTA**

I, Sandy Layman, the undersigned duly appointed and incumbent Commissioner of the State of Minnesota's administrative agency established under the provisions of Minnesota Statutes Section 298.22 as the Office of the Commissioner of Iron Range Resources and Rehabilitation of the State of Minnesota (a/k/a Iron Range Resources):

- a) In my capacity as the Master Declarant defined in that certain document entitled "Declaration of Covenants, Conditions and Restrictions (Master Declaration): Giants Ridge® Golf & Ski Resort" that is recorded as Document No. ~~4281999~~ in 663947 the Office of the Registrar of Titles of St. Louis County, Minnesota ("Master Declaration"); and, JP
- b) In my capacity as the State of Minnesota officer administratively responsible under the provisions of Minnesota Statutes Section 298.22, Subd. 7 for the management, administration, encumbrancing and disposition of those certain lands owned by the State of Minnesota, a sovereign entity (also variously referenced in title documents as the Office of Commissioner of Iron Range Resources and Rehabilitation or the Department of Iron Range Resources and Rehabilitation, an agency of the State of Minnesota), as more fully described in the attached Addendum A-1 and Addendum A-3 and depicted in the attached Addendum A-2 and A-4 (collectively, the "State Lands"),

hereby consent to and join in the amendment of the Master Declaration as set forth in that certain document entitled "Amended and Restated Master Declaration: Giants Ridge" (the "**Restated Master Declaration**") to which this Consent is attached, and further consent, on behalf of the State of Minnesota and in accordance with the provisions of Minnesota Statutes Section 515B.2-121, Subdivisions (f)(i) and (g), to the inclusion of all of the said State Lands as part of the Property defined in and intended to be subject to the covenants, conditions and restrictions of the said Restated Master Declaration.

IN WITNESS WHEREOF, the State of Minnesota has caused this Consent and Joinder acknowledgement to be executed this 22 day of March, 2010.

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.

By: 

Sandy Layman

Its Commissioner of Iron Range Resources and Rehabilitation

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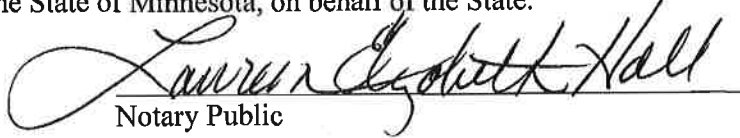
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STATE OF MINNESOTA

COUNTY OF ST. LOUIS

)
) ss.
)

The foregoing instrument was acknowledged before me this 22nd day of March, 2010, by Sandy Layman, the Commissioner of the Office of the Commissioner of the Iron Range Resources and Rehabilitation, for the State of Minnesota, on behalf of the State.


Notary Public



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ADDENDUM A-1
STATE LANDS DESIGNATED AS ADDITIONAL LANDS UNDER THE MASTER
DECLARATION THAT ARE BEING SUBJECTED TO THE COVENANTS AND
RESTRICTIONS OF THE RESTATED MASTER DECLARATION AS PART OF THE
PROPERTY SUBJECT THERETO

(Unless otherwise indicated each tract is a Torrens Title tract)

Those tracts of lands being and lying within St. Louis County, Minnesota, legally described as follows:

The following described tracts of land all lying within Township Fifty-Nine (59) North, of Range Sixteen (16) West of the Fourth Principal Meridian:

- Tract 1: Southeast Quarter of the Northeast Quarter (SE1/4 of NE1/4) of Section Thirteen (13); and,
 - Tract 2: Northeast Quarter of the Northwest Quarter (NE1/4 of NW1/4) of Section Twenty-Four (24) **[Abstract]**; and,
 - Tract 3: South Half of the Northeast Quarter (S1/2 of NE1/4) of Section Twenty-Four (24) **[Abstract]**; and,
 - Tract 4: Southeast Quarter (SE1/4) of Section Twenty-Four (24) **[part Torrens & part Abstract]**; and,
 - Tract 5: North Half of the Northeast Quarter (N1/2 of NE1/4) of Section Twenty-Five (25) **[part Torrens & part Abstract]**; and,
 - Tract 6: Southeast Quarter of the Northeast Quarter (SE1/4 of NE1/4) of Section Twenty-Five (25);
- and,
- Tract 7: Northeast Quarter of the Southeast Quarter (NE1/4 of SE1/4) of Section Twenty-Five (25) **[Abstract]**; and,

together with;

the following described tracts of land all lying within Township Fifty-Nine (59) North, of Range Fifteen (15) West of the Fourth Principal Meridian:

- Tract 8: Government Lots Two (2) and Three (3) lying West and South of the Embarrass River in Section Eighteen (18); and,
- Tract 9: Government Lots Four (4) and Five (5) in Section Eighteen (18); and,
- Tract 10: Government Lots One (1), Two (2), Three (3), and Four (4) in Section Nineteen (19); including the following lots and outlots within the Residence Club at Giants Ridge plat:
 - A. Block 1, Lots 1-7;
 - B. Block 2, Lots 1-9;
 - C. Block 3, Lots 1, 3, 4, 5, and 7;
 - D. Block 4, Lots 1-4; and,
 - E. Outlots A-F.

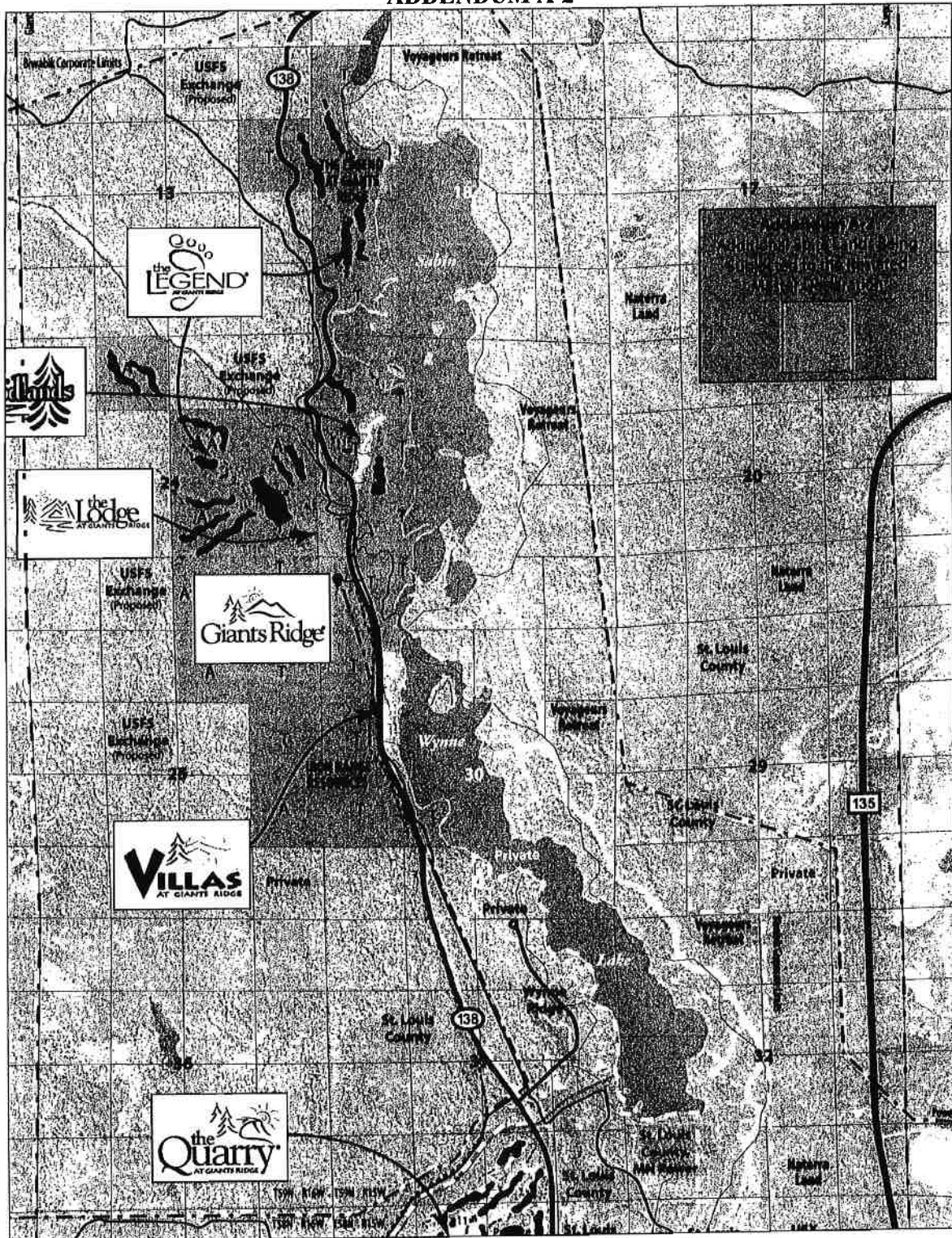
and,

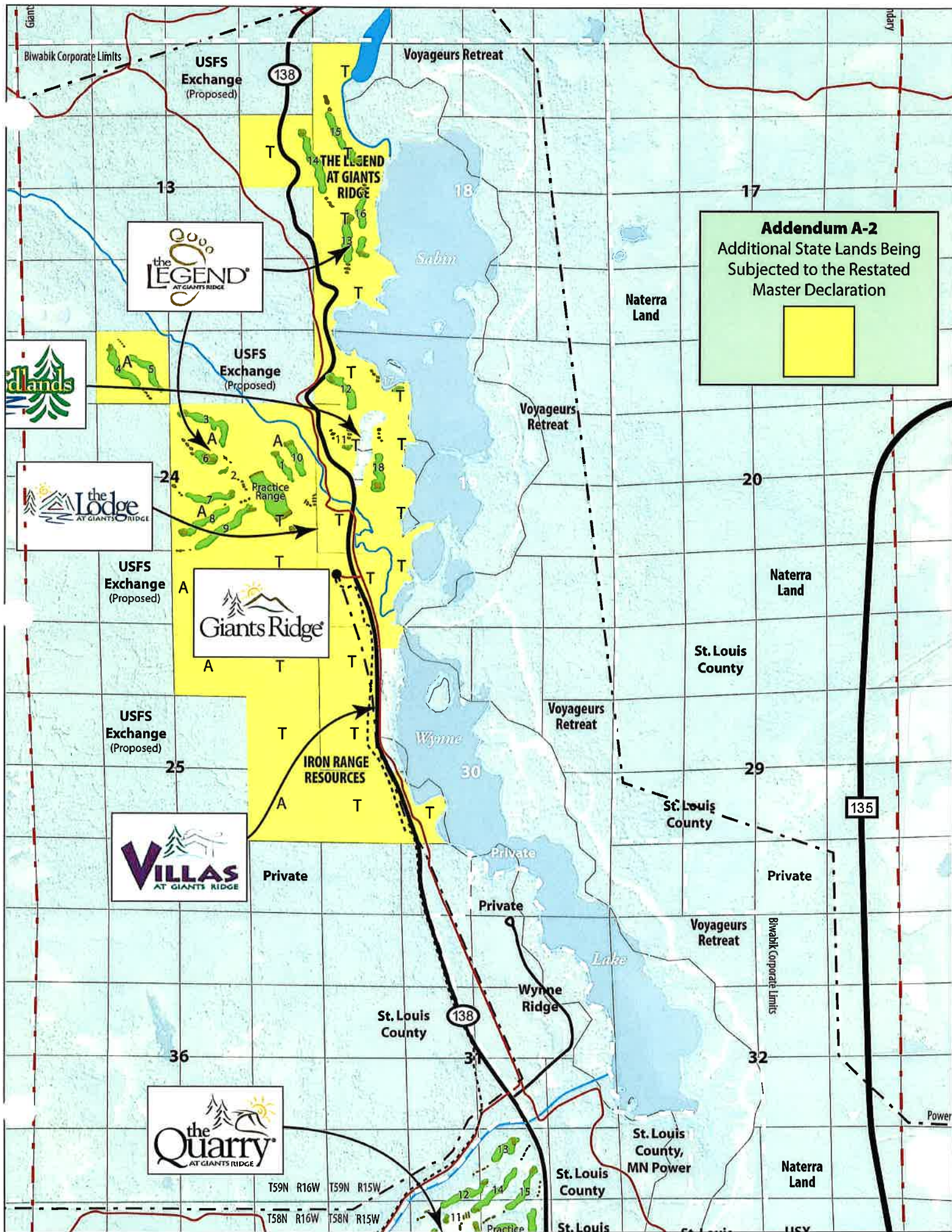
- Tract 11: Government Lots One (1), Two (2), Three (3), and Four (4) in Section Thirty (30), except that part platted as Condominium Number 20, The Laurentian, according to Document No. 536895; and,

EXCEPTING from the said eleven (11) tracts of lands:

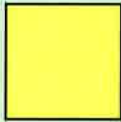
- 1) all of those lands, lots and outlots lying within and constituting the plat of GIANTS RIDGE WOODLANDS, recorded on May 5, 1998, in the office of the County Recorder, St. Louis County, Minnesota as Document No. 715616, none of which lands are owned by the State of Minnesota; and,
- 2) all of Lots 3 and 5, Block 1, of the Giants Ridge Resort Village plat, on file and of record in the Office of the County Recorder, St. Louis County, Minnesota; both of which Lots are already part of the Property subject to the covenants, conditions and restrictions of the Master Declaration and,
- 3) all of Lots 2 and 6, Block 3, of Residence Club at Giants Ridge plat, on file and of record in the Office of the Registrar of Titles, St. Louis County, Minnesota; both of which Lots are owned by Persons other than the State; and,
- 4) all minerals and mining interests in any of the above described eleven tracts of land.

ADDENDUM A-2





Addendum A-2
Additional State Lands Being
Subjected to the Restated
Master Declaration



ADDENDUM A-3**OTHER STATE LANDS THAT ARE BEING SUBJECTED TO THE COVENANTS AND RESTRICTIONS OF THE RESTATED MASTER DECLARATION AS PART OF THE PROPERTY SUBJECT THERETO**

(Unless otherwise indicated each tract is a Torrens Title tract)

A. The following portions of Township Fifty-Nine (59) North, Range Fifteen (15) West of the Fourth Principal Meridian:

1. The portion of Section Seven (7) legally described as:

Southwest Quarter (SW $\frac{1}{4}$) and West One-half of Southeast Quarter (W $\frac{1}{2}$ of SE $\frac{1}{4}$), except that part thereof legally described as:

That part of the South-Half (S $\frac{1}{2}$) of Section 7, Township 59 North, Range 15 West of the Fourth Principal Meridian, St. Louis County, Minnesota, described as follows: Commencing at the South Quarter (S $\frac{1}{4}$) corner of said Section 7; thence North 2°22'52" East, along the north-south quarter line of said Section 7, a distance of 1125.28 feet to the point of beginning of the parcel to be described; thence South 37°31'44" East a distance of 190.10 feet; thence South 88°52'05" East a distance of 128.06 feet; thence North 2°22'52" East a distance of 754.70 feet; thence South 72°28'20" West a distance of 550.86 feet; thence South 17°31'40" East a distance of 194.63 feet to the south line of the Northeast Quarter of the Southwest Quarter (NE $\frac{1}{4}$ - SW $\frac{1}{4}$) of said Section 7; thence South 37°31'44" East a distance of 314.32 feet, more or less, to the point of beginning. The above described parcel is subject to an existing recreation trail for ATV and Snowmobile use. Said parcel containing 5.72 acres, more or less;

2. That portion of Section Thirty (30), legally described as: that part of Government Lot Six (6) lying west of the West right-of-way of County Road No. 138 [Abstract]

3. Those portions of Section Thirty-One (31) legally described as:

a. South One-Half of Southwest Quarter (S $\frac{1}{2}$ of SW $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration [Abstract]; and,

b. West One-Half of Southeast Quarter (W $\frac{1}{2}$ of SE $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration [Abstract].

B. Those portions of Section Six (6) Township Fifty-Eight (58) North, Range Fifteen (15) West of the Fourth Principal Meridian legally described as:

1. Northwest Quarter of Northeast Quarter (NW $\frac{1}{4}$ of NE $\frac{1}{4}$) [Abstract]; and,

2. Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$); and,

3. East Half of Northwest Quarter (E $\frac{1}{2}$ of NW $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration [Abstract]; and,

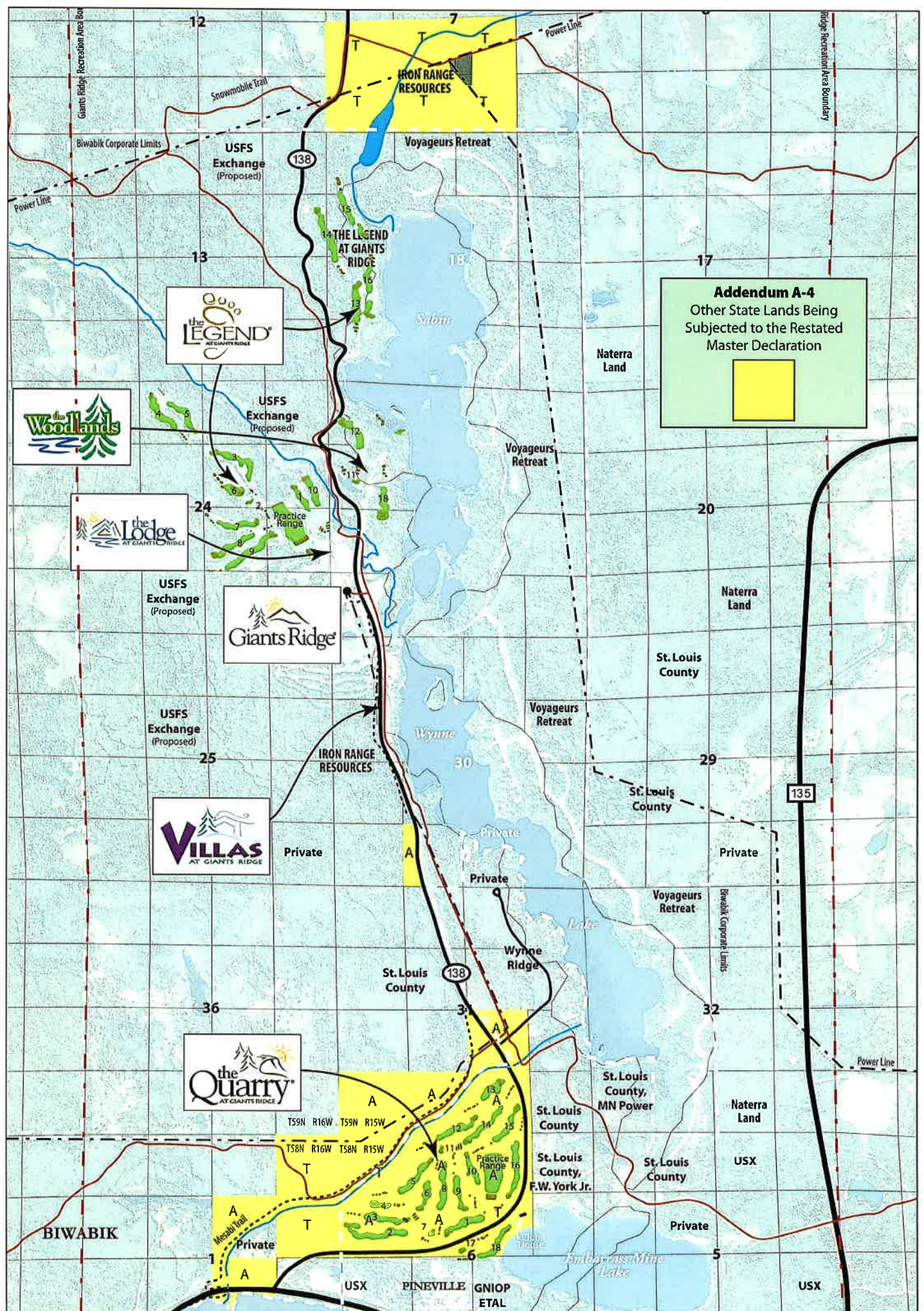
4. Northwest Quarter of Northwest Quarter (NW $\frac{1}{4}$ of NW $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration; and,

5. Southwest Quarter of Northwest Quarter (SW $\frac{1}{4}$ of NW $\frac{1}{4}$) [Abstract].

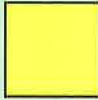
- C. The following portions of Section One (1), Township Fifty-Eight (58) North, Range Sixteen (16) West of the Fourth Principal Meridian legally described as:
1. Government Lot One (NE $\frac{1}{4}$ of NE $\frac{1}{4}$);
 2. Southwest Quarter of Northeast Quarter (SW $\frac{1}{4}$ of NE $\frac{1}{4}$), except that part lying within, south and east of the Diversion Channel as described in Exhibit D of this Master Declaration [**Abstract**]; and,
 3. Southeast Quarter of Northeast Quarter (SE $\frac{1}{4}$ of NE $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration; and,
 4. Government Lot Six (NW $\frac{1}{4}$ of SE $\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration [**Abstract**].

The map displays the Giants Ridge area in Minnesota, featuring several resorts and land parcels. Key locations include:

- Resorts and Land:** The Legend, Wildlands, The Lodge at Giants Ridge, Giants Ridge, Villas at Giants Ridge, The Quarry, and Wildlands.
- USFS Exchange Properties:** Several areas are designated as USFS Exchange Properties.
- Private Land:** Various parcels are marked as Private.
- St. Louis County:** The map shows the boundary of St. Louis County, Minnesota.
- Scale and Grid:** A scale bar at the bottom indicates distances in miles (0 to 10). The map is overlaid with a grid.



Addendum A-4
Other State Lands Being
Subjected to the Restated
Master Declaration

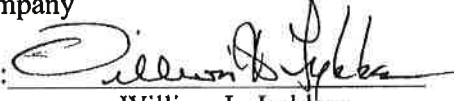


**CONSENT AND JOINDER BY
GRCL, LLC AND ITS MORTGAGEE**

I, William L. Lykken, the undersigned duly elected and incumbent president of the GRCL, LLC ("GRCL"), a limited liability company organized and operating under the laws of the State of Minnesota, hereby states and attests that GRCL is the sole owner in fee of Lots 2 and 6, Block 3, Residence Club at Giants Ridge (the "GRCL Lots") and that the governing board of GRCL, under and pursuant to the provisions of its governing documents, by its resolution adopted on 3/20, 2010, has unanimously voted to subject its title in the GRCL Lots to the covenants, conditions and restrictions of the attached Amended and Restated Master Declaration: Giants Ridge" (the "**Restated Master Declaration**") which is one of the governing documents of the Giants Ridge Master Association, a nonprofit corporation created pursuant to Minnesota Statutes Chapter 317A and Section 515B.2-121(a) of the Minnesota Common Interest Ownership Act, which Master Association governs the property that is subject to the covenants, conditions and restrictions of the Restated Master Declaration.

IN WITNESS WHEREOF GRCL has caused this Consent and Joinder acknowledgement to be executed this 20 day of March, 2010.

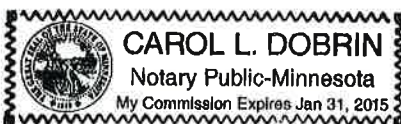
GRCL, LLC, a Minnesota limited liability company


By: 
William L. Lykken

Its: President

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

The foregoing instrument was acknowledged before me this 20 day of March, 2010, by William L. Lykken, the President of GRCL, LLC, a Minnesota limited liability company, on behalf of the corporation.




Notary Public

MORTGAGEE'S CONSENT

The undersigned duly authorized officer and representative of Miners National Bank of Eveleth, the mortgagee of that certain mortgage document dated February 19, 2010 that was recorded on February 26, 2010 as Document No. 881569 in the Office of the Registrar of Titles, St. Louis County, Minnesota, of which GRCL, LLC is the mortgagor and which is listed as a memorial on the certificate of title number 319860, evidencing fee title to the above-defined GRCL Lots, hereby consents to the recording of the above-defined Restated Master Declaration as a memorial to and encumbrance upon the two certificates of title evidencing GRCL's fee title to the GRCL Lots.

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IN WITNESS WHEREOF, Miners National Bank of Eveleth has caused this Consent and Joinder acknowledgement to be executed this 22nd day of March, 2010.

MINERS NATIONAL BANK OF
EVELETH

By: Gerald J. HoelIts: President

STATE OF MINNESOTA)

COUNTY OF ST. LOUIS)

ss.

The foregoing instrument was acknowledged before me this 22nd day of March, 2010, by Gerald J. Hoel, the President of Miners National Bank of Eveleth, on behalf of the bank.

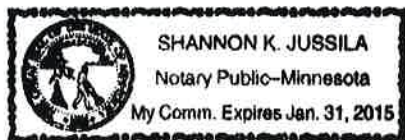
Shannon K. Jussila
Notary Public

EXHIBIT A TO MASTER DECLARATION

GIANTS RIDGE

DESCRIPTION OF PROPERTY

A. The following portions of Township Fifty-Nine (59) North, Range Fifteen (15) West of the Fourth Principal Meridian:

1. The portion of Section Seven (7) legally described as:
 Southwest Quarter (SW¼) and West One-half of Southeast Quarter (W½ of SE¼)
 [COT # 316195], except that part thereof legally described as:
 That part of the South-Half (S½) of Section 7, Township 59 North, Range 15 West of the Fourth Principal Meridian, St. Louis County, Minnesota, described as follows: Commencing at the South Quarter (S¼) corner of said Section 7; thence North 2°22'52" East, along the north-south quarter line of said Section 7, a distance of 1125.28 feet to the point of beginning of the parcel to be described; thence South 37°31'44" East a distance of 190.10 feet; thence South 88°52'05" East a distance of 128.06 feet; thence North 2°22'52" East a distance of 754.70 feet; thence South 72°28'20" West a distance of 550.86 feet; thence South 17°31'40" East a distance of 194.63 feet to the south line of the Northeast Quarter of the Southwest Quarter (NE¼ - SW¼) of said Section 7; thence South 37°31'44" East a distance of 314.32 feet, more or less, to the point of beginning. The above described parcel is subject to an existing recreation trail for ATV and Snowmobile use. Said parcel containing 5.72 acres, more or less;

AND,

2. Those portions of Section Eighteen (18) legally described as follows:
 - a. those portions of Government Lots Two (2) and (3) lying West and South of Embarrass River [COT # 303482]; and,
 - b. Government Lots Four (4) and Five (5) [COT # 303482],

AND,

3. Those portions of Section Nineteen (19) legally described as follows:
 - a. all of Government Lots One (1), Two (2), Three (3), and Four (4) [COT # 303482], including the following lots and outlots lying within the following plats:
 - i. Giants Ridge Woodlands:
 1. Block 1, Lots 1-8 [COT Numbers: 297225, 309137, 311224, 292842, 280857, 295806, 306906, and 296497];
 2. Block 2, Lots 1-6 [COT Numbers: 291628, 315686, 301118, 289088, 308836, and 303098];
 3. Block 3, Lots 1-5 [COT Numbers: 296435, 310915, and 296312]; and
 4. Outlots A & B [COT Number: 280872].
 - ii. Giants Ridge Resort Village:

1. Block 1, Lots 1-6 [COT Numbers: 303473, 303474, 310640, 303476, 303477, and 303478];
 2. Block 2, Lot 1 [COT Number: 303480];
 3. Block 3, Lot 1 [COT Number: 303481]; and
 4. Outlot A [COT Number: 303479].
- iii. Residence Club at Giants Ridge:
1. Block 1, Lots 1-7 [COT Numbers: 319190, 319191, 319192, 319193, 319194, 319195 and 319196];
 2. Block 2, Lots 1-9 [COT Numbers: 319197, 319198, 319199, 319200, 319201, 319202, 319203, 319204 and 319205];
 3. Block 3, Lots 1-7 [COT Numbers: 319206, 319208, 319209, 319210, 319212 and 319860];
 4. Block 4, Lots 1-4 [COT Numbers: 319213, 319214, 319215 and 319216]; and,
 5. Outlots A-F [COT Numbers: 319217, 319218, 319219, 319220, 319221 and 319222,].

AND,

4. Those portions of Section Thirty (30), legally described as:
 - a. Government Lots One (1), Two (2), Three (3) and Four (4) [COT Number 303482], except:
 those portions of Government Lots One (1), Two (2), and Three (3) that are platted as Condominium Number 20, The Villas at Giants Ridge, as shown on the Twelfth Supplemental Condominium Plat; and,
 FURTHER EXCEPTING that part described as follows: Beginning at the most northwesterly corner of CONDOMINIUM NUMBER 20 THE VILLAS AT GIANTS RIDGE, as shown on the TWELFTH SUPPLEMENTAL CONDOMINIUM PLAT and assuming the north line of said CONDOMINIUM NUMBER 20 to bear South 70 degrees 35 minutes 08 seconds East; thence North 70 degrees 35 minutes 08 seconds West, along the westerly extension of said north line 80.60 feet to the monumented easterly right-of-way line of County State Aid Highway Number 138 also being labeled as Point "B" on said TWELFTH SUPPLEMENTAL CONDOMINIUM PLAT; thence northeasterly along said easterly right-of-way line 115.27 feet, more or less, to the intersection with a line drawn parallel with and 115 feet north of said north line of CONDOMINIUM NUMBER 20 and its westerly extension; thence South 70 degrees 35 minutes 08 seconds East along said line drawn parallel with and 115 feet north of the north line of CONDOMINIUM NUMBER 20 and its westerly extension, a distance of 340 feet, more or less, to its intersection with that line located at elevation 1369.3 National Geodetic Vertical Datum ("NGVD")-1929 which constitutes the low water mark of Wynne Lake as of the time of statehood as changed by accretion and reliction (the "East Boundary Line"); thence southerly along said East Boundary Line to its intersection with said North line of CONDOMINIUM NUMBER 20; thence North 70 degrees 35 minutes 08 seconds West along said north line of CONDOMINIUM NUMBER 20, a distance of 292 feet, more or less, to the point of beginning.

AND,

5. Those portions of Section Thirty-One (31) legally described as:
 - a. South One-Half of Southwest Quarter ($S\frac{1}{2}$ of $SW\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[Abstract]**; and,
 - b. West One-Half of Southeast Quarter ($W\frac{1}{2}$ of $SE\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[Abstract]**.
- B. The following portions of Township Fifty-nine (59) North, Range Sixteen (16) West of the Fourth Principal Meridian:
 1. That portion of Section Thirteen (13) legally described as:
Southeast Quarter of Northeast Quarter ($SE\frac{1}{4}$ of $NE\frac{1}{4}$) **[COT Number 303482]**;
 2. Those portions of Section Twenty-Four (24) legally described as:
Northeast Quarter of the Northwest Quarter ($NE\frac{1}{4}$ of $NW\frac{1}{4}$) **[Abstract]**; and,
South One-Half of Northeast Quarter ($S\frac{1}{2}$ of $NE\frac{1}{4}$) **[Abstract]**; and,
West Half of the Southeast Quarter ($W\frac{1}{2}$ of $SE\frac{1}{4}$) **[Abstract]**; and,
East Half of the Southeast Quarter ($E\frac{1}{2}$ of $SE\frac{1}{4}$) **[COT Number 303483]**.
 3. Those portions of Section Twenty-Five (25) legally described as:
East Half of Northeast Quarter ($E\frac{1}{2}$ of $NE\frac{1}{4}$) **[COT Number 231680]**; and,
Northwest Quarter of Northeast Quarter ($NW\frac{1}{4}$ of $NE\frac{1}{4}$) **[Abstract]**; and,
Northeast Quarter of Southeast Quarter ($NE\frac{1}{4}$ of $SE\frac{1}{4}$) **[Abstract]**.
- C. Those portions of Section Six (6) Township Fifty-Eight (58) North, Range Fifteen (15) West of the Fourth Principal Meridian legally described as:
 1. Northwest Quarter of Northeast Quarter ($NW\frac{1}{4}$ of $NE\frac{1}{4}$) **[Abstract]**; and,
 2. Southwest Quarter of Northeast Quarter ($SW\frac{1}{4}$ of $NE\frac{1}{4}$) **[COT Number 285866]**; and,
 3. East Half of Northwest Quarter ($E\frac{1}{2}$ of $NW\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[Abstract]**; and,
 4. Northwest Quarter of Northwest Quarter ($NW\frac{1}{4}$ of $NW\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[COT Number 316196]**; and,
 5. Southwest Quarter of Northwest Quarter ($SW\frac{1}{4}$ of $NW\frac{1}{4}$) **[Abstract]**.
- D. The following portions of Township Fifty-Eight (58) North, Range Sixteen (16) West of the Fourth Principal Meridian:
 1. Those portions of Section One (1) legally described as:
 - a. Government Lot One ($NE\frac{1}{4}$ of $NE\frac{1}{4}$) **[COT Number 316196]**;
 - b. Southwest Quarter of Northeast Quarter ($SW\frac{1}{4}$ of $NE\frac{1}{4}$), except that part lying within, south and east of the Diversion Channel as described in Exhibit D of this Master Declaration **[Abstract]**; and,
 - c. Southeast Quarter of Northeast Quarter ($SE\frac{1}{4}$ of $NE\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[COT Numbers: 316196 and 285866]**; and,
 - d. Government Lot Six ($NW\frac{1}{4}$ of $SE\frac{1}{4}$), except that part lying within the Diversion Channel as described in Exhibit D of this Master Declaration **[Abstract]**.

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E. The Lodge Property as described in Exhibit C of this Master Declaration.

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EXHIBIT B TO MASTER DECLARATION

GIANTS RIDGE GOLF & SKI RESORT

DESCRIPTION OF MASTER COMMON ELEMENTS

None as of the date of recording of this Master Declaration.

**EXHIBIT C TO MASTER DECLARATION
GIANTS RIDGE**

DESCRIPTION OF LODGE PROPERTY

Tracts A, B, C, D, E, F, G, H, I, J, K, L, M, O, P, Q, R, U, X, Y, Z, AA, BB, CC, DD, EE, FF, GG and HH, Registered Land Survey No. 71, files of the Registrar of Titles, St. Louis County, Minnesota; and

That part of Lot 3, Block 1, GIANTS RIDGE RESORT VILLAGE, according to the recorded plat thereof, lying above an elevation of 1424.57 feet NAVD 1988 and below an elevation of 1436.67 feet NAVD 1988 described as follows:

Commencing at the most southerly corner of said Lot 3, thence on an assumed bearing of North 40 degrees 50 minutes 16 seconds West, along the southerly most southwesterly line of said Lot 3, a distance of 53.11 feet; thence North 47 degrees 14 minutes 49 seconds East, a distance of 43.43 feet, to the point of beginning of the tract of land to be described; thence North 42 degrees 41 minutes 40 seconds West, a distance of 30.44 feet; thence North 47 degrees 18 minutes 20 seconds East, a distance of 54.05 feet; thence North 42 degrees 41 minutes 23 seconds West, a distance of 5.97 feet; thence North 47 degrees 16 minutes 48 seconds East, a distance of 25.67 feet; thence South 42 degrees 41 minutes 09 seconds East, a distance of 36.34 feet; thence South 47 degrees 14 minutes 49 seconds West, a distance of 79.72 feet, to the point of beginning.

That part of Lot 3, Block 1, GIANTS RIDGE RESORT VILLAGE, according to the recorded plat thereof, lying above an elevation of 1424.57 feet NAVD 1988 and below an elevation of 1436.67 feet NAVD 1988 described as follows:

Commencing at the most southerly corner of said Lot 3, thence on an assumed bearing of North 40 degrees 50 minutes 16 seconds West, along the southerly most southwesterly line of said Lot 3, a distance of 53.11 feet; thence North 47 degrees 14 minutes 49 seconds East, a distance of 43.43 feet; thence North 42 degrees 41 minutes 40 seconds West, a distance of 30.44 feet to the point of beginning of the tract of land to be described; thence North 47 degrees 18 minutes 20 seconds East, a distance of 54.05 feet; thence North 42 degrees 41 minutes 23 seconds West, a distance of 39.18 feet; thence South 47 degrees 14 minutes 50 seconds West, a distance of 11.18 feet; thence South 42 degrees 45 minutes 11 seconds East, a distance of 15.50 feet; thence South 47 degrees 14 minutes 49 seconds West, a distance of 42.82 feet; thence South 42 degrees 45 minutes 34 seconds East, a distance of 0.75 feet; thence South 47 degrees 14 minutes 26 seconds West, a distance of 1.28 feet, thence South 23 degrees 25 minutes 30 seconds East, a distance of 11.01 feet; thence South 62 degrees 26 minutes 02 seconds East, a distance of 11.19 feet; thence North 47 degrees 18 minutes 20 seconds East, a distance of 1.07 feet; thence South 42 degrees 41 minutes 40 seconds East, a distance of 1.95 feet to the point of beginning.

That part of Lot 3, Block 1, GIANTS RIDGE RESORT VILLAGE, according to the recorded plat thereof, lying above an elevation of 1424.57 feet NAVD 1988 and below an elevation of 1436.67 feet NAVD 1988 described as follows:

Commencing at the most southerly corner of said Lot 3, thence on an assumed bearing of North 40 degrees 50 minutes 16 seconds West, along the southerly most southwesterly line of said Lot 3, a distance of 53.11 feet; thence North 47 degrees 14 minutes 49 seconds East, a distance of 43.43 feet; thence North 42 degrees 41 minutes 40 seconds West, a distance of 30.44 feet; thence North 47 degrees 18 minutes 20 seconds East, a distance of 54.05 feet; thence North 42 degrees 41 minutes 23 seconds West, a distance of 16.94 feet, to the point of beginning of the tract of land to be described; thence continue North 42 degrees 41 minutes 23 seconds West, a distance of 54.33 feet; thence North 27 degrees 18 minutes 47 seconds West, a distance of 42.14 feet; thence North 62 degrees 38 minutes 41 seconds East, a distance of 25.65 feet; thence South 27 degrees 21 minutes 19 seconds East, a distance of 38.69 feet; thence South 42 degrees 41 minutes 09 seconds East, a distance of 50.84 feet; thence South 47 degrees 14 minutes 46 seconds West, a distance of 25.67 feet to the point of beginning.

That part of Lot 3, Block 1, GIANTS RIDGE RESORT VILLAGE, according to the recorded plat thereof, lying above an elevation of 1424.57 feet NAVD 1988 and below an elevation of 1436.67 feet NAVD 1988 described as follows:

Commencing at the most southerly corner of said Lot 3, thence on an assumed bearing of North 40 degrees 50 minutes 16 seconds West, along the southerly most southwesterly line of said Lot 3, a distance of 53.11 feet; thence North 47 degrees 14 minutes 49 seconds East, a distance of 123.15 feet; thence North 42 degrees 41 minutes 09 seconds West, a distance of 98.17 feet; thence North 27 degrees 21 minutes 19 seconds West, a distance of 50.13 feet; thence North 15 degrees 52 minutes 27 seconds West, a distance of 4.74 feet; thence North 12 degrees 44 minutes 22 seconds West, a distance of 27.11 feet; thence North 12 degrees 58 minutes 53 seconds West, a distance of 4.29 feet; thence North 2 degrees 20 minutes 06 seconds East, a distance of 28.25 feet, to the point of beginning of the tract of land to be described; thence continue North 2 degrees 20 minutes 06 seconds East, a distance of 21.79 feet; thence North 17 degrees 23 minutes 44 seconds East, a distance of 68.02 feet; thence North 72 degrees 36 minutes 16 seconds West, a distance of 24.25 feet; thence South 17 degrees 23 minutes 44 seconds West a distance of 71.23 feet; thence South 2 degrees 20 minutes 06 seconds West, a distance of 25.00 feet; thence South 87 degrees 39 minutes 54 seconds East, a distance of 24.25 feet, to the point of beginning; and

AND

Tracts N, S, T, V and W, Registered Land Survey No. 71, files of the Registrar of Titles, St. Louis County, Minnesota (excepting minerals, but including those Units now known and designated as follows) [CECT Number 310577]:

Unit 101 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment

Unit 102 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment

Unit 104 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 105 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 106 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 108 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 109 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 110 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 111 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 112 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 114 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 115 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 119 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 201 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 202 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 205 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 206 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 208 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 209 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 210 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 211 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 212 CIC No. 92, The Lodge Condominiums at Giants Ridge First Amendment
Unit 214 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 215 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 219 CIC No. 92, The Lodge Condominiums at Giants Ridge

Unit 221 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 227 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 229 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 230 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 232 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 233 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 234 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 235 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 236 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 238 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 239 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 240 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 242 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 243 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 244 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 247 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 301 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 302 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 305 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 306 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 308 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 309 CIC No. 92, The Lodge Condominiums at Giants Ridge
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Unit 311 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 314 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 315 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 319 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 321 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 327 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 329 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 330 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 332 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 333 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 335 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 336 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 338 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 339 CIC No. 92, The Lodge Condominiums at Giants Ridge
Unit 340 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 342 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 343 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 344 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment
Unit 347 CIC No. 92 The Lodge Condominiums at Giants Ridge First Amendment

EXHIBIT D TO MASTER DECLARATION

882758

GIANTS RIDGE

DESCRIPTION OF DIVERSION CHANNEL PROPERTY

The lands constituting the Diversion Channel as above-referenced in this Master Declaration and as conveyed to the State of Minnesota by Lake Mining Company by quit claim deed recorded on November 3, 1966 as Document No. 72726 in the Office of the County Recorder for St. Louis County, Minnesota, are defined as a strip of land lying and being in the County of St. Louis and State of Minnesota that is One Hundred and Fifty Feet (150') in width on each side of the following described line:

Assume the common section line between the Northwest Quarter (NW¼) Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West and the Northeast Quarter (NE¼) Section One (1), Township Fifty-eight (58) North, Range Sixteen (16) West to be a true North - South line, and starting at the Northwest corner of said Section Six (6); thence North Sixty-three Degrees Thirty-eight Minutes East (N63° - 38'E) a distance of Five Thousand Six Hundred Ten and No One-Hundredths Feet (5,610.00') to the point of beginning of the centerline of the diversion channel between Wine Lake and Embarrass Lake, said point of beginning being at the outlet of Wine Lake and located in Government Lot Six (6) of Section Thirty-one (31) Township Fifty-nine (59) North, Range Fifteen (15) West; then South Sixty-two Degrees and Twenty Minutes West (S62° - 20'W) a distance of Three Hundred Sixty and No One-Hundredths Feet (360.00'); thence South Sixty-five Degrees and Fifteen Minutes West (S65° - 15'W) a distance of Four Hundred Sixty-five and No One-Hundredths Feet (465.00'); thence South Fifty-eight Degrees Twenty Minutes West (S58° - 20'W) a distance of Two Hundred and No One-Hundredths Feet (200.00'); thence South Fifty-nine Degrees and Twenty-five minutes West (S59° - 25'W) a distance of One Hundred Eighty and No One-Hundredths Feet (180.00'); thence South Forty-one Degrees and Twelve Minutes West (S41° - 12'W) a distance of Three Hundred Thirty-five and No One-Hundredths Feet (335.00'); thence South Sixty-one Degrees and Fifty Minutes West (S61° - 50'W) a distance of One Hundred Thirty-three and No One-Hundredths Feet (133.00'); thence South Eighty-two Degrees Ten Minutes West (S82° - 10'W) a distance of Four Hundred Seventy-five and No One-Hundredths Feet (475.00') to a point located South Twenty-six Degrees and Fifty-eight Minutes East (S26° - 58'E) of and at a distance of One Thousand Two Hundred Sixty-two and No One-Hundredths Feet (1,262.00') from the Center One Quarter corner of Section Thirty-one (31) Township Fifty-nine (59) North, Range Fifteen (15) West; thence South Seventy Degrees and No Minutes West (70° - 00'W) a distance of One Hundred Seventy and No One-Hundredths Feet (170.00'); thence South Fifty-eight Degrees and Thirty-five Minutes West (S58° - 35'W) a distance of One Hundred Seventy-eight and No One-Hundredths Feet (178.00'); thence South Thirty-nine Degrees Thirty Minutes West (S39° - 30'W) a distance of Eight-Hundred Eighty-one No One-Hundredths Feet (881.00'); thence South Forty-eight Degrees Forty-five Minutes West (S48° - 45'W) a distance of Three Hundred Eighty-two and No One-Hundredths Feet (382.00'); thence South Sixty-eight Degrees Thirty Minutes West (S68° - 30'W) a distance of Three Hundred Eleven and No One-Hundredths Feet (311.00');

thence South Forty-eight Degrees Fifteen Minutes West (S48° - 15'W) a distance of Three Hundred Sixty-two and No One-Hundredths Feet (362.00'); thence South Twenty-five Degrees Thirty Minutes West (S25° - 30'W) a distance of Ninety and No One-Hundredths Feet (90.00') more or less to the Northwest corner of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West; thence South Twenty-five Degrees Thirty Minutes West (S25° - 30'W) a distance of One Hundred Fifty-four and No One-Hundredths Feet (154.00') to a point located South Eighty-five Degrees and Thirty Minutes East (S85° - 30'E) of and at a distance of One Thousand Three Hundred Thirty-one and Ninety-seven One-Hundredths Feet (1,331.97') from the said Northwest corner of Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West; thence South Thirty-four Degrees Five Minutes West (S34° - 05'W) a distance of Two Hundred Nineteen and No One-Hundredths Feet (219.00'); thence South Fifty Degrees Two Minutes West (S50° - 02'W) a distance of One Thousand Five Hundred Ninety-four and No One-Hundredths Feet (1,594.00') more or less to the Southwest corner of the Northwest Quarter (NW¼) of the Northwest Quarter (NW¼) of Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West; thence South Sixty-one Degrees Fifty Minutes West (S61° - 50'W) a distance of One Hundred Fifty and No One-Hundredths Feet (150.00'); thence South Eighty-four Degrees Fifty-seven Minutes west (S84° - 57'W) a distance of One Thousand Forty-five and No One-Hundredths Feet (1,045.00'); thence South Seventy-five Degrees No Minutes (S75° - 00'W) a distance of One Hundred Sixty and No One-Hundredths Feet (160.00'); thence South Fifty-six Degrees Three Minutes West (S56° - 03'W) a distance of Nine Hundred Eighty-three and No One-Hundredths Feet (983.00'); thence South Thirty-seven Degrees Thirty-five Minutes West (S37° - 35'W) a distance of Two Hundred Ninety-five and No One-Hundredths Feet (295.00'); thence South Thirty Degrees Thirty Minutes West (S30° - 30'W) a distance of Three Hundred Thirty-six and No One-Hundredths Feet (336.00') to a point located North Eighty-eight Degrees and Fifty-two Minutes West (N88° - 52'W) of and at distance of Two Thousand Four Hundred Ninety-seven and Ninety-eight One-Hundredths Feet (2,497.98') from the West One-Quarter corner of Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West; thence South Four Degrees Twenty-five Minutes East (S4° - 25'E) a distance of Five Hundred Seventy-seven and No One-Hundredths Feet (577.00'); thence South Nine Degrees No Minutes East (S9° - 00'E) a distance of Two Hundred Forty-five and No One-Hundredths Feet (245.00') to a point located South Thirty-five Degrees and Thirty Minutes West (S35° - 30'W) of and at a distance of Four Thousand One Hundred Eighty and No One-Hundredths Feet (4,180.00') from the point of beginning, this being the Northwest corner of Section Six (6) Township Fifty-eight (58) North, Range Fifteen (15) West; which point is the outlet of the diversion channel into Embarrass Lake, as shown on Exhibit "A" attached hereto and made a part hereof

1131664

EXHIBIT E TO MASTER DECLARATION

GIANTS RIDGE

882758

DESCRIPTION OF ADDITIONAL PROPERTY

All of those portions of the following tracts of land, that do not constitute part of the Property described in Exhibits A or C, but lie within the following specified sections in the designated townships and ranges of St. Louis County, Minnesota (except the Diversion Channel Lands described in Exhibit D), shall constitute the Additional Property for purposes of this Master Declaration:

Tract A:

Township 59 North, Range 15 West , Sections 7, 8, 17-20, and 29-32;

Tract B:

Township 59 North, Range 16 West, Sections 12, 13, 24, 25 and 36;

Tract C:

Township 58 North, Range 16 West, Section 1;

and,

Tract D:

Township 58 North, Range 15 West, Sections 5 and 6.

1131664

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF ST LOUIS

SIXTH JUDICIAL COURT

CERTIFICATE OF EXAMINER OF TITLES

I, David W. Adams, Examiner of Titles for St. Louis County, Minnesota, do hereby certify that I have examined the document presented by Iron Range Resources, namely:

Giants Ridge Master Association Amended and Restated Master Declaration dated March 22, 2010

I do further certify that the original of said document complies with the requirements of the Minnesota Statutes, Chapter 515B.

Under the provisions of Minnesota Statutes, Section 508.351, the Registrar of Titles of St. Louis County, Minnesota, is authorized to record said document and this certificate on Certificate of Title No. 231680, 280857, 280872, 280873, 285866, 289088, 291628, 292842, 295806, 296312, 296435, 296497, 297225, 301118, 303098, 303473, 303474, 303476, 303477, 303478, 303479, 303480, 303481, 303483, 306906, 308836, 309137, 310577, 310640, 310915, 311224, 315686, 316195, 316196, 319190, 319191, 319192, 319193, 319194, 319195, 319196, 319197, 319198, 319199, 319200, 319201, 319202, 319203, 319204, 319205, 319206, 319208, 319209, 319210, 319212, 319213, 319214, 319215, 319216, 319217, 319218, 319219, 319220, 319221, 319222, 319223, 319860

Dated this 26th of March, 2010.

DAVID W. ADAMS
EXAMINER OF TITLES

