

DISCLAIMER: This document is a preliminary draft of the Declaration for Lots 1 – 12, Block 2, and Lots 1 – 3, Block 3 HIDDEN FALLS AT ISLAND LAKE, St. Louis County, Minnesota. It is provided for informational purposes only. The Declarant reserves the right to modify this document prior to recording, as may be reasonable or necessary to comply with governmental and regulatory requirements and/or to complete the Declarant’s plans to sell its leased lots on Island Lake Reservoir.

COMMON INTEREST COMMUNITY NO. ____

PLANNED COMMUNITY

ANDLER ON ISLAND LAKE

DECLARATION

This Declaration is made as of _____, 2023, by ALLETE, Inc., a Minnesota corporation (the “Declarant”), for the purpose of creating Andler on Island Lake as a planned community under the Minnesota Common Interest Ownership Act (as defined herein and referred to herein as the “Act”).

WHEREAS, Declarant is the owner of real property located in St. Louis County, Minnesota, legally described on Exhibit A attached hereto (the “Property”); and

WHEREAS, Declarant desires to establish on the Property, a planned community to be owned, occupied and operated for the use, health, safety and welfare of its Owners and Occupants, for the purpose of preserving the value of the Property, and for the purpose of ensuring its proper subdivision and transfer; and

WHEREAS, Declarant has deemed it desirable for the preservation of the value of the Property to create a nonprofit corporation for the purposes of administering and enforcing the covenants and restrictions, maintaining the Private Roads (as defined below) necessary for access to the Property, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated Andler on Island Lake Owners’ Association, a non-profit corporation under the provisions of Minnesota Statutes Chapter 317A, for the purpose of exercising such functions, and

NOW, THEREFORE, Declarant makes the Declaration and submits the Property to the Act as a planned community under the name “Andler on Island Lake,” declaring that this Declaration shall constitute covenants to run with the Property, and that the Property shall be owned, used, occupied and conveyed subject to the covenants, restrictions, easements, charges and liens set forth herein, all of which shall be binding upon all Persons owning or acquiring any right, title or interest therein, and their heirs, personal representatives, successors and assigns.

SECTION 1—DEFINITIONS

The following words when used in the Governing Documents shall have the following meanings (unless the context indicates otherwise):

1.1 “Act” means Minnesota Statutes, Sections 515B.1-101 through 515B.4-118 and may be cited as the “Minnesota Common Interest Ownership Act.”

1.2 “Association” means Andler on Island Lake Owners’ Association, a non-profit corporation that has been created pursuant to Chapter 317A of the laws of the State of Minnesota, whose members consist of all Owners as defined herein.

1.3 “Board” means the Board of Directors of the Association.

1.4 “Bylaws” means the Bylaws governing the operation of the Association.

1.5 “Common Elements” means all portions of the common interest community other than the Lots.

1.6 “Common Expenses” means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including without those items specifically identified as Common Expenses in the Declaration or Bylaws.

1.7 “Governing Documents” means this Declaration, the Articles of Incorporation and Bylaws of the Association, and any Rules and Regulations, as amended from time to time, all of which shall govern the use and operation of the Property.

1.8 “Lot” means any platted lot subject to this Declaration, as described on Exhibit A, including all improvements thereon. The word “Lot” as used herein shall have the same meaning as the word “unit” set forth in the Act.

1.9 “Member” means all Persons who are members of the Association by virtue of being Owners as defined in this Declaration. The words “Owner” and “Member” may be used interchangeably in the Governing Documents.

1.10 “Occupant” means any Person in possession of or residing on a Lot.

1.11 “Owner” means a Person who owns a Lot, but excluding contract for deed vendors, mortgagees and other secured parties. The term “Owner” includes, without limitation, contract for deed vendees and holders of life estates.

1.12 “Person” means a natural individual, corporation, limited liability company, partnership, trustee, or other legal entity capable of holding title to real property.

1.13 “Plat” means the recorded plat of HIDDEN FALLS AT ISLAND LAKE, St. Louis County, Minnesota.

1.14 “Private Roads” means the private roads necessary for access from the Property to Rice Lake Road (County Road 4), including Andler Road, the 33’ wide private road extending

off of Andler Road that provides access to Lot 12, Block 2 in the Plat, and the 33' wide private road extending off of the circular turnaround at the end of Andler Road that provides access to Lot 3, Block 3 in the Plat. The Private Roads are depicted on the Plat and described in the Appurtenant Roadway Easements (defined in Section 8.2 below).

1.15 “Rules and Regulations” means the Rules and Regulations of the Association as approved from time to time pursuant to this Declaration.

Any terms used in the Governing Documents and defined in the Act and not in this Section, shall have the meaning set forth in the Act.

SECTION 2—LOTS; COMMON ELEMENTS

2.1 Lots. The Lots and their characteristics are as follows:

2.1.1 There are fifteen (15) Lots. Each Lot constitutes a separate parcel of real estate.

2.1.2 The front, rear and side boundaries of each Lot shall be the boundary lines of the platted lot as shown on the Plat. The Lots shall have no upper or lower boundaries.

2.1.3 All Lots are restricted to residential use, as set forth in Section 6.1.

2.1.4 No additional Lots may be created by the subdivision or conversion of Lots pursuant to Section 515B.2-112 of the Act; provided, that nothing in this Section 2.1.4 shall be construed to preclude the addition of other real property to the common interest community in accordance with the provisions of Section 2.3.

2.1.5 The unit identifiers and locations of the Lots are as shown on the Plat, and a schedule of Lots is set forth on Exhibit A. The “unit identifier” for a Lot shall be its lot and block numbers and the subdivision name.

2.2 Common Elements. There are no Common Elements in the common interest community.

2.3 Addition of Other Property. Other real property may be added to the common interest community as Common Elements, and subjected to this Declaration, in accordance with Section 515B.2-125 of the Act. Other real property may be added to the common interest community as Lots, and subjected to this Declaration, in accordance with the provisions of Section 515B.2-118 of the Act.

SECTION 3—ASSOCIATION MEMBERSHIP

3.1 Membership. Each Owner shall be a Member of the Association by virtue of Lot ownership, and the membership shall be transferred with the conveyance of the Owner's interest in the Lot. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Lot, each such Person shall be a member of the Association, but multiple ownership of a Lot shall not increase the voting rights allocated to such Lot nor authorize the division of the voting rights.

3.2 Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Lots, except that special allocations of Common Expenses shall be permitted as provided in Section 5.

3.3 Appurtenant Rights and Obligations. The ownership of a Lot shall include the voting rights and Common Expense obligations described in this Declaration. Said rights, obligations and interests, and the title to the Lots, shall not be separated or conveyed separately.

3.4 Authority to Vote. The Owner, or some natural person designated to act as proxy on behalf of the Owner, and who need not be an Owner, may cast the vote allocated to such Lot at meetings of the Association; provided that if there are multiple Owners of a Lot, only the Owner or other Person designated pursuant to the provisions of the Bylaws may cast such vote. The voting rights of Owners are more fully described in the Bylaws.

3.5 Declarant Control. Notwithstanding the voting provisions of this Section, Declarant may appoint all Board members and officers of the Association during the period of declarant control, subject to the qualifications described in Section 10.2.

3.6 Master Association. The common interest community is not subject to a "master association," as such term is defined under the Act.

SECTION 4—ADMINISTRATION

4.1 General. The Association shall, subject to the rights of the Owners set forth in the Governing Documents, be responsible for the operation, management and control of the Property. All power and authority of the Association shall be vested in the Board unless action or approval by the Owners is specifically required by the Governing Documents.

4.2 Rules and Regulations. The Board shall have exclusive authority to approve and implement such reasonable Rules and Regulations as it deems necessary from time to time for the purpose of operating and administering the affairs of the Association and regulating the use of the Property; provided that the Rules and Regulations shall not be inconsistent with the Governing Documents.

4.3 Resale Disclosure Certificates. Pursuant to Section 515B.4-107 of the Act, in the event of a resale of a Lot by an Owner other than the Declarant, that Owner shall furnish to the purchaser a resale disclosure certificate containing the information required by Section 515B.4-107(b) of the Act. Pursuant to Section 515B.4-107(d) of the Act, the Association shall, within ten days after a request by an Owner of the Owner's authorized representative, furnish the resale

disclosure certificate. The Association may charge a reasonable fee for furnishing the resale disclosure certificate and any documents related thereto.

SECTION 5—ASSESSMENTS FOR COMMON EXPENSES

5.1 General. The assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents in the Property and for the maintenance of the Private Roads which are required to be maintained by the Association pursuant to Section 7.1 and 7.2, as depicted and more particularly described in the Appurtenant Roadway Easements (defined in Section 8.2 below).

5.2 Amounts and Types. Assessments for Common Expenses shall be determined and assessed against the Lots by the Board, in its discretion, subject to the limitations set forth in this Section, and the requirements of the Bylaws. Assessments for Common Expenses shall include annual assessments and may include special assessments. Assessments shall be allocated equally among the Lots, subject to the following qualifications:

5.2.1 Any Common Expense or portion thereof benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited, on the basis of (i) equality, (ii) square footage of the area being maintained, repaired or replaced, or (iii) the actual cost incurred with respect to each Lot.

5.2.2 Reasonable attorneys' fees and other costs incurred by the Association in connection with (i) the collection of assessments and (ii) the enforcement of the Governing Documents against an Owner or Occupant or their guests, may be assessed against the Owner's Lot, provided that attorney fees and costs must not be charged or collected from an Owner who disputes a fine or assessment and, if after the Owner requests a hearing and a hearing is held by the Board (or a committee appointed by the Board), the Board does not adopt a resolution levying the fine or upholding the assessment against the Owner or the Owner's Lot.

5.2.3 If any damage to the Private Roads is caused by the act or omission of any Owner or Occupant, or their guests, the Association may assess the costs of repairing the damage exclusively against the Owner's Lot, provided that in the event the Association levies an assessment for the costs of repairing such damage, the Association must provide a dated, written notice to the Lot Owner, as more fully described in Section 8.8 of the Bylaws.

5.2.4 If any installment of an assessment becomes more than 30 days past due, then the Association may, upon 10 days written notice to the Owner, declare the entire amount of the assessment immediately due and payable in full.

5.3 Special Assessments. In addition to annual assessments, the Board may levy special assessments against all Lots based upon the same formula required by Section 5.2 for levying annual assessments. Special assessments may be levied (i) to cover expenditures of an emergency nature, (ii) to replenish underfunded replacement reserves, and (iii) to cover unbudgeted capital expenditures or operating expenses, provided that such assessment shall be subject to approval by the vote of a majority of those Owners voting, in person or by proxy, at a

meeting called for that purpose. The Board and the Owners may also levy special assessments for replacement reserves, subject to the requirements of Section 515B.3-1141(a)(5) of the Act.

5.4 Liability of Owners for Assessments. The Owner at the time an assessment is payable with respect to the Lot shall be personally liable for the share of the Common Expenses assessed against such Lot. The Association may invoke the charges, sanctions and remedies set forth in the Governing Documents or by law, for the purpose of enforcing its rights hereunder, provided that attorney fees and costs must not be charged or collected from an Owner who disputes a fine or assessment and, if after the Owner requests a hearing and a hearing is held by the Board (or a committee appointed by the Board), the Board does not adopt a resolution levying the fine or upholding the assessment against the Owner or the Owner's Lot.

5.5 Declarant's Alternative Assessment Program. The Property shall not be subject to an alternate common expense plan under Section 515B.3-1151(a)(2)(i) of the Act.

5.6 Assessment Lien. The Association has a lien on a Lot for any assessment levied against that Lot from the time the first installment of the assessment becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association are also liens, and are enforceable as assessments under this Section. Recording of the Declaration constitutes record notice and perfection of any lien under this Section, and no further recordation of any notice of the lien is required.

5.7 Foreclosure of Lien: Remedies. A lien for Common Expenses may be foreclosed against a Lot (i) by action, or (ii) by advertisement as a lien under a mortgage containing a power of sale. The Association shall, in addition, have the right to pursue any other remedy at law or in equity against the Owner who fails to pay any assessment or charge against the Lot.

SECTION 6—RESTRICTIONS ON USE OF PROPERTY

All Owners and Occupants, and all secured parties, by their acceptance or assertion of an interest in the Property, or by their occupancy of a Lot, covenant and agree that, in addition to any other restrictions which may be imposed by the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

6.1 Residential Use. The Lots shall be used by Owners and Occupants and their guests exclusively for single-family residential uses (whether primary, vacation, or recreational). The use of a dwelling or any other improvement upon the Lot by an Owner or Occupant for home office or studio uses, which are incidental to the principal residential use of the Lot, which comply with applicable zoning ordinances, and which do not invite or generate regular or frequent visits by clients, customers, employees, coworkers, or the public shall not be considered a violation of this restriction.

6.2 Leasing. Leasing of Lots shall be allowed, subject to reasonable regulation by the Association, and further subject to applicable laws, ordinances, and regulations. All leases shall provide that they are subordinate and subject to the provisions of the Governing Documents and any applicable laws, ordinances, and regulations.

6.3 Private Roads. No obstructions shall be placed, installed or maintained within the Private Roads. The Private Roads shall not be used for storage of any kind. The Private Roads shall not be used for parking, except in the event of an emergency and then only for so long as the emergency exists. The Association may impose such reasonable Rules and Regulations as may be necessary to regulate the use of the Private Roads, consistent with this Section and the Appurtenant Roadway Easements (defined in Section 8.2 below), including but not limited to the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property.

6.4 No Time Shares. No time shares are permitted.

6.5 Shoreland. The common interest community includes shoreland, as defined in Minnesota Statutes, Section 103F.205, and may be subject to county, township, or municipal ordinances or rules affecting the development and use of the shoreland area.

6.6 Subdivision Prohibited. No Lot may be subdivided or partitioned in any manner that creates additional Lots within the Property; provided, that nothing in this Section 6.6 shall be construed to preclude the addition of other real property to the common interest community in accordance with the provisions of Section 2.3.

SECTION 7—MAINTENANCE

7.1 Maintenance by Association. The Association, subject to the rights of the Owners as set forth in this Declaration, shall be responsible for, and be vested with, the exclusive management, control and maintenance of the Private Roads, except as provided below. The Association's obligation to maintain the Private Roads includes but is not necessarily limited to routine maintenance and repair, grading, drainage, dust control, and removing snow and debris (collectively referred to as "maintenance"). Notwithstanding the foregoing, the Association shall not be responsible for the maintenance of the 33' wide private road extending off of Andler Road that provides access to Lot 12, Block 2 in the Plat or the 33' wide private road extending off of the circular turnaround at the end of Andler Road that provides access to Lot 3, Block 3 in the Plat , except as provided in Section 7.2.

7.2 Additional Maintenance by Association. In addition to the maintenance described in Section 7.1, the Association shall undertake to provide maintenance of the 33' wide private road extending off of Andler Road that provides access to Lot 12, Block 2 in the Plat only upon the written request of a majority of the Owners of the Lots benefitted and burdened by thereby. Further, the Association shall undertake to provide maintenance of the 33' wide private road extending off of the circular turnaround at the end of Andler Road that provides access to Lot 3, Block 3 in the Plat only upon the written request of a majority of the Owners of the Lots benefitted and burdened thereby. The Association's obligation to undertake any such additional maintenance shall commence at the beginning of the next fiscal year of the Association following receipt of the written notice.

7.2 Maintenance by Owner. Except for the Private Road maintenance required to be provided by the Association under Sections 7.1 and 7.2, all maintenance of the Lots, including any improvements thereon, shall be the sole responsibility and expense of the Owners thereof. Each Owner shall be responsible for maintaining the driveway that provides access from such Owner's Lot to a Private Road. Each Owner shall be responsible for maintaining such Owner's

access to Island Lake Reservoir in accordance with the terms and conditions of the recorded Declaration of Lot Owner Reservoir Access Easement benefiting such Owner's Lot.

SECTION 8—EASEMENTS

8.1 Easement for Maintenance, Repair, Replacement and Reconstruction. Each Lot, and the rights of the Owners and Occupants thereof, shall be subject to the rights of the Association to an exclusive, appurtenant easement on and over the Lots to the extent necessary to fulfill the Association's obligations under the Governing Documents.

8.2 Access Easements. Each Lot is subject to and the beneficiary of the following easements (collectively, "Appurtenant Roadway Easements") necessary for access from the Property to Rice Lake Road (County Road 4):

8.2.1 Declaration of Appurtenant Roadway Easement dated _____, 2023, recorded _____, 2023 as Document No. _____ in the Office of the County Recorder of St. Louis County, Minnesota.

8.2.2 St. Louis County Easement by and between the State of Minnesota and ALLETE, Inc., d/b/a Minnesota Power dated _____, 2023 and recorded _____, 2023 as Document No. _____ in the Office of the County Recorder of St. Louis County, Minnesota.

8.3 Utilities Easements. The Property shall be subject to non-exclusive, appurtenant easements for all utilities, water and sewer, and similar services, which exist from time to time, as constructed as part of the development of the Property or referred to in the Plat, or as otherwise described in this Declaration or any other duly recorded instrument. Each Lot, and the rights of the Owners and Occupants thereof, shall be subject to a non-exclusive easement in favor of the other Lots for all such services, including without limitation any sewer or water lines servicing other Lots.

8.4 Driveway Easements. Each Lot ("Benefitted Lot") that is served by a gravel driveway ("Existing Driveway") laid out on or across another Lot ("Burdened Lot") on the date of this Declaration is granted a non-exclusive easement over and across that part of the Burdened Lot upon which the Existing Driveway is located ("Driveway Easement Area") for purposes of (a) year-round vehicular and pedestrian access to and from the nearest road within the common interest community, (b) maintenance and repair of the Existing Driveway as a gravel driveway and (c) snow removal, subject to any restrictions set forth in the Governing Documents. No use of the Burdened Lot that has the effect of blocking or otherwise interfering with use of the Driveway Easement Area shall be permitted, e.g. no parking, no storage, no structures and no landscaping within the Driveway Easement Area. For purposes of this Declaration, the Driveway Easement Area shall include the driving surface of the Existing Driveway, plus sufficient width on each side of the driving surface to adequately maintain and repair the Existing Driveway, including snow removal. Notwithstanding anything to the contrary contained in this Declaration, maintenance and repair of the Driveway Easement Area, including snow removal, shall be the responsibility of the Owner(s) of the Benefitted Lot.

8.5 Lot Owner Reservoir Access Easements. Each Lot in the common interest community is the beneficiary of an easement over, under and across a strip of land adjacent to

the Lot and bounded on the sides by the lakeward extensions of the Lot to place a seasonal dock, fish, swim and use the reservoir access easement area for other recreational purposes. The reservoir easement area for each Lot is more particularly described in the applicable recorded easement for access to Island Lake Reservoir and is subject to regulations imposed by the Federal Energy Regulatory Commission and all other terms and conditions set forth in the Governing Documents and the recorded easement applicable to each Lot.

8.6 Appurtenant Easements. All easements and similar rights burdening or benefiting a Lot or any other part of the Property shall run with the land, and shall be permanent, subject only to termination in accordance with the Act or the terms of the easement. Notwithstanding anything contained in this Declaration to the contrary, in no event shall an Owner or Occupant be denied reasonable access to his or her Lot or the right to utility services thereto, and any amendment to this Declaration that eliminates or modifies any of the access or utility easements granted herein requires the written consent of the affected Lot Owners.

SECTION 9—COMPLIANCE AND REMEDIES

9.1 Entitlement to Relief. The 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 Governing Documents or available at law or in equity. Legal relief may be sought by the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Governing Documents. Notwithstanding anything contained in this Declaration to the contrary, the remedies described in this Section 9 are subject to any and all restrictions and procedures required under Sections 515B.3-102(a)(11) and (c), 515B.3-1151(h) and 515B.3-116(h)(1) of the Act.

9.2 Sanctions and Remedies. In addition to any other remedies, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Governing Documents:

9.2.1 Commence legal action for damages or equitable relief.

9.2.2 Impose late charges of up to fifteen percent (15%) of each late payment of an assessment or installment thereof.

9.2.3 In the event of default of more than sixty (60) days in the payment of any assessment or installment thereof, all remaining installments of assessments assessed against the Lot owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent assessments, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration.

9.2.4 Impose reasonable fines, penalties or charges for each violation of the Governing Documents.

9.2.5 Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the foreclosure of mortgages by action or under a power of sale in the state where the Property is located.

9.4 Lien for Charges, Penalties, Etc. Any assessments, charges, fines, penalties or interest imposed under this Section shall be a lien against the Lot of the Owner or Occupant against whom the same are imposed and the personal obligation of such Owner in the same manner and with the same priority and effect as assessments. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the right to pursue any others.

9.5 Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal administrative, or otherwise, which the Association takes to enforce the provisions of the Governing Documents whether or not finally determined by a court or arbitrator, the Association may assess the violator and his or her Lot with any expenses incurred in connection with such enforcement, including without limitation fines or charges previously imposed by the Association, reasonable attorneys' fees, and interest (at the highest rate allowed by law) on the delinquent amounts owed to the Association.

SECTION 10—SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following rights defined as “special declarant rights” in the Act, for as long as it owns a Lot or for such shorter period as may be specifically indicated:

10.1 Signs. To erect and maintain signs offering the Lots for sale, on any Lot owned by Declarant .

10.2 Control of Association. To control the operation and administration of the Association, including without limitation the power to appoint and remove officers and directors of the Board, during the “period of declarant control.” The period of declarant control begins on the date of recording of this Declaration and terminates upon the earliest of the following events: three (3) years after the date of the first conveyance of a Lot to a Lot Owner other than the Declarant; the Declarant’s voluntary surrender of control by giving written notice to the Lot Owners pursuant to Section 515B.1-115 of the Act; or the conveyance of 75 percent of the Lots to Lot Owners other than the Declarant. Notwithstanding the foregoing, the Owners (other than the Declarant) shall have the right to nominate and elect not less than thirty-three and one-third percent (33 1/3%) of the directors at a meeting of the Owners which shall be held within sixty (60) days following the conveyance by the Declarant of fifty percent (50%) of the number of Lots included in the Property.

10.3 Consent to Amendments. To consent to amendments to the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations for so long as the Declarant owns any portion of the Property.

10.4 Consent to Termination. To consent to termination of the common interest community pursuant to Section 515B.2-119 of the Act until such time as Declarant no longer owns any Lot for initial sale.

SECTION 11—AMENDMENTS

This Declaration may be amended by the consent of Owners of Lots to which are allocated at least 75 percent of the votes in the Association and the consent of Declarant for so long as Declarant owns any portion of the Property, subject to the qualifications set forth in Section 515B.2-118 of the Act. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of the Declarant shall be in writing. An affidavit by the President or Secretary of the Association as to the outcome of the vote, or the execution of the foregoing agreements or consents, shall be adequate evidence thereof for all purposes, including without limitation, the recording of the amendment.

SECTION 12—INSURANCE

The Association shall obtain and maintain, to the extent reasonably available, a master policy or policies of insurance in accordance with the insurance requirements set forth in Section 515.B.3-113 of the Act and the additional requirements set forth herein, issued by a reputable insurance company or companies authorized to do business in the state of Minnesota, as follows:

12.1 Commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the Private Roads maintained by the Association in an amount, if any, specified by the Governing Documents or otherwise deemed sufficient in the judgment of the Board, insuring the Board and the Association.

12.2 Director's and officer's insurance in an amount, if any, deemed sufficient in the judgment of the Board.

12.3 Such other insurance as the Board may determine from time to time to be in the best interests of the Association and the Owners.

SECTION 13—MISCELLANEOUS

13.1 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.

13.2 Conflicts Among Documents. In the event of any conflict among the provisions of the Act, the Declaration, Bylaws and Rules and Regulations, the Declaration shall control, and as between the Bylaws and the Rules and Regulations, the Bylaws shall control.

13.3 Duration of Covenants. The covenants, conditions, restrictions, easements, liens and charges contained in this Declaration shall be perpetual, subject only to termination as provided in this Declaration and the Act.

Exhibit A

Legal Description of the Property/Schedule of Lots

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, Block 2, HIDDEN FALLS AT ISLAND LAKE, St. Louis County, Minnesota; and

Lots 1, 2, and 3, Block 3, HIDDEN FALLS AT ISLAND LAKE, St. Louis County, Minnesota.