

## EXHIBIT 3

Form No. 3532 Rev. 10/2012

### EASEMENT

**KNOW ALL MEN BY THESE PRESENTS**, that the **BlueStone Flats, LLC**, a Minnesota limited liability company, as **Grantor(s)**, for good and valuable consideration the sufficiency and receipt of which are hereby acknowledged, does hereby grant unto Minnesota Power (legally incorporated as ALLETE, Inc., a Minnesota corporation), hereinafter "MP", its successors and assigns forever, the perpetual right, privilege, and easement to survey, construct, operate, maintain, use, rebuild, or remove electric power or communication lines or cables, consisting of poles, towers, structures, crossarms, guys, braces, anchors, wires, cables, conduits, counterpoises, fixtures, and other devices used or useful in the operation, maintenance, and use of said lines or cables, together with the right to locate, construct or reconstruct same at various voltages and dimensions and to permit or otherwise agree to the joint use or occupancy of the lands covered by this easement by any other person(s) or entity(ies) for communication purposes (provided, however, that no pole or tower may be erected for communication purposes that is not necessary for electric power purposes without the Grantor's prior written consent), all at any time hereafter as MP shall deem useful or necessary, across, over, under or through the following described lands situated in **St. Louis County**, Minnesota; to-wit:

**For legal description, see "Exhibit A" drawing dated 4-29-2015, by SEH, 418 W. Superior Street, Suite 200, Duluth, MN 55802 attached hereto and made a part hereof. Subject to prior easements, reservations and rights of record.**

The easement granted herein is subject and subordinate to the rights of the City of Duluth pursuant to that certain Utility Easement dated June 16, 2016, filed of record in the Office of the Registrar of Titles, St. Louis County, Minnesota, on August 8, 2016, as Document No.974363.

The easement conveyed by this document is thirty feet (30 ft.) in width and includes such additional width outside of the above distance as is necessary to accommodate guys, wires, anchors and any other necessary appurtenance. Grantor(s) hereby acknowledges that the above legal description definitely and specifically describes the easement being acquired, and that said easement is of the minimum necessary for the safe conduct of the business for which this easement is granted.

The grant of easement herein contained shall also include the right of MP to have reasonable access to said strip of land across the property of the Grantor(s) adjacent thereto, said access to be designated by the Grantor(s) within a reasonable time upon request by MP, its contractor, agents, or assigns.

The grant of easement herein contained shall include the right to enter upon the property of the Grantor(s) to remove from said strip of land and dispose of any structures or objects, except fences and patios, which in the opinion of MP will interfere with said lines, together with the right to cut and dispose of all dead, weak,

leaning, or dangerous trees outside of the above-stated width, from time-to-time, whenever necessary to the proper protection of said lines, that are tall enough to come within five feet of striking the wires in falling. MP acknowledges and agrees that said easement is partially located in a tree preservation area. To the greatest extent possible, but subject to MP's discretion in maintaining the line, MP will use commercially reasonable efforts to avoid cutting mature trees over six inches in diameter.

The grant of said easement shall include the right to enter and locate upon the property of the Grantor(s) equipment necessary to ground fences, structures, buildings, or any other structure which may require grounding for safety purposes.

Grantor hereby reserves and retains all other property rights in and to the easement herein contained, including without limitation, the right to locate gas, storm sewer, and water lines and other utilities in the easement herein contained, so long as such improvements do not unreasonably interfere with MP's permitted use of the easement herein contained. Grantor shall obtain the prior written approval of MP to bury or place in the ground any object, plant any trees, erect any structures (permanent or temporary), or to dig to a depth of more than two feet within the easement area and such approval shall not be unreasonably conditioned or withheld by MP. Grantor further reserves and retains the right from time to time, in Grantor's sole discretion, to cause MP to relocate the utilities at Grantor's expense and with no less than twelve (12) months' prior written notice to Grantee, it being understood that if such relocation of the utilities is to a place outside the easement herein contained, Grantor shall execute and deliver to Grantee, promptly upon request, an amendment to this instrument setting forth the revised easement.

MP shall pay for all damages caused by the construction or maintenance of said lines, excepting and excluding trees within the easement area. MP shall remove from the easement herein contained and surrounding land all equipment, materials and debris resulting from or used in connection with such work.

In further consideration of this easement by Grantor, MP, its successors, and assigns forever agrees to hold Grantor harmless from all damages, loss, or claims which may arise from the existence, use, and/or maintenance of said permanent easement except to the extent that such damages, loss or claims are caused by Grantor. This indemnity obligation shall survive termination of the easement.

Grantor(s) covenant with MP, its successors, and assigns, that Grantor(s) are the owners of the lands described herein and has the right to sell and convey an easement in the manner and form aforesaid.

It is understood that the right, privilege, and easement hereby granted shall extend only to the interest or interests of the Grantor(s) herein named; and the provisions hereof shall extend to and bind the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

It is mutually understood and agreed that this instrument covers all of the agreements and stipulations between the parties, and that no representation or verbal statements have been made modifying, adding to, or changing the terms hereof.

This instrument was drafted by Minnesota Power, 30 West Superior Street, Duluth, MN 55802.

This instrument is exempt from payment of state deed stamps pursuant to Minnesota Statutes Section 287.22.

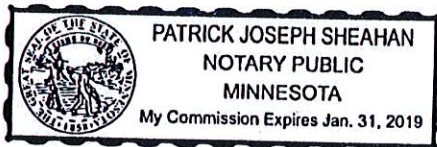
IN TESTIMONY WHEREOF, the Grantor(s) have executed this instrument this 17 day of October, 2016.

**BlueStone Flats, LLC**

By:   
Mark W. Lambert, Chief Manager

State of Minnesota     )  
                                  ) ss.  
County of Washington )

The foregoing instrument was acknowledged before me this 17 day October, 2016,  
by Mark W. Lambert, the Chief Manager of BlueStone Flats, LLC, a Minnesota limited  
liability company, on behalf of the company.



  
Notary Public

## CONSENT TO EASEMENT

**City of Duluth, a municipal corporation under the laws of the State of Minnesota**, holder of a Utility Easement dated June 16, 2016, filed of record in the Office of the Registrar of Titles, St. Louis County, Minnesota, on August 8, 2016, as Document No.974363, affecting Certificate of Title Number 333700, herewith consents to the grant of said easement by BlueStone Flats, LLC, a Minnesota limited liability company, and joins in said easement in the same manner and fashion as if it directly executed the same.

**City of Duluth**

By: \_\_\_\_\_  
**Emily Larson, Its Mayor**

Attest: \_\_\_\_\_  
**Jeffrey J. Cox, Its City Clerk**

State of Minnesota     )  
                                  ) ss.  
County of St. Louis    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of October, 2016, by Emily Larson, Mayor and Jeffrey J. Cox, City Clerk, of the City of Duluth, a municipal corporation under the laws of the State of Minnesota, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

**CONSENT TO UTILITY EASEMENT  
BLUESTONE FLATS**

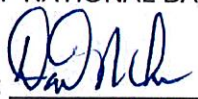
This Consent to Utility Easement is provided by TCF National Bank ("Lender") on October \_\_, 2016. Lender is the holder of the following:

- (i) that certain Mortgage recorded in the Office of the Registrar of Titles of St. Louis County, Minnesota on April 9, 2015 as Document No. 956093

(the "Mortgage")

Lender consents to the Utility Easement, BlueStone Flats to which this Consent is attached and agrees that its interest pursuant to the Mortgage shall be subject to such easement.

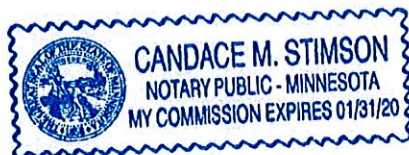
TCF NATIONAL BANK

By:   
Name: David R. Larsen  
Title: SVP

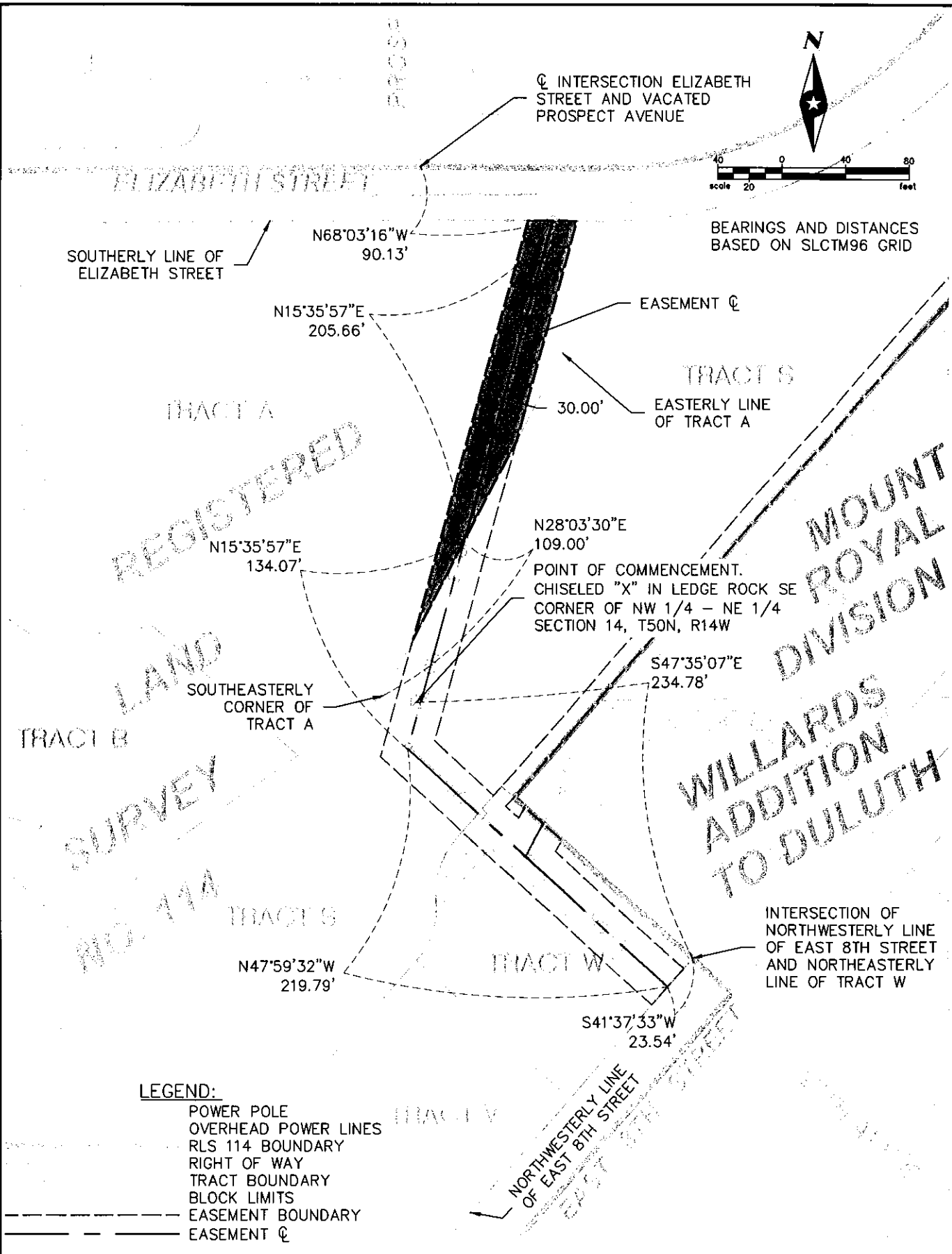
STATE OF Minnesota )  
COUNTY OF Hennepin ) ss.

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of Octboer, 2016, by David R. Larsen, the Senior Vice President of TCF National Bank.

  
Notary Public



S:\AE\BLUST\120765\9-survey\Cad\Drawings\BL120765 Easement - City of Duluth - Power Line Exhibit A - 1.dwg 5/6/2015 10:47 AM tyngeddl



PHONE: 218.279.3000  
418 W SUPERIOR ST STE 200  
DULUTH, MN 55802-1512  
www.sehinc.com

FILE NO.  
BLUST 120765

DATE:  
4/29/15

**POWER LINE EASEMENT FROM  
BLUESTONE PROPERTY  
DULUTH, MINNESOTA**

**EXHIBIT  
A**  
SHEET 1 OF 2

EXHIBIT A (SHEET 2 OF 2)

**Easement across Tract A of RLS 114, Duluth, MN**

**LEGAL DESCRIPTION OF GRANTOR'S PARCEL:**

All that part of Tract A, REGISTERED LAND SURVEY NUMBER 114, according to the recorded plat thereof, all in Section 14, T50N, R14W, Duluth, MN.

**EASEMENT DESCRIPTION:**

A 30 foot wide easement described as follows:

Commencing at the SE corner of the northwest quarter of the northeast quarter of said Section 14, said point being plotted and described as a "Chiseled X in Ledgerrock" on said REGISTERED LAND SURVEY NUMBER 114, thence S 47° 35' 07" E, assigned bearing, a distance of 234.78 feet to the intersection of the northwesterly line of East 8<sup>th</sup> Street and the northeasterly line of Tract W, REGISTERED LAND SURVEY NUMBER 114, thence S 41° 37' 33" W, along said northwesterly line of East 8<sup>th</sup> Street, a distance of 23.54 feet, thence N 47° 59' 32" W, a distance of 219.79 feet; thence N 15° 35' 57" E a distance of 134.07 feet to the easterly line of Tract A and the point of beginning of the centerline of the easement to be described, said point being N 28° 03' 30" E a distance of 109.00' from the southeasterly corner of Tract A, thence continuing on a bearing of N 15° 35' 57" E, a distance of 205.66 feet to the southerly line of Elizabeth Street and there terminating. Said point of termination being S 68° 03' 16" E a distance of 90.13 feet from the centerline intersection of Elizabeth Street and vacated Prospect Avenue as plotted, described, and monumented on said REGISTERED LAND SURVEY 114.

The sidelines of said described easement shall be shortened or prolonged so as to terminate on the easterly line of Tract A and the southerly line of Elizabeth Street.

Containing approximately 6170 square feet, or 0.14 acres, subject to restrictions and easements of record.