

**THIRD AMENDED AND RESTATED
MASTER SUBORDINATION AGREEMENT**

THIS THIRD AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT (the “Agreement”) is made this ____ day of April, 2019, by and between TCF National Bank, a national banking association, formerly known as TCF Bank Minnesota, fsb, a federally chartered stock savings bank (“**TCF**”), the Duluth Economic Development Authority, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469 (“**DEDA**”), the City of Duluth, a Minnesota municipal corporation (the “**City**”), the Housing and Redevelopment Authority of Duluth, Minnesota, a public body corporate and politic (the “**HRA**”), Artspace Projects, Inc., a Minnesota non-profit corporation (the “**Developer**”), and Washington Studios Limited Partnership, a Minnesota limited partnership (the “**Partnership**”).

RECITALS:

A. Partnership is the fee owner of certain real property located in the City of Duluth, County of St. Louis, State of Minnesota (the “**Property**”) and legally described on Exhibit A attached hereto and be reference made a part hereof.

B. Partnership is indebted to TCF pursuant to a promissory note in the original principal amount of Three Hundred Twenty-Five Thousand and no/100 Dollars (\$325,000.00) dated April 21, 1995, as amended by an Amendment to Note, Mortgage, Construction and Term Loan Agreement and Assignment of Rents dated July 24, 1996 (the “**First Amendment**”), which First Amendment increased the maximum principal amount of the note to \$339,200.00 as amended by that Amended and Restated Note dated December 19, 2006, which said Note was further amended pursuant to an Amended and Restated Note dated December 19, 2006, and further amended by that First Amendment to Promissory Note dated effective January 1, 2019 (which only extended the maturity date) (as so amended, collectively the “**TCF Note**”), and which is secured, in part, by a Mortgage on the Property executed by Partnership in favor of TCF dated April 21, 1995 and recorded in the office of the County Recorder on May 3, 1995 as Document No. 629061, as amended by the First Amendment as further amended by that Mortgage Amendment Agreement dated December 19, 2006, recorded with the St. Louis County, Minnesota County Recorder on May 4, 2007 as Document Number 050177, and as further amended by that Third Amendment to Mortgage, Security Agreement and Financing Statement and Assignment of Rents and Leases and Second Amendment to Construction and Term Loan Agreement dated effective January 1, 2019 recorded on _____, 2019 with the St. Louis County, Minnesota Recorder as Document Number _____ (as so amended, collectively the “**TCF Mortgage**”), and an Assignment of Rents and Leases executed by the Partnership in favor of TCF and recorded in the office of the County Recorder on May 3, 1995 as Document No. 629062, as amended by that that Amendment to Note, Mortgage, Construction and Term Loan Agreement and Assignment of Rents dated as July 24, 1996, recorded with the St. Louis County, Minnesota County Recorder as Document Number 0666111, and as further amended by that Third Amendment to Mortgage, Security Agreement and Financing Statement and Assignment of Rents and Leases and Second Amendment to Construction and Term Loan Agreement dated as of January 1, 2019 recorded on _____, 2019 with the St. Louis County, Minnesota Recorder as Document Number _____, (as so amended, collectively the “**TCF Assignment**”).

C. Partnership has requested that TCF make an additional advance under the TCF Note, to be secured by the TCF Mortgage and TCF Assignment, in an amount sufficient to increase the current outstanding balance of the TCF Note to \$338,000.00 (among other changes), and TCF has agreed to make such additional advance pursuant to the terms of that certain Second Amendment to Amended and Restated Note dated effective April 1, 2019 and that certain Fourth Amendment to Mortgage, Security Agreement and Financing Statement and Assignment of Rents and Leases and Third Amendment to Construction and Term Loan Agreement dated effective April 1, 2019 filed _____, 2019 as Document No. _____ with the St. Louis County, Minnesota recorder, executed by Partnership and TCF (the “**TCF Amendments**”) (the TCF Note, the TCF Mortgage, the TCF Assignment, the TCF Amendments and any other documents creating, evidencing or securing the debt described in the TCF Note and the TCF Amendment, including, without limitation, any financing statements filed with the Minnesota Secretary of State, shall collectively be referred to herein as the “**TCF Loan Documents**”).

D. DEDA loaned the Partnership the original principal amount of Four Hundred Nineteen Thousand Three Hundred Twenty-Four and no/100 Dollars (\$419,324.00) which amount is evidenced by a promissory note of an equal amount (the “**DEDA Note**”), which is secured by a mortgage on the Property executed by Partnership in favor of DEDA dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629065 (the “**DEDA Mortgage**”) and an assignment of rents and leases dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629067 (the “**DEDA Assignment**”) (the DEDA Note, the DEDA Mortgage, the DEDA Assignment and any other documents creating, evidencing or securing the debt described in the DEDA Note, including without limitation, the Amended and Restated Development Agreement (Document No. 629063) and the Assessment Agreement (Document No. 629072) shall be collectively referred to herein as the “**DEDA Loan Documents**”).

E. DEDA loaned the Partnership the original principal amount of Four Hundred Nineteen Thousand Three Hundred Twenty-Four and no/100 Dollars (\$419,324.00) which amount is evidenced by a promissory note of an equal amount (the “**DEDA II Note**”), which is secured by a mortgage on the Property executed by Partnership in favor of DEDA dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629066 (the “**DEDA II Mortgage**”) (the DEDA II Note, the DEDA II Mortgage, and any other documents creating, evidencing or securing the debt described in the DEDA II Note shall be collectively referred to herein as the “**DEDA II Loan Documents**”).

F. The City loaned the Partnership the original principal amount of Three Hundred Twelve Thousand Six Hundred Thirty-Six and no/100 Dollars (\$312,636.00) which amount is evidenced by a promissory note of an equal amount (the “**Abatement Note**”), which is secured by a mortgage on the Property executed by Partnership in favor of the City dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629068 (the “**Abatement Mortgage**”) (the Abatement Note, the Abatement Mortgage and any other documents creating, evidencing or securing the debt described in the Abatement Note shall be collectively referred to herein as the “**Abatement Loan Documents**”).

G. The City loaned the Partnership the original principal amount of One Hundred Thousand and no/100 Dollars (\$100,000.00) which amount is evidenced by a promissory note of an equal amount (the “**City Note**”), which is secured by a mortgage on the Property executed by Partnership in favor of the City dated April 21, 1996 and recorded with the St. Louis County Recorder as

Document No. 629069 (the "**City Mortgage**") (the City Note, the City Mortgage and any other documents creating, evidencing or securing the debt described in the City Note, including without limitation, the Amended and Restated Development Agreement, as amended (Document Nos. 629653, 629654 and 629064) shall be collectively referred to herein as the "**City Loan Documents**").

H. The HRA loaned the Partnership the original principal amount of Two Hundred Eighty Five Thousand and no/100 Dollars (\$285,000.00) which amount is evidenced by a promissory note of an equal amount (the "**HRA Note**"), which is secured by a mortgage on the Property executed by Partnership in favor of the HRA dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629070 (the "**HRA Mortgage**") (the HRA Note, the HRA Mortgage and any other documents creating, evidencing or securing the debt described in the HRA Note shall be collectively referred to herein as the "**HRA Loan Documents**").

I. The City loaned the Partnership the original principal amount of One Hundred Thousand and no/100 Dollars (\$100,000.00) which amount is evidenced by a promissory note of equal amount (the "**HOME Note**"), which is secured by a mortgage on the Property (the "**HOME Mortgage**") executed by Partnership in favor of the City dated April 21, 1996 and recorded with the St. Louis County Recorder as Document No. 629071 (the HOME Note, the HOME Mortgage and any other documents creating, evidencing or securing the debt described in the HOME Note, including, without limitation, the HOME Program Loan Agreement, as amended (Document Nos. 629655, 657200 and 657201) shall be collectively referred to herein as the "**HOME Loan Documents**").

J. The Partnership agreed to pay to the Developer, as and for a deferred developer's fee, the original principal amount of Thirty-Eight Thousand Two Hundred Twenty and no/100 Dollars (\$38,220.00) which amount is evidenced by a promissory note of equal amount (the "**Deferred Fees Note**"), which is secured by a mortgage on the Property (the "**Junior Mortgage**") executed by Partnership in favor of Developer recorded with the St. Louis County Recorder as Document No. 647017. The Partnership intends to pay off the Deferred Fees Note with the proceeds of the additional advance described in Recital C above made by TCF pursuant to the TCF Amendments.

K. The Duluth Housing Trust Fund, Inc. ("**DHTF**") loaned to the Partnership the original principal amount of Eighty Thousand and no/100 Dollars (\$80,000.00) which amount is evidenced by a promissory note dated July 6, 1996 of equal amount (the "**DEDA Assigned Note**"), which is secured by a mortgage on the Property (the "**DEDA Assigned Mortgage**") executed by the Partnership in favor of DHTF recorded with the St. Louis County Recorder as Document No. 665186 (the DEDA Assigned Note, the DEDA Assigned Mortgage, and any other documents creating, evidencing or securing the debt described in the DEDA Assigned Note shall be collectively referred to herein as the "**DEDA Assigned Loan Documents**"). DHTF's interest in the DEDA Assigned Loan Documents was subsequently assigned to DEDA pursuant to an Assignment and Assumption Agreement dated June 19, 1996, and recorded with the St. Louis County Recorder as Document No. 665187.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good, fair and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEDA acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments. DEDA acknowledges and agrees that the liens of the TCF Loan Documents, as amended by the TCF Amendments, are senior, superior and prior in all respects to the liens of the DEDA Loan Documents and the DEDA II Loan Documents. DEDA declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the DEDA Loan Documents and the DEDA II Loan Documents are and shall remain, in all respects, junior, inferior and subordinate to the lien of the TCF Loan Documents, as amended by the TCF Amendments, and to any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof, after the additional advance contemplated by the TCF Amendments.

2. The City acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents and the DEDA II Loan Documents. The City acknowledges and agrees that the liens of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents and the DEDA II Loan Documents are senior, superior and prior in all respects to the liens of the Abatement Loan Documents. The City declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the Abatement Loan Documents are and shall remain, in all respects, junior, inferior and subordinate to the lien of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents and the DEDA II Loan Documents, and to any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof after the additional advance contemplated by the TCF Amendments.

3. The City acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, and the Abatement Loan Documents. The City acknowledges and agrees that the liens of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents and the Abatement Loan Documents are senior, superior and prior in all respects to the liens of the City Loan Documents. The City declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the City Loan Documents are and shall remain, in all respects, junior, inferior and subordinate to the lien of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents and the Abatement Loan Documents, and to any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof after the additional advance contemplated by the TCF Amendments.

4. The HRA acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents and the City Loan Documents. The HRA acknowledges and agrees that the liens of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents and the City Loan Documents are senior, superior and prior in all respects to the liens of the HRA Loan

Documents. The HRA declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the HRA Loan Documents are and shall remain, in all respects, junior, inferior and subordinate to the lien of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents and the City Loan Documents, and to any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof after the additional advance contemplated by the TCF Amendments.

5. The City acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents and the HRA Loan Documents. The City acknowledges and agrees that the liens of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents and the HRA Loan Documents are senior, superior and prior in all respects to the liens of the HOME Loan Documents. The City declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the HOME Loan Documents are and shall remain, in all respects, junior, inferior and subordinate to the lien of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents and the HRA Loan Documents, and to any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof after the additional advance contemplated by the TCF Amendments.

6. DEDA acknowledges the validity of and consents to the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents, the HRA Loan Documents and the HOME Loan Documents. DEDA acknowledges and agrees that the liens of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents, the HRA Loan Documents and the HOME Loan Documents are senior, superior and prior in all respects to the liens of the DEDA Assigned Loan Documents. DEDA declares, covenants, consents and agrees that, irrespective of the respective recording dates and document numbers, the liens of the DEDA Assigned Loan Documents are and shall remain in all respects junior, inferior and subordinate to the lien of the TCF Loan Documents as amended by the TCF Amendments, the DEDA Loan Documents, the DEDA II Loan Documents, the Abatement Loan Documents, the City Loan Documents, the HRA Loan Documents and the HOME Loan Documents, into any and all renewals, modifications, amendments, consolidations, replacements and extensions thereof, but only to the extent of the outstanding principal amounts thereof after the additional advance contemplated by the TCF Amendments.

7. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

8. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

9. This Agreement shall be governed by the laws of the State of Minnesota. This Agreement contains the entire agreement of the parties hereto with respect to the matters contained herein. No other agreement, statement or promise made by any party hereto or by any employee, officer or agent of any party hereto that is not in writing and signed by all the parties to this Agreement shall be binding.

[NEXT PAGES ARE THE SIGNATURE PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Washington Studios Limited Partnership

By: Artspace Projects, Inc., its general partner

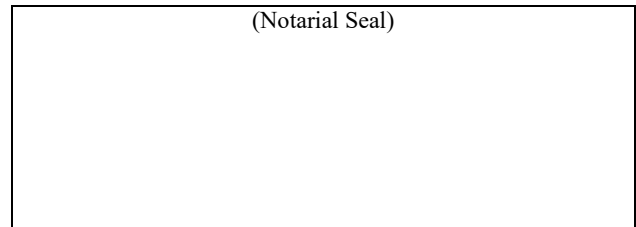
By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this ____ day of April, 2019, by Gregory P. Handberg, the _____ of Artspace Projects, Inc., a Minnesota nonprofit corporation, the general partner of Washington Studios Limited Partnership, a Minnesota limited partnership, on behalf of the partnership.

(Notarial Seal)



Notary Public

Artspace Projects, Inc.

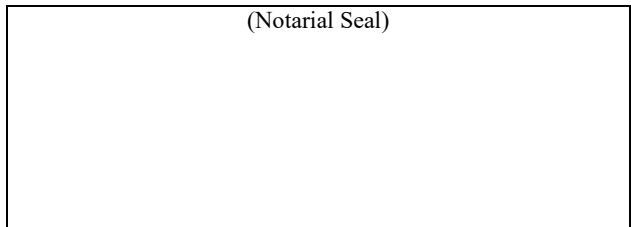
By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this _____ day of April, 2019, by Gregory P. Handberg, the _____ of Artspace Projects, Inc., a Minnesota nonprofit corporation, on behalf of the corporation.

(Notarial Seal)



Notary Public

[Signature Page to Washington Studios Amended and Restated Master Subordination Agreement]

TCF National Bank

By: _____

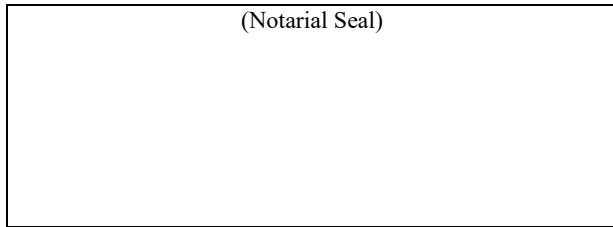
Its: _____

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this _____ day of April, 2019, by Molly Rutzick, the Vice President of TCF National Bank, a national banking association, on behalf of the bank.



Notary Public

[Signature Page to Washington Studios Amended and Restated Master Subordination Agreement]

Duluth Economic Development Authority

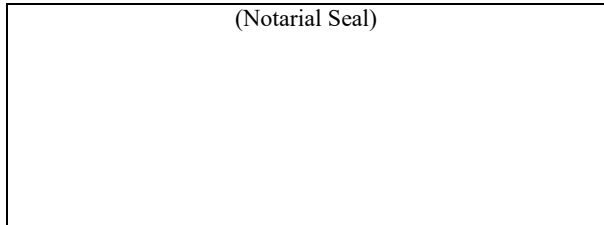
By: _____
Its: President

By: _____
Its: Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this _____ day of April, 2019, by _____ and _____, the President and Secretary, respectively of the Duluth Economic Development Authority, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, on behalf of the authority.

(Notarial Seal)



Notary Public

[Signature Page to Washington Studios Amended and Restated Master Subordination Agreement]

City of Duluth

By: _____
Mayor

Attest:

City Clerk

Approved:

City Attorney

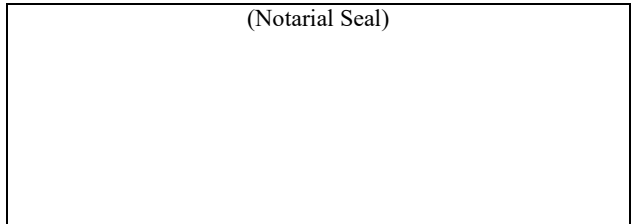
Countersigned:

City Auditor

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this _____ day of April, 2019, by _____ and _____, the Mayor and City Clerk, respectively, of the City of Duluth, Minnesota, a Minnesota municipal corporation, on behalf of the City.

(Notarial Seal)



Notary Public

[Signature Page to Washington Studios Amended and Restated Master Subordination Agreement]

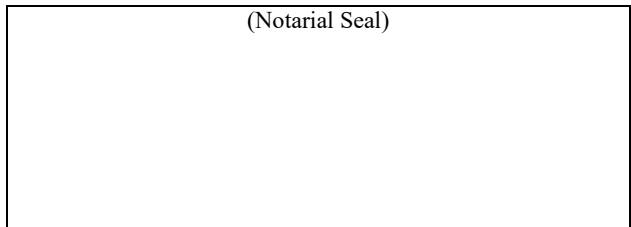
**Housing and Redevelopment Authority of
Duluth**

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN

The foregoing instrument was acknowledged before me this _____ day of April, 2019, by _____, the _____ of the Housing and Redevelopment Authority of Duluth, a public body corporate and politic, on behalf of the authority.



Notary Public

This instrument was drafted by:

Paul E. Kaminski
Best & Flanagan LLP
60 South Sixth Street, Suite 2700
Minneapolis, MN 55402

[Signature Page to Washington Studios Amended and Restated Master Subordination Agreement]

007630/319001/5664609_2

EXHIBIT A
Legal Description

DESCRIPTION:

Lots 1, 3, 5, 7, 9, 11, 13 and 15, West Third Street and Lots 2, 4, 6, 8, 10, 12, 14 and 16, West Fourth Street, and the vacated alley lying between West Third Street, West Fourth Street, 1st Avenue West and Lake Avenue, all of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota.

EXCEPT THE FOLLOWING:

1. That part of Lots 1, 3, 5, 7, 9 and 11, West Third Street and that part of Lots 2, 4, 6, 8 and 10, West Fourth Street, and that part of the vacated alley between West Third Street and West Fourth Street of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota, lying between elevations 754.39 feet and 768.28 feet National Geodetic Vertical Datum (NGVD) 1929 and described jointly as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 a distance of 13.65 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 15.67 feet to the point of beginning; thence South 47 degrees 02 minutes 34 seconds West a distance of 25.96 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 1.67 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 16.00 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 1.67 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 194.95 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 139.77 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 26.71 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 16.00 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 14.25 feet; thence North 02 degrees 02 minutes 34 seconds East a distance of 5.66 feet; thence South 87 degrees 57 minutes 26 seconds East a distance of 5.66 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 14.49 feet; thence North 02 degrees 02 minutes 34 seconds East a distance of 5.66 feet; thence South 87 degrees 57 minutes 26 seconds East a distance of 5.66 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 79.47 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 27.51 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 10.21 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 27.51 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 30.13 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 70.96 feet; thence North 47 degrees 02

minutes 34 seconds East a distance of 45.63 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 4.69 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 0.92 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 21.02 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 0.92 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 201.01 feet to the point of beginning.
EXCEPTED FROM THIS PARCEL: That part of Lot 1, West Third Street of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota, described as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 a distance of 13.65 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 15.67 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 25.96 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 102.19 feet to the point of beginning; thence South 47 degrees 02 minutes 34 seconds West a distance of 4.25 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 9.76 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 11.75 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 9.76 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 7.50 feet to the point of beginning.

2. That part of Lots 3, 5 and 7, West Third Street of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota, lying between elevations 768.28 feet and 773.70 feet NGVD 1929 and described as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 a distance of 13.65 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 171.43 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 31.93 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 114.97 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 13.70 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 30.04 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 42.69 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 13.97 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 2.34 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 70.96 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 10.21 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 42.26 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 6.22 feet to the point of beginning; thence South 42 degrees 57 minutes 26 seconds East a distance of 68.98 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 46.48 feet; thence South 42 degrees 57

minutes 26 seconds East a distance of 3.82 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 36.28 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 72.80 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 82.76 feet to the point of beginning.

3. That part of Lots 7, 9 and 11, West Third Street and the vacated alley between West Third Street and West Fourth Street, all of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota, lying between elevations 768.28 feet and 786.00 feet NGVD 1929 and described as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 a distance of 13.65 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 171.43 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 31.93 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 114.97 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 13.70 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 30.04 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 42.69 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 13.97 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 2.34 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 70.96 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 10.21 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 42.26 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 6.22 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 68.98 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 46.48 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 3.82 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 36.28 feet to the point of beginning; thence South 47 degrees 02 minutes 34 seconds West a distance of 72.17 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 99.06 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 26.71 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 2.90 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 45.46 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 101.96 feet to the point of beginning.

4. That part of Lots 1, 3, 5, 7, 9 and 11, West Third Street and that part of Lot 2, 4, 6, 8 and 10, West Fourth Street, and that part of the vacated alley between West Third Street and West Fourth Street all of the recorded subdivision of Duluth Proper First Division, Saint Louis County, Minnesota, lying between elevations 737.84 feet and 754.39 feet NGVD 1929 and described as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence

South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 a distance of 13.65 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 140.93 feet to the point of beginning; thence South 47 degrees 52 minutes 18 seconds West a distance of 40.59 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 81.32 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 87.88 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 3.82 feet; thence South 47 degrees 02 minutes 34 seconds West a distance of 108.45 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 99.06 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 26.71 feet; thence North 42 degrees 57 minutes 26 seconds West a distance of 16.00 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 14.25 feet; thence North 02 degrees 02 minutes 34 seconds East a distance of 5.66 feet; thence South 87 degrees 57 minutes 26 seconds East a distance of 5.66 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 14.49 feet; thence North 02 degrees 02 minutes 34 seconds East a distance of 5.66 feet; thence South 87 degrees 57 minutes 26 seconds East a distance of 5.66 feet; thence North 47 degrees 02 minutes 34 seconds East a distance of 165.44 feet; thence South 42 degrees 57 minutes 26 seconds East a distance of 30.51 feet to the point of beginning.

Subject to a 8-foot easement over and across that part of Lot 11, West Third Street and Lot 12, West Fourth Street and the vacated alley between said lots, all in Duluth Proper First Division, Saint Louis County, Minnesota, the northeasterly line is described as follows:

Commencing at the most easterly corner of Lot 1, West Third Street; thence South 46 degrees 57 minutes 50 seconds West, along the southeasterly line of said Lot 1 and Lots 3, 5, 7, 9 and 11 a distance of 251.40 feet to the point of beginning; thence North 42 degrees 57 minutes 26 seconds West a distance of 299.96 feet to the northwesterly line of said Lot 12 and there terminating.