

DISCLOSURE STATEMENT

**NORTH PINES
A PLANNED COMMUNITY
Common Interest Community No. 1148
Nisswa, Minnesota**

**ETOC COMPANY, INC.
(Developer and Declarant)
23611 Woodward Avenue
Nisswa, Minnesota 56468**

Telephone: 218-963-8776

The information in this Disclosure Statement is accurate as of March 23, 2021. As of this date:

- ☒ No units have been conveyed to an owner.
- ☐ The first unit was conveyed to an owner on _____, 201_.

STATUTORY NOTICE

(1) Within ten (10) days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by Section 515B.4-106, paragraph (a) of Minnesota Statutes.

(2) If a purchaser receives a disclosure statement more than ten (10) days before signing a purchase agreement, the purchaser cannot cancel the purchase agreement.

(3) If a declarant obligated to deliver a disclosure statement fails to deliver a disclosure statement which substantially complies with Minnesota Statutes, Chapter 515B to a purchaser to whom a unit is conveyed, the declarant shall be liable to the purchaser as provided in Section 515B.4-106(d) of Minnesota Statutes.

(end of statutory notice)

This Disclosure Statement is furnished to you as prospective purchaser or purchasers, as required by the Minnesota Common Interest Ownership Act, Chapter 515B of Minnesota Statutes. Neither Declarant nor its representatives are authorized to give you legal or tax advice. You should consult your own counsel and tax adviser as to legal and tax matters relating to this purchase.

The following paragraphs correspond to the required disclosure items listed in Minn. Stat. § 515B.4-102.

1. Name and Number of the Common Interest Community.

NORTH PINES
Common Interest Community No. 1148
Crow Wing, Minnesota

2. Name and Principal Address of Declarant.

Etoc Company, Inc., a/k/a ETOC Co., Inc., d/b/a Grand View Lodge
23611 Woodward Avenue
Nisswa, Minnesota 56468

3. Number of Units in this CIC and Type of CIC.

This CIC consists of 27 Units established as a planned community (and not as a condominium or cooperative) by a Declaration under the Minnesota Common Interest Ownership Act, Minnesota Statutes, Chapter 515B ("**Initial CIC Declaration**"). The residential structure within a Unit is referred to in the CIC Declaration as a "building".

4. General Description.

This is a community where the rental of homes on a nightly, weekly or monthly basis is allowed but not required. The allocation of common costs will be split among the owners on a pro-rata basis. Each lot/unit/structure will be one unit of the Association, and is subject to the architectural control committee's guidelines. Grand View Lodge operates a commercial resort on adjacent properties. Some of the resort utilities or amenities are located in the neighborhood. The Association will not own the resort amenities located in the neighborhood. The use of certain Grand View Lodge amenities is available to members of the Association on a contractual basis. No member has any rights or entitled use of the resort by virtue of ownership in Common Interest Community (CIC) 1148.

5. Schedule of Commencement and Completion.

The Declarant must disclose its schedule of commencement and completion of construction of any buildings and improvements not now completed, but labeled "MUST BE BUILT" in promotional material. Construction of the development has not yet begun. Declarant does not anticipate constructing any units in CIC 1148 but intends to sell lots to contractors for the construction of units.

6. Non-budget Items; Reduced Assessment for Declarant-Owned Units.

There are no expenses or services not included in the budget that the Declarant pays or provides, and which may become a common expense in the future. However, real estate taxes, utilities and insurance are not included in the budget and will be assessed separately.

The CIC Declaration authorizes an alternate common expense plan of the type described in Section 515B.3-1151(b) of the Act. Specifically, once a common expense assessment has been levied, Declarant's payment obligation is limited to: (i) paying when due, in compliance with Section 515B.3-1151 (b), an amount equal to the full share of the replacement reserves allocated to Units owned by the declarant, as set forth in the association's annual budget; and (ii) paying when due all accrued expenses of the Common Interest Community in excess of the aggregate assessments payable with respect to Units owned by persons other than Declarant. If Declarant utilizes this alternate common expense plan, Declarant shall be responsible for making up any operating deficit pursuant to the Act, and such alternate common expense plan shall terminate upon the termination of any period of declarant control unless terminated earlier by Declarant pursuant to the Act.

7. Initial Fees.

An addendum to the purchase agreement between Declarant and each purchaser provides for payment by the purchaser at closing of an amount equal to four (4) months of estimated common assessments on the unit. This fee is paid to the Association as part of the initial working capital fund. The Association, both during and after control by the Declarant, may use the working capital fund to defray any of the Association's operating expenses or to purchase additional services or capital equipment for the CIC. This initial fee is not a prepayment of regular monthly assessments. Additionally, every purchaser, whether the initial purchaser or subsequent purchaser shall also pay a one-time fee of .75% of the purchase price to the Association for capital fund for common area improvements. Additionally, every transferring owner upon transfer of title to a Unit, except those transfers which are exempt, shall pay a one-time fee of .75% of the purchase price to the Association for the capital fund for common area improvements. The one-time fee of .75% shall be paid at closing of the transfer. The following transfers are exempt from payment of the one-time fee of .75%: a) Transfers by the Declarant; b) by or to a builder, who takes title solely for the purpose of development and construction of a Unit or for resale; c) transfers among co-owners already vested in title; d) transfers to a revocable or family trust or family limited partnership controlled by the grantor, the estate of an owner, surviving spouse or child upon death of an owner; e) to an entity of an owner, such as but not limited to an limited liability company, limited partnership, corporation, limited liability limited partnership provided that upon any subsequent transfer of an ownership interest in such entity, such as stock, membership units or partnership interests, the one-time fee of .75%

shall be due and payable and said fee shall be calculated based on the tax assessed value of the Unit and multiplied by the percentage of the interest in said entity transferred.

8. Liens, Defects or Encumbrances.

Attached as **Exhibit A** is a list of liens, defects and encumbrances which will continue to affect the title to a unit or any association common elements after conveyance by Declarant (in addition to the easements attached as Exhibits to this Disclosure Statement).

9. Financing.

Declarant may offer financing to purchasers, and from time to time it may arrange with lenders to make financing conveniently available to purchasers.

10. Project Approval.

As of the date of this Disclosure Statement, no application has been made for any project approval from Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Department of Housing and Urban Development or Department of Veterans Affairs. Declarant is not obligated to obtain any of such approvals.

11. Warranties.

Because this sale is for the transfer of raw land without any structure the following statutory warranties do not apply to this transaction. The statutory warranties set forth in Sections 515B.4-112 through 515B.4-115 of Minnesota Statutes apply to the purchase of Units in this CIC. In addition, the warranties under the New Home Warranty Statute, Chapter 327A, apply. A copy of those statutes is attached as **Exhibit B**. An agreement reducing the statute of limitations for claims under Chapter 515B warranties to two years (which does not affect warranties under Chapter 327A) is attached as **Exhibit C**.

12. Statutory Notice.

The statutory notice appears on the face page of this Disclosure Statement.

13. Actions Affecting Association.

As of the date of this Disclosure Statement, the Declarant is in control of the homeowners association. Declarant states that there are no unsatisfied judgments or lawsuits to which the association is a party.

14. Earnest Money.

Any earnest money paid in connection with the purchase of a Unit will first be deposited in an escrow account in accordance with Section 515B.4-109 of Minnesota Statutes. The name and address of the escrow agent are as follows:

Grand View Real Estate
23611 Woodward Avenue
Nisswa, Minnesota 56468

This earnest money will be returned to the Purchaser in the event that the Purchaser cancels the contract in accordance with the cancellation rights set forth under "Statutory Notice" on page one of this Disclosure Statement. However, purchasers will be asked to enter into a separate addendum substantially in the form of Exhibit D hereto, allowing use of earnest money and deposits for construction costs.

15. Insurance Coverage.

Presently, property insurance will be the responsibility of the Unit Owner and the Association will obtain and maintain a liability policy for the common area. It is possible in the future for the Association to elect to maintain property insurance, in which case Unit Owners will be responsible for insuring the personal property and contents. See Exhibit E and consult the Association for additional information.

16. Fees for Use of Common Elements.

There are no current or expected fees or charges other than assessments typical to a homeowners association.

17. Financial Arrangements for Completing Improvements.

Declarant has or will deposit in Escrow sufficient funds to cover the costs of constructing the improvements that Declarant is obligated to build pursuant to Section 515B.4-118 of Minnesota Statutes.

18. Cooperatives Only.

Does not apply to this CIC.

19. Real Estate Taxes.

No real estate taxes for real property owned by the Association or for units now owned by Declarant are delinquent. The real estate taxes, including the amount of any special assessments certified for payment with the real estate taxes, due and payable in the year this Disclosure Statement is given

with respect to the property on which this CIC is constructed are shown on the attached **Exhibit F**.

20. **Completion of a Unit.**

A Unit purchased from Declarant may or may not be substantially completed at the time of conveyance, depending on the terms of the Unit purchase agreement.

21. **Other Documents.**

Copies of the following documents are attached as Exhibits, as noted:

- 1) Declaration—**Exhibit G**
- 2) Articles of Incorporation of the CIC Association—**Exhibit H**
- 3) Bylaws of the CIC Association—**Exhibit I**
- 4) Rules and Regulations of the CIC Association----- **Exhibit J**
- 5) An agreement excluding or modifying implied warranties—**Exhibit C**
- 6) Contracts or leases required to be signed by purchaser at closing—None
- 7) Description of any contracts or leases that are or may be subject to cancellation by the Association under Section 515B.3-105 of Minnesota Statutes and any material agreements entered into between the Declarant and a governmental entity that affect the common interest community—None
- 8) Summary of Association Management Services Agreement—**Exhibit K**
- 9) Financial Documents.

Copies of the following financial documents are attached as Exhibits, as noted:

- 1) Balance sheet for the Association current within 90 days —**Exhibit L**.
- 2) Projected annual budget for the Association for the year in which the first unit is conveyed to a purchaser and for the current year—**Exhibit M**. Declarant is responsible for the preparation of the budget. The budget assumes that all Units intended to be included in the common interest community, based upon the Declarant's

good faith estimate, have been subjected to the Declaration, provided that the Declarant may show additional budget portrayals based upon a lesser number of Units if they are clearly identified. The budget shall include, in addition to other information, a statement of the amount included in the budget as a reserve for maintenance, repair and replacement, a statement of any other reserves, the projected common expense for each category of expenditures for the Association, and the projected monthly common expense assessment for each type of Unit and a reference to those components of the common interest community the maintenance, repair or replacement of which the budget assumes will be funded by assessments under Section 515B.3-115(e) rather than by assessments included in the Association's annual budget, and a statement referencing Section 515B.3-115(1)(e)(1) or (2) as the source of funding.

22. Purchase Agreement Addendum:

An addendum to each purchase agreement for a Unit in this CIC will be required in the form set out in **Exhibit N**, requiring a contribution to working capital of the Association, and permitting the Declarant to use earnest money for construction purposes, once it has closed on the construction loan for the project.

END OF DISCLOSURE STATEMENT

EXHIBIT A

Liens, Defects or Encumbrances

[In addition to any other items shown on Title Binder supplied to Buyer]

Accepted Liens and Encumbrances

Final Order & Decree recorded October 7, 1991, as Document No. 99618

Declaration recorded January 19, 1993, as Document No. 105263

Permit for Outlot H, recorded November 4, 1994, as Document No. 113961

Permit for Outlot H, recorded June 18, 1997, as Document No. 125939

Easement in the document recorded July 12, 2011, as Document No. 212142

Easement in the Warranty Deed recorded April 30, 2013, as Document No. 221752

Mortgage dated April 15, 1999, recorded April 23, 1999, as Document No. T135922, which is paid in full, satisfaction forthcoming to be recorded.

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EXHIBIT B

Statutory Warranties

FROM MINNESOTA STATUTES, CHAPTER 515B

§ 515B.4-112 Express Warranties

(a) Express warranties made by a declarant or an affiliate of a declarant to a purchaser of a unit, if reasonably relied upon by the purchaser, are created as follows:

(1) Any affirmation of fact or promise which relates to the unit; use of the unit; rights appurtenant to the unit; improvements to the common interest community that would directly benefit the purchaser or the unit; or the right to use or have the benefit of facilities which are not a part of the common interest community, creates an express warranty that the unit and related rights and uses will conform to the affirmation or promise.

(2) Any model or description of the physical characteristics of a unit or the common interest community, including plans and specifications of or for a unit or other improvements located in the common interest community, creates an express warranty that the unit and the common interest community will conform to the model or description. A notice prominently displayed on a model or included in a description shall prevent a purchaser from reasonably relying upon the model or description to the extent of the disclaimer set forth in the notice.

(3) Any description of the quantity or extent of the real estate comprising the common interest community, including plats or surveys, creates an express warranty that the common interest community will conform to the description, subject to customary tolerances.

(b) Neither the form of the word “warranty” or “guaranty”, nor a specific intention to make a warranty, are necessary to create an express warranty of quality, but a statement purporting to be merely an opinion or commendation of the real estate or its value does not create a warranty.

(c) Any conveyance of a unit transfers to the purchaser all express warranties.

§ 515B.4-113. Implied Warranties

(a) A declarant warrants to a purchaser that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

(b) A declarant warrants to a purchaser that:

(1) a unit and the common elements in the common interest community are suitable for the ordinary uses of real estate of its type; and

(2) any improvements subject to use rights by the purchaser, made or contracted for by the declarant, or made by any person in contemplation of the creation of the common interest community, will be (i) free from defective materials and (ii) constructed in accordance with applicable law, according to sound engineering and construction standards, and in a workmanlike manner.

(c) In addition, a declarant warrants to a purchaser of a unit which under the declaration is available for residential use that the residential use will not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(d) Warranties imposed by this section may be excluded or modified only as specified in section 515B.4-114.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant.

(f) Any conveyance of a unit transfers to the purchaser all implied warranties.

(g) This section does not in any manner abrogate the provisions of chapter 327A relating to statutory warranties for housing, or affect any other cause of action under a statute or the common law.

§ 515B.4-114. Exclusion or modification of implied warranties

(a) With respect to a unit available for residential use, no general disclaimer of implied warranties is effective, but a declarant may disclaim liability in an instrument separate from the purchase agreement signed by the purchaser for a specified defect or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

(b) With respect to a unit restricted to nonresidential use, implied warranties:

(1) may be excluded or modified by agreement of the parties; and

(2) are excluded by expression of disclaimer, such as “as is,” “with all faults,” or other language that in common understanding calls the purchaser’s attention to the exclusion of warranties.

§ 515B.4-115 Statute of limitations for warranties

(a) A judicial proceeding for breach of an obligation arising under section 515B.4-106(d), shall be commenced within six months after the conveyance of the unit.

(b) A judicial proceeding for breach of an obligation arising under section 515B.4-112 or 515B.4-113 shall be commenced within six years after the cause of action accrues, but the parties may agree to reduce the period of limitation to not less than two years. With respect to a unit that

may be occupied for residential use, an agreement to reduce the period of limitation must be evidenced by an instrument separate from the purchase agreement signed by the purchaser.

(c) Subject to subsection (d), a cause of action under section 515B.4-112 or 5156.4-113, regardless of the purchaser's lack of knowledge of the breach, accrues:

(1) as to a unit, at the earlier of the time of conveyance of the unit by the declarant to a bona fide purchaser of the unit other than an affiliate of a declarant, or the time the purchaser enters into possession of the unit; and

(2) as to each common element, the latest of (i) the time the common element is completed, (ii) the time the first unit in the condominium is conveyed to a bona fide purchaser, or if the common element is located on property that is additional real estate at the time the first unit therein is conveyed to a bona fide purchaser, or (iii) the termination of the period of declarant control.

(d) If a warranty explicitly extends to future performance or duration of any improvement or component of the common interest community, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

FROM MINNESOTA STATUTES, CHAPTER 327A

327A.01. Definitions

Subd. 1. Scope. As used in sections 327A.01 to 327A.07, the terms in this section shall have the meanings assigned to them.

Subd. 2. Building standards. "Building standards" means the State Building Code, adopted by the commissioner of administration pursuant to sections 16B.59 to 16B.75, that is in effect at the time of the construction or remodeling.

Subd. 3. Dwelling. "Dwelling" means a new building, not previously occupied, constructed for the purpose of habitation; but does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the dwelling, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Subd. 4. Initial vendee. "Initial vendee" means a person who first contracts to purchase a dwelling from a vendor for the purpose of habitation and not for resale in the ordinary course of trade.

Subd. 5. Major construction defect. "Major construction defect" means actual damage to the load-bearing portion of the dwelling or the home improvement, including damage due to subsidence, expansion or lateral movement of the soil, which affects the load-bearing function and which vitally affects or is imminently likely to vitally affect use of the dwelling or the home

improvement for residential purposes. "Major construction defect" does not include damage due to movement of the soil caused by flood, earthquake or other natural disaster.

Subd. 6. Vendee. "Vendee" means any purchaser of a dwelling and includes the initial vendee and any subsequent purchasers.

Subd. 7. Vendor. "Vendor" means any person, firm or corporation which constructs dwellings for the purpose of sale, including the construction of dwellings on land owned by vendees.

Subd. 8. Warranty date. "Warranty date" means the date from and after which the statutory warranties provided in section 327A.02 shall be effective, and is the earliest of

- (a) The date of the initial vendee's first occupancy of the dwelling; or
- (b) The date on which the initial vendee takes legal or equitable title in the dwelling.

In the case of a home improvement, the warranty date is the date on which the home improvement work was completed.

Subd. 9. Home improvement. "Home improvement" means the repairing, remodeling, altering, converting or modernizing of, or adding to a residential building. For the purpose of this definition, residential building does not include appurtenant recreational facilities, detached garages, driveways, walkways, patios, boundary walls, retaining walls not necessary for the structural stability of the building, landscaping, fences, nonpermanent construction materials, off-site improvements, and all other similar items.

Subd. 10. Home improvement contractor. "Home improvement contractor" means a person who is engaged in the business of home improvement either full time or part time, and who holds out to the public as having knowledge or skill peculiar to the business of home improvement.

Subd. 11. Owner. "Owner" means any person who owns a residential building on which home improvement work is performed, and includes any subsequent owner of the residential building.

327A.02. Statutory warranties

Subd. 1. Warranties by vendors. In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:

- (a) during the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

(b) during the two-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

(c) during the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

Subd. 2. Warranties to survive passage of title. The statutory warranties provided in this section shall survive the passing of legal or equitable title in the dwelling to the vendee.

Subd. 3. Home improvement warranties. (a) In a sale or in a contract for the sale of home improvement work involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) during the ten-year period from and after the warranty date the home improvement shall be free from major construction defects due to noncompliance with building standards.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the two-year period from and after the warranty date, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with building standards.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the one-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

327A.03. Exclusions

The liability of the vendor or the home improvement contractor under sections 327A.01 to 327A.07 is limited to the specific items set forth in sections 327A.01 to 327A.07 and does not extend to the following:

(a) Loss or damage not reported by the vendee or the owner to the vendor or the home improvement contractor in writing within six months after the vendee or the owner discovers or should have discovered the loss or damage;

(b) Loss or damage caused by defects in design, installation, or materials which the vendee or the owner supplied, installed, or directed to be installed;

- (c) Secondary loss or damage such as personal injury or property damage;
- (d) Loss or damage from normal wear and tear;
- (e) Loss or damage from normal shrinkage caused by drying of the dwelling or the home improvement within tolerances of building standards;
- (f) Loss or damage from dampness and condensation due to insufficient ventilation after occupancy;
- (g) Loss or damage from negligence, improper maintenance or alteration of the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (h) Loss or damage from changes in grading of the ground around the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (i) Landscaping or insect loss or damage;
- (j) Loss or damage from failure to maintain the dwelling or the home improvement in good repair;
- (k) Loss or damage which the vendee or the owner, whenever feasible, has not taken timely action to minimize;
- (l) Loss or damage which occurs after the dwelling or the home improvement is no longer used primarily as a residence;
- (m) Accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards;
- (n) Loss or damage from soil movement which is compensated by legislation or covered by insurance;
- (o) Loss or damage due to soil conditions where construction is done upon lands owned by the vendee or the owner and obtained by the vendee from a source independent of the vendor or the home improvement contractor;
- (p) In the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement.

327A.04. Waiver and modification limited

Subd. 1. Except as provided in subdivisions 2 and 3, the provisions of sections 327A.01 to 327A.07 cannot be waived or modified by contract or otherwise. Any agreement which purports to waive or modify the provisions of sections 327A.01 to 327A.07, except as provided in subdivisions 2 and 3 of this section, shall be void.

Subd. 2. At any time after a contract for the sale of a dwelling is entered into by and between a vendor and a vendee or a contract for home improvement work is entered into by and between a home improvement contractor and an owner, any of the statutory warranties provided for in section 327A.02 may be excluded or modified only by a written instrument, printed in bold face type of a minimum size of ten points, which is signed by the vendee or the owner and which sets forth in detail the warranty involved, the consent of the vendee or the owner, and the terms of the new agreement contained in the writing. No exclusion or modification shall be effective unless the vendor or the home improvement contractor provides substitute express warranties offering substantially the same protections to the vendee or the owner as the statutory warranties set forth in section 327A.02. Any modification or exclusion agreed to by vendee and vendor or the owner and home improvement contractor pursuant to this subdivision shall not require the approval of the commissioner of administration pursuant to section 327A.07.

Subd. 3. If a major construction defect is discovered prior to the sale of a dwelling, the statutory warranty set forth in section 327A.02, subdivision 1, clause (c) may be waived for the defect identified in the waiver instrument, after full oral disclosure of the specific defect, by an instrument which sets forth in detail: the specific defect; the difference between the value of the dwelling without the defect and the value of the dwelling with the defect, as determined and attested to by an independent appraiser, contractor, insurance adjuster, engineer or any other similarly knowledgeable person selected by the vendee; the price reduction; the date the construction was completed; the legal description of the dwelling; the consent of the vendee to the waiver; and the signatures of the vendee, the vendor, and two witnesses.

A single waiver agreed to pursuant to this subdivision may not apply to more than one major construction defect in a dwelling.

The waiver shall not be effective unless filed for recording with the county recorder or registrar of titles who shall file the waiver for record.

327A.05. Remedies

Subd. 1. New home warranties. Upon breach of any warranty imposed by section 327A.02, subdivision 1, the vendee shall have a cause of action against the vendor for damages arising out of the breach, or for specific performance. Damages shall be limited to:

- (a) The amount necessary to remedy the defect or breach; or
- (b) The difference between the value of the dwelling without the defect and the value of the dwelling with the defect.

Subd. 2. Home improvement warranty. Upon breach of any warranty imposed by section 327A.02, subdivision 3, the owner shall have a cause of action against the home improvement contractor for damages arising out of the breach, or for specific performance. Damages shall be limited to the amount necessary to remedy the defect or breach.

327A.06. Other warranties

The statutory warranties provided for in section 327A.02 shall be in addition to all other warranties imposed by law or agreement. The remedies provided in section 327A.05 shall not be construed as limiting the remedies in any action not predicated upon breach of the statutory warranties imposed by section 327A.02.

327A.07. Variations

The commissioner of administration may approve pursuant to sections 14.05 to 14.28, variations from the provisions of sections 327A.02 and 327A.03 if the warranty program of the vendor or the home improvement contractor requesting the variation offers at least substantially the same protections to the vendee or owner as provided by the statutory warranties set forth in section 327A.02.

327A.08. Limitations

Notwithstanding any other provision of sections 327A.01 to 327A.07:

(a) The terms of the home improvement warranties required by sections 327A.01 to 327A.07, commence upon completion of the home improvement and the term shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) The home improvement warranties required by sections 327A.01 to 327A.07, shall not include products or materials installed that are already covered by implied or written warranty; and

(c) The home improvement warranties required by sections 327A.01 to 327A.07 are intended to be implied warranties imposing an affirmative obligation upon home improvement contractors, and sections 327A.01 to 327A.07 do not require that written warranty instruments be created and conveyed to the owner.

EXHIBIT C

**Agreement Excluding or Modifying Warranties and
Modification of Statute of Limitations**

_____, as purchasers have entered into a purchase agreement dated _____, 2021 with Etoc Company, Inc. for the purchase of a Unit in NORTH PINES, a planned community.

The purchase of a Unit in NORTH PINES is governed by the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B. Section 515B.4-115 permits the parties to agree to reduce the period of limitation for breach of express or implied warranties under the statute to not less than two years.

NOW, THEREFORE, for good and valuable consideration, the parties agree that any judicial proceeding for breach of an obligation arising under Section 515B.4-112 (express warranties) or 515B.4-113 (implied warranties) must be commenced within two years after the cause of action accrues.

IN WITNESS WHEREOF the parties have executed this agreement as of this ____ day of _____, 2021

PURCHASERS:

SELLER:

ETOC COMPANY, INC.


By: 
Its: CEB

EXHIBIT D

Addendum To Purchase Agreement

Between

Etoc Company, Inc., Seller

And

_____, Buyers

Dated _____

For Unit _____, NORTH PINES

Contribution to Association Buyers agree to pay at Closing to the Association an amount equal to four (4) month's assessments based on the Association's budget, such sum to be held by the Association to establish a working capital fund intended to provide operating capital to the Association. This contribution is not an advance payment of regular assessments, and is in addition to such assessments. The Association, both during and after control by the Declarant, may use the working capital fund to defray any of the Association's operating expenses or to purchase additional services or capital equipment for the CIC. At the time control of the Association is transferred to Owners, the then-balance of the working capital fund shall be transferred to the Association for deposit into the Association's operating account.

Use of Earnest Money In order to lower Seller's costs of financing the construction of the NORTH PINES Development, and as permitted by Minnesota Statutes, Section 515B.4-109, Buyers agree that all Earnest Money shall be paid to Seller and may be used for the payment of construction costs.

_____ Buyer


 Seller

EXHIBIT E

Insurance Coverage

So long as the Declarant controls the Board of Directors of the Association, the buildings and common elements will be insured by the Association for their full insurable value, and public liability coverage in at least \$1,000,000.00 will be carried. The improvements and betterments within a Unit are not covered by the Association policy and should be separately insured by the Owner of the Unit. See the insurance provisions of the Declaration.

EXHIBIT F

Real Estate Taxes

The real estate taxes for the Unit you are purchasing that are due and payable in 2021 are \$_____. There are no delinquent real estate taxes on the property. Declarant makes no representation as to the taxes and governmental assessments on the Unit and common area in future years.

EXHIBIT G

Declaration for NORTH PINES

Document No.: 949473 ABSTRACT
03/23/2021 02:33 PM Total Pages: 34
Fees/Taxes In the Amount of: \$46.00
GARY GRIFFIN
CROW WING, MINNESOTA
County Recorder
Deputy: dough

Document No.: 261142 TORRENS
03/23/2021 02:33 PM Total Pages: 34
Fees/Taxes In the Amount of: \$46.00
GARY GRIFFIN
CROW WING, MINNESOTA
County Recorder
Deputy: dough

(Above Space Reserved for Recording Data)

COMMON INTEREST COMMUNITY NO. 1148
Planned Community

DECLARATION
NORTH PINES

This Declaration is made in the County of Crow Wing, State of Minnesota, on this 23rd day of March, 2021, by Etoc Company, Inc., a Minnesota corporation, a/k/a/ Etoc Co., Inc. d/b/a Grand View Lodge (the "**Declarant**"), pursuant to the provisions of Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "**Act**"), for purposes of constituting the Property described below as a planned community form of Common Interest Community.

RECITALS

- A. Declarant is the owner of certain real property located in Crow Wing County, Minnesota, legally described in **Exhibit A** attached hereto (collectively the "**Property**").
- B. The Property is not subject to an ordinance referred to in Section 515B.1-106 of the Act, governing conversions to common interest ownership, and is not subject to a master association as defined in the Act.
- C. Declarant desires to establish on the Property a plan for a planned community form of common interest community under the Act.

PROVISIONS

Declarant hereby submits the Property to the Act as a common interest community (as a planned community and not as a condominium or cooperative) under the name "NORTH PINES," consisting of the units described in *Section 2* (each a "Unit," and collectively, the "Units").

This Declaration shall constitute covenants running with the Property, and the Property covenants, restrictions, easements, charges and liens set forth herein; and all of which shall be binding upon all Persons (as defined herein) owning or acquiring any right, title or interest in the Property, 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 the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, as amended now and in the future.

1.2 "**Assessments**" means all Assessments levied by the Association pursuant to *Section 6*, including annual Assessments, special Assessments and limited Assessments.

1.3 "**Association**" means North Pines Owners Association, a nonprofit corporation which has been created pursuant to Chapter 317A of the laws of the State of Minnesota and Section 515B.3-101 of the Act, whose members consist of all Owners.

1.4 "**Association Manager**" means the professional manager retained by the Association, which may be Declarant or an affiliate of Declarant.

1.5 "**Board**" means the Board of Directors of the Association as provided for in the Bylaws. References in this Declaration to the Board shall mean the Association's Board of Directors.

1.6 "**Building**" means any structure(s) within any Unit.

1.7 "**Bylaws**" means the Association's Bylaws, which govern the operation of the Association, as the Bylaws may be amended from time to time.

1.8 "**City**" means the City of Nisswa, Minnesota.

1.9 "**Commercial Resort Easement**" refers to and is a permanent easement specifically granted/reserved to Declarant for purposes that include allowing Declarant to do all acts used and/or useful in connection with the operation of a commercial resort.

1.10 "**Common Elements**" means all parts of the Property except the Units, including all improvements thereon, owned by the Association for the common benefit of the Owners and

Occupants. The Common Elements presently consist of Outlot B, NORTH PINES, as more fully described in *Section 3.1.1* herein.

1.11 “**Common Expenses**” means all expenditures made or liabilities incurred by or on behalf of the Association and incident to its operation, including allocation to reserves and items otherwise identified as Common Expenses in this Declaration or Bylaws.

1.12 “**Common Expense Assessment**” means any Assessment levied against the Units by the Board pursuant to *Section 6.2, 6.3, or 6.4*.

1.13 “**Declarant**” means Etoc Company, Inc. a/k/a Etoc Co., Inc. d/b/a Grand View Lodge, a Minnesota corporation.

1.14 “**Declarant Control Period**” means the time period during which Declarant has the exclusive right to appoint the members of the Board, as described in *Section 16*.

1.15 “**Eligible Mortgagee**” means any Person that owns a first mortgage on a Unit which has requested in writing that the Association notify it regarding any proposed action which requires approval by a specified percentage of Eligible Mortgagees.

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

1.17 “**Grand View Lodge**” means that certain commercial resort known as Grand View Lodge.

1.18 “**Limited Common Elements**” means a portion of the Common Elements allocated by the Declaration or by operation of Section 515B.2-102(d) or (f) of the Act for the exclusive use of one or more, but fewer than all, of the Units.

1.19 “**Outlot Outlot B**” means Outlot B, Common Interest Community No.1148, NORTH PINES, Crow Wing County, Minnesota. Outlot B is subject to the Commercial Resort Easement and also comprises the Common Elements of the Property.

1.20 “**Managed Property Recreational Facilities**” means the recreational facilities from time to time installed and maintained within and outside of Outlot B, by Declarant, pursuant to the Commercial Resort Easement.

1.21 “**Managed Property Rules**” means the reasonable rules adopted by Declarant from time to time and binding upon the Property pursuant to the Commercial Resort Easement. The Managed Property Rules are intended to facilitate the use of Outlot B for Commercial Resort Easement purposes.

1.22 “**Member**” means a member of the Association. The Owners of the Units are the Members of the Association. The words “Owner” and “Member” may be used interchangeably in the Governing Documents.

1.23 “**Occupant**” means any Person or Persons, other than an Owner, in possession of or residing in possession of a Unit including but not limited to guests of the Owner, resort guests of Grand View Lodge and persons renting the Unit.

1.24 “**Owner**” means a Person who owns a Unit, but excluding contract for deed vendors, mortgagees, holders of reversionary interests in life estates and other secured parties within the meaning of the Act. The term “Owner” includes, without limitation, contract for deed vendees and holders of a life estate.

1.25 “**Person**” means a natural individual, corporation, Limited Liability Company, partnership, limited liability partnership, trustee, or other legal entity capable of holding title to real property.

1.26 “**Plat**” means the recorded plat of NORTH PINES, which depicts the Property. The Plat conforms to the requirements of Minnesota Statutes, Chapter 505 and references to the Plat includes any amended or supplemental Plat recorded from time to time in accordance with the Act.

1.27 “**Property**” means all of the real property subject to this Declaration, now or in the future, including the Units and the Common Elements. At the time this Declaration is filed, the Units consist of the portions of the Property described in **Exhibit A** attached hereto. Outlot B comprises the Common Elements of the Property; subject to the Commercial Resort Easement retained by Declarant.

1.28 “**Rules and Regulations**” means the Rules and Regulations of the Association as approved from time to time pursuant to **Section 5.6**.

1.29 “**Unit**” means any of the 27 Units identified on **Exhibit B** upon which a building is located or intended to be located, as shown on the Plat, including all improvements thereon. The term Unit does not include the Common Elements which are described as Outlot B, Common Interest Community Number 1148, NORTH PINES a Planned Community. A Unit includes both the platted lot and the Building located thereon.

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. References to Section numbers refer to the Sections of this Declaration unless otherwise indicated.

Section 2

DESCRIPTION OF UNITS AND BOUNDARIES, AND RELATED EASEMENTS AND RESTRICTIONS

2.1 **Units.** There are 27 Units. Each Unit constitutes a separate parcel of real estate. No additional Units may be created by the subdivision or conversion of Units pursuant to Section 515B.2-112 of the Act. The locations of the Units are as shown on the Plat, which is incorporated herein by reference, and a schedule of Units, including the Unit identifiers, is set forth on **Exhibit B**.

2.2 **Unit Boundaries.** The front, rear and side boundaries of each Unit shall be the boundary lines of the platted lot constituting the Unit and in which a Building is located or intended

to be located as shown on the Plat. The Units shall have no upper or lower boundaries. Subject to this *Section 2* and *Section 3.2*, all improvements within the boundaries of a Unit are a part of the Unit.

2.3 **Access Easements.** Each Unit shall be the beneficiary of a perpetual easement for access on or across those portions of the Common Elements designed for use as roadways, recreational amenities or walkways within Outlot B, as shown on the Plat or designated by the Board, as described in *Section 12*. The Commercial Resort Easement provides an easement for access on, upon, across, over and under Outlot B, for use in accordance with the Commercial Resort Easement.

2.4 **Commercial Resort Easement.** The Property, including Outlot B, is subject to the Commercial Resort Easement. Among other things, the Commercial Resort Easement provides an easement for recreational purposes and the right to access, maintenance and utilize all amenities, including all golf cart paths, and other golf amenities and infrastructure. Declarant is responsible under the Commercial Resort Easement for the maintenance and improvement of any recreational facilities installed by and used by Declarant on the Property as part of the Resort Commercial Easement or existing and intended to continue as part of the golf courses, at the expense of Declarant. Declarant specifically has the right to permit the use of the golf cart paths and Outlot B for resort guests, both within and outside of the Property and guests of Grand View Lodge.

2.5 **Use and Enjoyment Easements.** Each Unit shall be the beneficiary of perpetual easements for use and enjoyment of the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by the Governing Documents.

2.6 **Utility and Maintenance Easements.** Each Unit and the improvements thereon shall be subject to and shall be the beneficiary of perpetual easements for all services and utilities servicing the Units, the improvements thereon, and the Common Elements, and for maintenance, repair and replacement, as described in *Section 12*. Pursuant to *Section 8* below, the Owners of the Units, and not the Association, are responsible for the maintenance, repair and replacement of the exterior of the buildings within the Units, including the roofs; provided, however, that with the consent of a majority of the Owners of the Units within the Property, the Association may perform maintenance, repairs and replacements of the exteriors of the buildings, the cost of which will then be a Common Expense.

2.7 **Encroachment Easements.** Each Unit shall be subject to and shall be the beneficiary of perpetual easements for encroachments, as described in *Section 12*.

2.8 **Structural and Lateral Support Easements.** Each Unit, and other improvements on the Property shall be subject to and the beneficiary of a perpetual easement for structural support in all walls, columns, joists, girders and other structural components located in or passing through another Unit and the improvements thereon, as well as lateral support, as described in *Section 12*.

2.9 **Declarant's Easements.** Declarant shall have and be the beneficiary of easements described in *Section 16*, including easements for construction and sales activities.

2.10 **Recorded Easements.** In addition to being subject to the Commercial Resort Easement, the Property shall be subject to such other easements as are recorded against it as of the date of recording of this Declaration or as otherwise shown on the Plat.

2.11 **Easements and Restrictions are Appurtenant.** All easements, covenants and restrictions burdening or benefiting a Unit or any other part of the Property shall run with the land, and shall be non-exclusive and permanent, subject only to termination in accordance with the Act or the terms of the applicable recorded instrument. Any recorded easement benefiting or burdening the Property shall be construed in a manner consistent with, and not in conflict with, the easements created by this Declaration; provided, however, that this Declaration is subordinate to the Commercial Resort Easement.

2.12 **Impairment Prohibited.** No person shall materially restrict or impair any easement benefiting or burdening the Property, subject to the Declaration and the right of the Association to establish and enforce reasonable Rules and Regulations governing the use of the Property.

2.13 **Benefit of Easements.** All easements created by this Declaration which benefit a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests.

2.14 **Parking.** Owners, Owners' families, tenants and guests may use the vehicle parking spaces conveniently located on the Common Elements. The Association may establish a specific parking area for overflow parking and may from time to time establish additional Rules and Regulations concerning the use of these parking spaces and may cause to be towed from the Common Elements improperly parked vehicles or personal property at the expense of the Owner and/or Occupant. The parking upon Lot 22 is also subject to reasonable rules promulgated by Declarant for purposes of facilitating the use of the Property for Commercial Resort purposes.

2.15 **Personal Property for Common Use.** The Association may acquire and hold for the use of all the Members tangible and intangible personal property and may dispose of the same by sale or otherwise. The Association shall have the authority to impose reasonable Rules and Regulations on, and charges for the use of property owned by the Association.

2.16 **Encroachments.** Some of the Structures within the Property or Outlot B, may be aesthetically and functionally designed with drains, air conditioning equipment and other structures that encroach upon or overhang adjoining Units or Outlot B. The Owner of each Unit hereby takes title subject to a perpetual easement for any such overhang or encroachment and each encroaching or overhanging of the Building or other structure, drain or air conditioning equipment may be repaired, rebuilt or replaced in such a fashion as to permit the overhangs and encroachments to be re-established but not enlarged without consent of the servient Owner and the Association.

Section 3 COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND OTHER PROPERTY

3.1 **Common Elements.** The Common Elements and their characteristics are as follows:

3.1.1 All portions of the Property not included within the Units constitute Common Elements. The Common Elements include those parts of the Property designated as Common Elements in this Declaration, on the Plat or in the Act. The Common Elements are owned by the Association for the benefit of the Owners and Occupants of the Property. Outlot B, presently comprises the Common Elements.

3.1.2 The Common Elements shall be subject to: (i) the easements described in this Declaration, the Plat and any other recorded instrument, including the Commercial Resort Easement; (ii) the rights of Owners and Occupants in Limited Common Elements appurtenant to their respective Units; (iii) the right of the Association to establish reasonable Rules and Regulations governing the use of the Property; and (iv) the right of Declarant to establish reasonable Managed Property Rules to facilitate the operation of a Commercial Resort on the Property.

3.1.3 Except as otherwise expressly provided in the Governing Documents, all maintenance, repair, replacement, management and operation of the Common Elements shall be the responsibility of the Association; provided, however, that Declarant and not the Association shall be responsible for maintaining, repairing, replacing and managing the recreational amenities installed or located on Outlot B by Declarant, all at the expense of Declarant, pursuant to the Commercial Resort Easement.

3.1.4 Common Expenses for the maintenance, repair, replacement, management and operation of the Common Elements shall be assessed and collected from the Owners in accordance with *Section 6*.

3.1.5 Notwithstanding the above, no Rules, Regulations, amendments, restrictions, covenants, or alterations may be imposed upon the Common Elements or limit, affect or impact the commercial resort easement or commercial resort activities, without the express written consent of Declarant.

3.2 **Limited Common Elements.** The Limited Common Elements are those parts of the Common Elements reserved for the exclusive use of the Owners and Occupants of the Units to which they are allocated. The rights to the use and enjoyment of the Limited Common Elements are automatically conveyed with the conveyance of such Units. The Limited Common Elements are described and allocated to the Units, as shown on the Plat and as follows:

3.2.1 Those items or areas designated as Limited Common Elements on the Plat or by the Act are allocated to the Units as indicated thereon or therein.

3.2.2 Those parts of a Building located outside the Unit's boundaries, such as chimney flues, exterior doors and windows and their frames, skylights, and related trim, hardware and fixtures, are allocated to the Unit or Units which they serve.

3.2.3 Improvements, if any, such as decks, patios, terraces, porches, balconies, shutters, awnings, window boxes, walks, doorsteps and stoops, which are designed to serve a single Unit, and replacements and modifications thereof authorized pursuant to *Section 7.11*, located outside the Unit's boundaries, are Limited Common Elements allocated exclusively to that Unit.

3.2.4 Chutes, flues, ducts, pipes, wires, conduit or other utility installations, bearing walls, bearing columns, or any other components or fixtures lying partially within and partially outside the boundaries of a Unit, and serving only that Unit, are allocated to the Unit they serve. Any portion of such installations serving or affecting the function of more than one Unit or any portion of the Common Elements is a part of the Common Elements, but is not a Limited Common Element.

3.2.5 Heating, ventilating or air conditioning equipment serving only a certain Unit or Units, and located wholly or partially outside the Unit or Unit's boundaries, are allocated to the Unit or Units served by such equipment.

3.3 **Annexation of Other Property.** Other real property may be added to the Property as Units or Common Elements and subjected to this Declaration, with the approval of (i) Owners (other than Declarant) of Units to which are allocated at least 67% of the votes in the Association, and (ii) Declarant so long as Declarant owns any unsold Unit.

Section 4

ASSOCIATION MEMBERSHIP RIGHTS AND OBLIGATIONS

Membership in the Association and the allocation to each Unit of a portion of the votes in the Association and a portion of the Common Expenses of the Association shall be governed by the following provisions:

4.1 **Membership.** Each Owner shall be a member of the Association solely by reason of owning a Unit, and the membership shall be deemed transferred with the conveyance of the Owner's interest in the Unit. An Owner's membership shall terminate when the Owner's ownership terminates. When more than one Person is an Owner of a Unit, all such Persons shall be members of the Association, but multiple ownership of a Unit shall not increase the voting rights allocated to such Unit.

4.2 **Common Expenses and Voting.** The voting rights and Common Expenses shall be allocated equally to the Units in the Property, and each Unit shall be allocated one vote in the Association.

4.3 **Appurtenant Rights and Obligations.** The ownership of a Unit shall include the voting rights and Common Expense obligations described in **Section 4.2**. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately, and any conveyance, encumbrance, judicial sale or other transfer of any allocated interest in a Unit, separate from the title to the Unit shall be void. The allocation of the rights, obligations and interests described in this Section may not be changed, except in accordance with the Governing Documents and the Act.

4.4 **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 Unit at meetings of the Association. However, if there are multiple Owners of a Unit, 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.

Section 5 ADMINISTRATION

The administration and operation of the Association and the Property, including but not limited to the acts required of the Association, shall be governed by the following provisions:

5.1 **General.** The operation and administration of the Association and the Property shall be governed by the Governing Documents, the Rules and Regulations, and the Act. The Association shall be responsible for the operation, management and control of the Property, subject, however to the provisions of the Commercial Resort Easement as it applies to Outlot B and subject to the Commercial Resort Activities. The Association shall have all powers described in the Governing Documents, the Act and the statute under which the Association is incorporated. All power and authority of the Association shall be vested in the Board, unless action or approval by the individual Owners is specifically required by the Governing Documents or the Act. All references to the Association shall mean the Association acting through the Board unless specifically stated to the contrary.

5.2 **Operational Purposes.** The Association shall operate and manage the Property for the purposes of (i) administering and enforcing the covenants, restrictions, easements, charges and liens set forth in the Governing Documents and the Rules and Regulations, (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible and (iii) preserving the value and the architectural character of the Property, subject, however to the provisions of the Commercial Resort Easement.

5.3 **Binding Effect of Actions.** All agreements and determinations made by the Association in accordance with the powers and voting rights established by the Governing Documents or the Act shall be binding upon all Owners and Occupants, and their lessees, guests, heirs, personal representatives, successors and assigns, and all secured parties as defined in the Act, subject, however to the provisions of the Commercial Resort Easement.

5.4 **Bylaws.** The Association shall have Bylaws. The Bylaws shall govern the operation and administration of the Association, and shall be binding on all Owners and Occupants.

5.5 **Management.** The Board may delegate to a manager or managing agent the management duties imposed upon the Association's officers and directors by the Governing Documents and the Act. However, such delegation shall not relieve the officers and directors of the ultimate responsibility for the performance of their duties as prescribed by the Governing Documents and by law.

5.6 **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, the Act or the Commercial Resort Easement. The inclusion in other parts of the Governing Documents of authority to approve Rules and Regulations shall be deemed to be in furtherance, and not in limitation, of the authority granted by this Section. New or amended Rules and Regulations shall be effective only after reasonable notice thereof has been given to the

Owners. Nothing herein shall be construed to limit the right of Declarant to adopt reasonable Managed Property Rules to facilitate the use of the Property for commercial resort purposes.

5.7 **Association Assets: Surplus Funds.** All funds and real or personal property acquired by the Association shall be held and used for the benefit of the Owners for the purposes stated in the Governing Documents. Surplus funds remaining after payment of or provision for Common Expenses and reserves shall be credited against future Assessments or added to reserves, as determined by the Board.

Section 6 ASSESSMENTS

6.1 **General.** Assessments shall be determined and assessed against the Units by the Board, in its discretion, subject to the requirements and procedures set forth in this **Section 6** and the requirements of the Bylaws. Assessments shall include annual Assessments under **Section 6.2**, and may include special Assessments under **Section 6.3** and limited Assessments under **Section 6.4**. Annual and special Assessments shall be allocated among the Units in accordance with the allocation formula set forth in **Section 4.2**. Limited Assessments under **Section 6.4** shall be allocated to the Units as set forth in that Section. Assessments shall include an allocated share of the Association's share of the maintenance, repair, and replacement of the improvements on Outlot B.

6.2 **Annual Assessments.** Annual Assessments shall be established and levied by the Board, subject to the limitations set forth hereafter. Each annual Assessment shall cover all of the anticipated Common Expenses of the Association for that year which are to be shared by all Units in accordance with the allocation set forth in **Section 4.2**. Annual Assessments shall be payable in equal monthly or quarterly installments, as established by the Board. Annual Assessments shall provide, among other things, for an adequate reserve fund for the maintenance, repair and replacement of the Common Elements and those parts of the Units for which the Association is responsible.

6.3 **Special Assessments.** In addition to annual Assessments, and subject to the limitations set forth hereafter, the Board may levy in any Assessment year a special Assessment against all Units in accordance with the allocation formula set forth in **Section 4.2** not necessarily payable in the Assessment year, provided that any such Assessment in excess of \$2,000.00 per Unit in 2021 constant dollars shall have the assent of not less than fifty-one percent (51%) of the voting power of members who are voting in person or by proxy at a meeting duly called for this purpose. Special Assessments shall be used for the purpose of defraying in whole or in part (i) the cost of any unforeseen and unbudgeted Common Expense, general or specific reserves for maintenance, repair, or replacement, and (ii) the maintenance, repair, or replacement of any part of the Property for which the Association is responsible, and any fixtures or other property related thereto.

6.4 **Limited Assessments.** In addition to Annual Assessments and Special Assessments, the Board may, at its discretion, levy and allocate "Limited Assessments" among only certain Units in accordance with the following requirements and procedures:

6.4.1 Assessments associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed exclusively against the Unit or Units to which that Limited Common Element is assigned, 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 Unit, as appropriate.

6.4.2 Any Common Expense or portion thereof benefiting fewer than all of the Units may be assessed exclusively against the Unit or Units 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 Unit, as appropriate.

6.4.3 The costs of insurance may be assessed equally, or in proportion to the square footage or actual cost per Unit, and the costs of common utilities may be assessed in proportion to usage or such other reasonable allocation as may be approved by the Board.

6.4.4 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, the Act, or the Rules and Regulations, against an Owner or Occupant or their guests, may be assessed against the responsible Owner's Unit.

6.4.5 Late charges, fines and interest may be assessed as provided in *Section 13*.

6.4.6 Assessments levied under Section 515B.3-116(a) of the Act to pay a judgment against the Association may be levied only against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.

6.4.7 If any damage to the Common Elements or another Unit 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 Unit to the extent not covered by insurance.

6.4.8 If any Assessment or 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.

6.4.9 If Common Expense liabilities are reallocated for any purpose authorized by the Act, Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated Common Expense liabilities. Assessments levied under *Sections 6.4.1* through *6.4.8* may, at the Board's discretion, be assessed as a part of, or in addition to, the Assessments levied under *Section 6*.

6.5 **Working Capital Fund.** A working capital fund has been established to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The initial purchaser of a Unit from Declarant shall contribute, on a one-time basis, an amount equal to four months' of installments of the estimated Common Expense Assessment for the Unit purchased. Said contribution shall be paid at the closing of the purchaser's acquisition of the Unit from Declarant. The purchaser's contribution to this fund is in addition to the purchaser's obligation to pay regular monthly installments of Common Expense Assessments

in the purchaser's capacity as an Owner. Additionally, every transferring owner upon transfer of title to a Unit, except those transfers which are exempt, shall pay a one-time fee of .75% of the purchase price to the Association for the capital fund for common area improvements. The one-time fee of .75% shall be paid at closing of the transfer. The following transfers are exempt from payment of the one-time fee of .75%: a) Transfers by the Declarant; b) by or to a builder, who takes title solely for the purpose of development and construction of a Unit or for resale; c) transfers among co-owners already vested in title; d) transfers to a revocable or family trust or family limited partnership controlled by the grantor, the estate of an owner, surviving spouse or child upon death of an owner; e) to an entity of an owner, such as but not limited to an limited liability company, limited partnership, corporation, limited liability limited partnership provided that upon any subsequent transfer of an ownership interest in such entity, such as stock, membership units or partnership interests, the one-time fee of .75% shall be due and payable and said fee shall be calculated based on the tax assessed value of the Unit and multiplied by the percentage of the interest in said entity transferred.

6.6 Liability of Owners for Assessments. The obligation of an Owner to pay Assessments shall commence at the later of (i) the time at which the Owner acquires title to the Unit, or (ii) the due date of the first Assessment levied by the Board, subject to the alternate Common Expense Plan described in **Section 6.7**. The Owner at the time an Assessment is payable with respect to the Unit shall be personally liable for the share of the Common Expenses assessed against such Unit. Such liability shall be joint and several where there are multiple Owners of the Unit. The liability is absolute and unconditional. No Owner is exempt from liability for payment of Assessments by right of set-off, by waiver of use or enjoyment of any part of the Property, by absence from or abandonment of the Unit, by the waiver of any other rights, or by reason of any claim against the Association or its officers, directors or agents, or for their failure to fulfill any duties under the Governing Documents or the Act.

6.7 Declarant's Alternate Common Expense Plan. Declarant's common expense liability, and the corresponding assessment lien against the Units owned by the Declarant, is limited to: (i) paying when due, in compliance with Section 515B.3-1151 (b), an amount equal to the full share of the replacement reserves allocated to Units owned by the declarant, as set forth in the association's annual budget; and (ii) paying when due all accrued expenses of the Common Interest Community in excess of the aggregate assessments payable with respect to Units owned by persons other than Declarant; provided, that this alternate common expense plan shall not affect Declarant's obligation to make up any operating deficit pursuant to the Act, and such alternate common expense plan shall terminate upon the termination of any period of declarant control unless terminated earlier by Declarant pursuant to the Act.

6.8 Assessment Lien. The Association has a lien on a Unit for any Assessment levied against that Unit from the time the Assessment becomes due. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment thereof becomes due. Fees, charges, late charges, fines and interest charges imposed by the Association pursuant to Section 515B.3-102(a)(10), (11) and (12) of the Act are liens, and are enforceable as Assessments, under this **Section 6**. Recording of the Declaration constitutes record notice and perfection of any lien under this **Section 6**, and no further recordation of any notice of or claim for the lien is required. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association.

6.9 **Foreclosure of Lien: Remedies.** A lien for Assessments may be foreclosed against a Unit under the laws of the state of Minnesota (i) by action, or (ii) by advertisement in a like manner as a mortgage containing a power of sale. The Association, or its authorized representative, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey any Unit so acquired. The Owner and any other Person claiming an interest in the Unit, by the acceptance or assertion of any interest in the Unit, grants to the Association a power of sale and full authority to accomplish the foreclosure. The Association shall, in addition to its other remedies, 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 Unit.

6.10 **Lien Priority: Foreclosure.** A lien for Assessments is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before the Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and other governmental Assessments or charges against the Unit. Notwithstanding the foregoing, if (1) a first mortgage on a Unit is foreclosed, (2) the first mortgage was recorded on or after the date of recording of this Declaration, and (3) no Owner redeems during the Owner's period of redemption provided by Minnesota Statutes Chapters 580, 581, or 582, then the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage shall take title to the Unit subject to unpaid Assessments for Common Expenses levied pursuant to Sections 515B.3-1151(a), (e)(1) to (3), (f), and (i) of the Act which became due, without acceleration, during the six months immediately preceding the first day following the end of the Owner's period of redemption.

6.11 **Voluntary Conveyances: Statement of Assessments.** In a voluntary conveyance of a Unit the buyer shall not be personally liable for any unpaid Assessments and other charges made by the Association against the seller or the seller's Unit prior to the time of conveyance to the buyer, unless expressly assumed by the buyer. However, the lien of such Assessments shall remain against the Unit until released. Any seller or buyer shall be entitled to a statement, in recordable form, from the Association setting forth the amount of the unpaid Assessments against the Unit, including all Assessments payable in the Association's current fiscal year, which statement shall be binding on the Association, seller and buyer.

Section 7

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 Unit, covenant and agree that, in addition to any other restrictions which may be imposed by the Act or the Governing Documents, the occupancy, use, operation, alienation and conveyance of the Property shall be subject to the following restrictions:

7.1 **General.** The Property shall be owned, conveyed, encumbered, leased, used and occupied subject to the Governing Documents and the Act, as amended from time to time, and the provisions of the Commercial Resort Easement, as applicable. All covenants, restrictions and obligations set forth in the Governing Documents are in furtherance of a plan for the Property, and shall run with the Property and be a burden and benefit to all Owners and Occupants and to any other Person acquiring or owning an interest in the Property, their heirs, personal representatives, successors and assigns.

7.2 **Subdivision Prohibited**. Except as permitted by the Act and *Section 17* below, no Unit nor any part of the Common Elements may be subdivided or partitioned without the prior written approval of all Owners and all secured parties holding first mortgages on the Units.

7.3 **Use**. The Units shall be used by Owners, Occupants, and their guests exclusively for residential purposes and for no other purpose. No changes in the use of the Property shall be made without prior receipt of all appropriate governmental approvals and the approval of Declarant.

7.4 **Rental**. Owners may rent their Units as they deem appropriate, provided all rental comply with the City of Nisswa Ordinances. Said rental may include the Managed Property Rental Program through Declarant or Declarant's Management Agent. All Third-Party Rental Organizations must have and demonstrate the following: Uniformed 24-hour front desk, 24-hour security, 24-hour on-call maintenance, Electronic keys, Workman's Compensation insurance, a minimum of \$1,000,000 liability insurance and 24-hour phone answering.

7.5 **Parking**. Parking areas on the Property shall be used only for parking of vehicles owned or leased by Owners, Occupants, and their guests, and such other incidental uses as may be authorized in writing by the Association. The use of driveways and other parking areas on the Property, and the types of vehicles and personal property permitted thereon, shall be subject to regulation by the Association, including without limitation the right of the Association to tow illegally parked vehicles or to remove unauthorized personal property.

7.6 **Storage**. Outside storage of any items, including, but without limitation, sporting equipment, ski tubes, toys, yard and garden tools and equipment and trash and garbage containers, shall not be allowed, except as approved by the Architectural Control Committee or by regulation. Trash and garbage shall be regularly collected and may be kept outside only if in tightly covered containers. No watercraft, automobiles, snowmobiles, fish houses, trailers, camping vehicles, recreational vehicles, tractor/trailers, buses, or trucks shall at any time be stored on the Property or on streets within NORTH PINES, except that ski tubes, boats, snowmobiles, and trailers in regular use may be temporarily parked in the designated parking area for said purposes for a period not to exceed 7 days.

7.7 **Animals**. No animals may be bred, or kept or maintained for business or commercial purposes, anywhere on the property. However, the Board shall have the exclusive authority to prohibit, or to allow and regulate, by Rules and Regulations, the keeping of animals on the Property. The word "animal" shall be construed in its broadest sense and shall include all living creatures except humans.

7.8 **Quiet Enjoyment Interference Prohibited**. All Owners and Occupants and their guests shall have a right of quiet enjoyment in their respective Units. Owners and Occupants shall use the Property in such a manner as will not cause a nuisance, nor unduly restrict, interfere with or impede the use of the Building and quiet enjoyment of the Property by other Owners and Occupants and their guests.

7.9 **Compliance with Law**. No use shall be made of the Property which would violate any then existing municipal codes or ordinances, or state or federal laws, nor shall any act or use

be permitted which could cause waste to the Property, cause a material increase in insurance rates on the Property, or otherwise cause any unusual liability, health or safety risk, or expense, for the Association or any Owner or Occupant.

7.10 Architectural Standard. Except as expressly permitted by this *Section 7.11*, no modifications, improvements, repairs or replacements of any type, temporary or permanent, structural, aesthetic or otherwise (collectively referred to as “**improvements**”), including but not limited to, any structure, building, addition, deck, patio, fence, wall, enclosure, window, door, antenna or other type of sending or receiving apparatus, sign, flag, display, decoration, color change, shrubbery, material topographical or landscaping change, shall be made, or caused or allowed to be made, by any Owner or Occupant, or their invitees, in any part of the Common Elements, or in any part of the exterior of a building, without: (i) the prior written authorization of the Board, or if an architectural committee has been appointed by the board, that architectural committee; and (ii) compliance with the requirements of this Section.

7.10.1 The Board may appoint, supervise and disestablish an Architectural Control Committee, and specifically delegate to it part or all of the functions which the Board exercises under this Section, in which case the references to the Board shall refer to the architectural committee where appropriate. The Architectural Control Committee shall be subject to the supervision of the Board. So long as the Commercial Resort Easement exists, Declarant shall be a member of the Architectural Control Committee.

7.10.2 The Board shall have authority to establish reasonable forms and procedures for applying for authorization for improvements, and reasonable requirements for improvements, and shall be the sole judge of whether the criteria are satisfied, subject to any restrictions imposed by any applicable governmental laws, codes, ordinances or regulations. The purpose of the requirements established by the Board shall be (i) to preserve the architectural style, the quality and the value of the Property, (ii) the rentability of the Units, and (iii) to protect the Association and the Owners from undue liability arising out of the improvements or any construction activity in connection therewith.

7.10.3 Improvements may be made in compliance with Section 515B.2-113 of the Act, and relocation of the boundaries of Units may be made in compliance with Section 515B.2-114 of the Act.

7.10.4 Approval of improvements which encroach upon another Unit or the Common Elements shall create an appurtenant easement for such encroachment in favor of the Unit with respect to which the improvements are approved, notwithstanding any contrary requirement in the Governing Documents or the Act. A file of the Board or committee resolutions approving all improvements shall be maintained permanently as a part of the Association's records.

7.10.5 The installation and use of antennas, satellite dishes and other comparable communications devices shall be governed by applicable federal and state laws and regulations, which shall control against the Governing Documents and the Rules.

7.10.6 An Owner who causes an improvement to be made, regardless of whether the improvement is approved by the Board, shall be solely responsible for the construction standards and specifications relating to the improvement, and for the construction work. The Owner, and not the Association, is responsible for determining whether any improvement is in compliance with any requirements imposed by any governmental authority having jurisdiction over the Property. The Owner shall hold harmless, indemnify and defend the Association, and its officers and directors, from and against any expenses, claims, damages, losses or other liabilities, including without limitation attorneys' fees and costs of litigation, arising out of (i) any improvement which violates any governmental laws, codes, ordinances or regulations, (ii) the inadequacy of the specifications for construction of the improvements, or (iii) defects in the construction of the improvements.

7.10.7 Except for *Section 7.11.7*, this Section 7.11 shall not apply to improvements to Units or improvements thereon owned by Declarant prior to initial conveyance.

7.11 **Access to Units.** In case of emergency, all Owner's Units and Limited Common Elements are subject to entry, without notice and at any time, by Declarant, the Association Manager, an authorized officer or Director of the Association's Board, or by any public safety personnel. Entry is also authorized for maintenance, repair and replacement purposes under *Sections 8* and *12* and for enforcement purposes under *Section 13*.

Section 8 MAINTENANCE AND REPAIR

The following provisions shall govern the maintenance, repair and replacement of the property.

8.1 **Association Responsibility.** The Association shall, at its expense, undertake and perform the maintenance, repair and replacement of all Common Elements and Limited Common Elements, subject to the following qualifications:

8.1.1 The Association may assign to an Owner the obligation for routine maintenance of a Limited Common Element allocated to the Unit. However, if the Owner fails to adequately perform the maintenance, the Association may enter the Limited Common Element, perform the maintenance and assess the Owner's Unit for the costs; provided that reasonable notice and an opportunity to cure the violation shall first be given to the Owner.

8.1.2 The Association shall be responsible for repairing incidental damage caused to a Unit or its Limited Common Elements by work undertaken by the Association pursuant to this Section.

8.1.3 If damage is caused to the Common Elements, Limited Common Elements or other Units by an Owner or such Owner's occupants or guests, or by any condition in the Unit or Limited Common Elements which the Owner or Occupant has caused or allowed to exist, then the Association may repair the damage or correct the condition and assess the cost thereof against the responsible Owner's Unit.

8.1.4 **Responsibility of Declarant.** Declarant shall be responsible for the maintenance of any portion of the resort golf facilities located on the Property.

8.2 **Owner Responsibility.** The Owner shall, at his or her expense, be responsible for maintenance, repair and replacement as follows:

8.2.1 To maintain, repair, and replace all portions of the Owner's Unit, exterior and interior, in good, clean and sanitary condition. The Owner may be required to utilize or contract with specific vendors selected by the Association for the uniformity and enjoyment of the Unit Owners and any and all guests.

8.2.2 To perform such routine maintenance of the Limited Common Elements allocated to the Unit as the Association assigns to the Owner. The Association may require that the Owners perform their maintenance obligations in accordance with standards established by the Association.

8.2.3 To perform the maintenance obligations in such manner as not to damage the Property, or unreasonably disturb or cause a hazard to other persons occupying or using the Property.

8.2.4 To promptly pay or reimburse the Association for any costs incurred by the Association for the repair of any damage to the Common Elements, Limited Common Elements or other Units, caused by the Owner or Occupant, or their invitees, or caused by any condition in the Unit or Limited Common Elements which the Owner or Occupant has allowed to exist.

8.3 **Restrictions on Changes to Property.** Except for the Declarant, or as permitted by *Section 7.11*, no Owner or Occupant shall:

8.3.1 Cause or permit any physical or aesthetic changes, whether temporary or permanent, to be made to another Unit or the Common Elements.

8.3.2 Cause or permit any physical changes to their Unit that could jeopardize or impair the weather-tight soundness or safety of improvements located on the Property.

8.3.3 Interfere with any easement including, but not limited to, the Commercial Resort Easement.

8.4 **Duty to Report Defects.** Owners or Occupants shall promptly report to the Association any defect or need for repair to the Common Elements or Limited Common Elements.

8.5 **Easements for Maintenance, Repair and Replacement.** Each Unit, the Common Elements and Limited Common Elements are subject to appurtenant easements in favor of the Association, for maintenance, repair, replacement and reconstruction of the Common Elements, and Limited Common Elements. Each Owner shall afford to the Association and its management agents and employees, access at reasonable times and upon reasonable notice, to and through the Structure and its Limited Common Elements for maintenance, repair and replacement; provided that access may be had without notice and at any time in case of emergency.

Section 9
intentionally omitted

Section 10
INSURANCE

10.1 **Required Coverage**. The Association shall obtain and maintain, at a minimum, a master policy or policies of insurance in accordance with the insurance requirements set forth in 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:

10.1.1 Property insurance in broad form special perils coverage covering physical loss for the full insurable replacement costs of the improvements on the Common Area less deductibles, exclusive of land, footings, excavation and other items normally excluded from coverage (but including all building service equipment and machinery). The policy or policies shall cover personal property owned by the Association and shall name the Association as the named insured. The policy or policies shall also contain "Inflation Guard" and "Agreed Amount" endorsements, if reasonably available. Such policy or policies shall include such additional endorsements, coverages, deductibles and limits with respect to the foregoing and other hazards as may be required from time to time by the regulations of the FHA or Federal National Mortgage Association ("FNMA") as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The Board may also on behalf of the Association enter into binding written agreements with a mortgagee, insurer or servicer, including without limitation the FHA or FNMA, obligating the Association to keep certain specified coverages or endorsements in effect.

10.1.2 Comprehensive public liability insurance covering the ownership, existence, use, operation or management of the Subject Property, with minimum limits of \$1,000,000 per occurrence, against claims for death, bodily injury and property damage, and such other risks as are customarily covered by such policies for projects similar in construction, location, and use to the Subject Property. Unit owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use, operation or management of the Common Area. The policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of an owner or occupant of a Unit because of the negligent acts of the Association or other owners or occupants and shall cover claims of one or more insured parties against other insured parties. The policy shall include such additional endorsements, coverages and limits with respect to such hazards as may be required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit.

10.1.3 Fidelity bond or insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, employees or persons responsible for handling funds belonging to or administered by the Association if deemed to be advisable by the Board or required by the regulations of the FHA or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit. The fidelity bond or insurance shall name the Association as the named insured and shall, if required by the regulations of the FHA

or FNMA as a precondition to their insuring, purchasing or financing a mortgage on a Unit, be written in an amount equal to the greater of (i) the estimated maximum of Association funds, including reserves, in the custody of the Association or management agent at any given time while the bond is in force, or (ii) a sum equal to three months aggregate assessments on all Units plus reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers, or a waiver of defense based upon the exclusion of persons serving without compensation shall be added.

10.1.4 Worker's compensation insurance, as required by law.

10.1.5 Policies carried pursuant to sections **10.1.1** and **10.1.2** shall provide that:

10.1.5.1 each Member and any secured party of the Member's Unit is an insured person under the policy with respect to liability arising out of the Member's interest in the Common Area or the Member's membership in the Association;

10.1.5.2 the insurer waives its rights to subrogation under the policy against any Member (or members of Member's household) and against the Association and Directors;

10.1.5.3 no act or omission by any Member or secured party, unless acting within the scope of authority on behalf of the Association, shall void the policy or be a condition to recovery under the policy; and

10.1.5.4 the Association's policy shall be the primary insurance if, at the time of a loss under the policy, there is other insurance in the name of a Member covering the same property covered by the Association's policy.

10.2 **Association Coverage of Units.** In addition to casualty insurance on the Common Area, the Association, through the Board of Directors, may elect to: (i) obtain and continue in effect, on behalf of all Owners, adequate broad-form blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the buildings, including the structural portions and fixtures thereof but exclusive of land, footings, excavation and other items normally excluded from coverage, owned by such Owners; or (ii) require each Unit Owner to obtain and maintain in effect property insurance meeting these requirements on the Owner's Unit. Insurance premiums from a blanket insurance coverage maintained, and any other insurance premiums paid by the Association shall be an expense of the Association to be included in the regular annual assessments of the Owners, as levied by the Association. The insurance coverage with respect to the buildings shall be written in the name of, and the proceeds thereof shall be payable to the Association as trustee for the Owners.

10.3 **Replacement or Repair of Property.** Subject to **Section 10.6**, any portion of the Property that has been damaged or destroyed by a loss covered by the Association's insurance shall be promptly repaired or replaced by the Association unless (i) the Community is terminated; (ii) such repair or replacement would be illegal; or (iii) Members holding at least 80% of the voting power of the Association (including every Member and first mortgage on a Unit which shall not

be rebuilt) vote not to rebuild. If less than the entire Property is repaired or replaced, the insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition compatible with the remainder of the Community, the proceeds attributable to Units which are not rebuilt shall be distributed to the owners of those Units and the secured parties of those Units, as their interests may appear, and the remainder of the proceeds shall be distributed to all Unit Owners and secured parties as their interests may appear, in proportion to their common expense liability. The cost of repair or replacement of Common Area in excess of insurance proceeds and reserves shall be paid as a common expense, and the cost of repair of a Unit in excess of insurance proceeds shall be paid by the respective Unit Owner.

10.4 **Cancellation; Notice of Loss.** All policies of property insurance and comprehensive liability insurance maintained by the Association shall provide that the policies shall not be cancelled or substantially modified, for any reason, without at least 30 days prior written notice to the Association, all of the insureds, and all mortgagees of Units (including, if applicable, the FHA or FNMA).

10.5 **Review of Policies.** All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

10.6 **Property Insurance by Owner.** If the Association does not elect to maintain blanket casualty and fire insurance pursuant to **Section 10.2**, then the Owner of a Unit shall carry, maintain, and timely pay the premium or premiums on a policy of fire, extended coverage, vandalism, and malicious mischief insurance on that Unit, with special perils coverage endorsement. Such insurance shall cover a minimum of the entire replacement cost of the improvements on such Unit and shall provide for at least ten (10) days' notice to the Board of Directors of the Association before cancellation or material change in such insurance. In the event of damage or destruction to a Unit under such circumstances, the Owner shall be responsible for promptly repairing the damage or reconstructing the improvements within the Unit in conformance with plans reasonably approved by the Association's Board.

10.7 **Reallocation of Interests for Destroyed Units.** If a building is not rebuilt after a casualty because the requirements of **Section 10.3** are satisfied, the entire interest in the Common Area, votes in the Association and common expense liability allocable to the Unit in which that building was located are automatically reallocated as if the Unit had been condemned, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 11

RECONSTRUCTION, CONDEMNATION AND EMINENT DOMAIN

11.1 **Reconstruction.** The obligations and procedures for the repair, reconstruction or disposition of the Property following damage or destruction thereof shall be governed by the Act. Any repair or reconstruction shall be substantially in accordance with the plans and specifications of the Property as initially constructed and subsequently improved. Notice of substantial damage or destruction shall be given as provided in **Section 18.4**.

11.2 **Condemnation and Eminent Domain**. In the event of a taking of any part of the Property by condemnation or eminent domain, the provisions of the Act shall govern; provided, (i) that notice shall be given as provided in **Section 15.10**, (ii) that the Association shall be the attorney-in-fact to represent the Owners in any related proceedings, negotiations, settlements or agreements and (iii) that any awards or proceeds shall be payable to the Association for the benefit of the Owners and the mortgagees of their Units. Eligible Mortgagees shall be entitled to priority for condemnation awards in accordance with the priorities established by the Act and the Governing Documents, as their interests may appear.

11.3 **Termination and Liquidation**. The termination of the common interest community, and the distribution of any proceeds therefrom, shall be governed by the Act. Any distribution of funds shall be based upon the value of the Units as determined by their relative value for property insurance purposes, and shall be made to Owners and their mortgage holders, as their interests may appear, as provided in the Act.

11.4 **Notice**. The Association shall give written notice of any condemnation proceedings or substantial destruction of the Property to the Eligible Mortgagees entitled to notice under **Section 15.10**.

11.5 **Association's Authority**. In all cases involving reconstruction, condemnation, eminent domain, termination or liquidation of the common interest community, the Association shall have authority to act on behalf of the Owners in all proceedings, negotiations and settlement of claims. All proceeds shall be payable to the Association to hold and distribute for the benefit of the Owners and their mortgage holders, as their interests may appear, in accordance with the Act.

Section 12 EASEMENTS

The following easement provisions shall supplement and explain the easements referred to in **Section 2**.

12.1 **Easement for Encroachments**. Each Unit and the Common Elements, and the rights of the Owners and Occupants therein, shall be subject to an exclusive easement in favor of the adjoining Units for encroachments caused by the construction, reconstruction, repair, shifting, settlement or movement of any part of the Property, and for improvements which are added in compliance with **Section 7.11**. If there is an encroachment by a Unit or improvement to a Unit upon another Unit as a result of any of the aforementioned causes, an appurtenant easement for the encroachment, for the use, enjoyment and habitation of any encroaching Unit or improvement, and for the maintenance thereof, shall exist. However, with respect to improvements or alterations added pursuant to **Section 7.11**, no easement shall exist unless the proposed improvements have been approved and constructed as required by this Declaration. Such easements shall continue for as long as the encroachment exists and shall not affect the marketability of title.

12.2 **Easement for Maintenance, Repair, Replacement and Reconstruction**. Each Unit, and the rights of the Owners and Occupants thereof, shall be subject to the rights of the Association to an exclusive, appurtenant easement through the Units for the purposes of maintenance, repair, replacement and reconstruction of the Property and improvements located

within the Units, and utilities serving the Units, to the extent necessary to fulfill the Association's obligations under the Governing Documents.

12.3 Utility and Service Easements. The Property shall be subject to nonexclusive, appurtenant easements in favor of all public utility companies and other utility providers for the installation, use, maintenance, repair and replacement of all utilities, such as natural gas, electricity, cable TV and other electronic communications (whether or not the then current Owner of a Unit intends to use such cable or communication service), water, sewer and similar services, and metering and control devices, which exist or are constructed as part of the development of the Property, or which are referred to in the Plat or otherwise described in this Declaration or other recorded instruments. Each Unit, and the rights of the Owners and Occupants thereof, shall also be subject to a non-exclusive, appurtenant easement in favor of the other Units for all such utilities and services. Utilities and related services or systems shall be installed, used, maintained and repaired so as not to interfere with the use and quiet enjoyment of the Units by the Owners and Occupants, nor affect the structural or architectural integrity of the Property.

12.4 Emergency Access to Units. In case of emergency, all Units, improvements thereon, and Limited Common Elements are subject to an easement for access, without notice and at any time,: (i) by the Association Manager, (ii) by an authorized officer or director of the Association's Board; (iii) by Declarant or Declarant's Management Agent; or (iv) by any public safety personnel. The Board may require that an Owner or Occupant leave keys to the Unit with another Owner of his or her choice and to advise the Association Manager or Board of the location(s) of the keys, so as to allow access for emergencies when the Owner or Occupant is absent for extended periods.

12.5 Project Sign Easements. Declarant shall have the right to erect and maintain monument signs identifying the common interest community and related decorative improvements on the Common Elements. Those parts of the Property on which monument signs or related decorative improvements are located shall be subject to appurtenant, exclusive easements in favor of the Association for the continuing use, maintenance, repair and replacement of said signs and improvements. In exercising its rights under said easements, the Association shall take reasonable care to avoid damaging the improvements to the Property and shall repair any damage caused by such actions.

12.6 Structural and Lateral Support Easements. Each Unit, the improvements thereon, and the Common Elements shall be subject to and the beneficiary of an exclusive perpetual easement for structural support in all walls, columns, joists, girders and other structural components located in or passing through another Unit and the improvements thereon, as well as for lateral support.

12.7 Scope and Non-Interference. The easements set forth in this *Section 12* shall supplement and not limit any easements described elsewhere in this Declaration, or as otherwise recorded against the Property, and shall include reasonable access to the easement areas through the Units and the Common Elements for purposes of maintenance, repair, replacement and reconstruction. No Person shall impair, obstruct or cause damage to any easement area, or improvements or equipment installed therein. Notwithstanding anything in this Declaration to the

contrary, no Owner or Occupant shall be denied reasonable access to his or her Unit or the right to utility services thereto.

12.8 **Commercial Resort Easement.** The Commercial Resort Easement shall be paramount to all other easements. If there is a conflict between this Declaration, the Commercial Resort Easement and other easements, the Commercial Resort Easement shall take precedence. All Unit Owners shall take title subject to the easements referenced in this Declaration. These easements may not be altered without the written consent of Declarant. The Commercial Resort Easement shall be interpreted in its broadest sense and shall include the right of Declarant to engage in or do any act reasonably necessary or desirable to conduct a commercial resort enterprise to benefit the Owners and guests of the Property and/or Grand View Lodge.

Section 13 COMPLIANCE AND REMEDIES

Each Owner and Occupant, and any other Person owning or acquiring any interest in the Property, shall be governed by and comply with the provisions of the Act, the Governing Documents, the Rules and Regulations, and such amendments thereto as may be made from time to time, and the decisions of the Association. A failure to comply shall entitle the Association to the relief set forth in this Section, in addition to the rights and remedies authorized elsewhere by the Governing Documents and the Act.

13.1 **Entitlement to Relief.** 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, the Rules and Regulations, the Act or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association, nor take or omit other action in violation of the Governing Documents, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

13.2 **Remedies.** In addition to any other remedies or sanctions, expressed or implied, administrative or legal, the Association shall have the right, but not the obligation, to implement anyone or more of the following actions against Owners and Occupants and/or their guests, who violate the provisions of the Governing Documents, the Rules and Regulations or the Act:

13.2.1 Commence legal action for damages or equitable relief in any court of competent jurisdiction.

13.2.2 Impose late charges of up to the greater of \$20, or 15% of the amount past due, for each past due Assessment or installment thereof, and impose interest at the highest rate permitted by law accruing beginning on the first day of the month after the Assessment or installment was due.

13.2.3 In the event of default of more than 30 days in the payment of any Assessment or installment thereof, all remaining installments of Assessments assessed against the Unit owned by the defaulting Owner may be accelerated and shall then be payable in full if all delinquent Assessments or installments thereof, together with all attorneys' fees, costs of collection and late charges, are not paid in full prior to the effective

date of the acceleration. Not less than 10 days advance written notice of the effective date of the acceleration shall be given to the defaulting Owner.

13.2.4 Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules and Regulations.

13.2.5 Suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities or Managed Property Recreational Facilities; provided, that the suspension of use rights shall not apply to Limited Common Elements or those portions of the Common Elements providing utilities service and access to the Unit. Such suspensions shall be limited to periods of default by such Owners and Occupants in their obligations under the Governing Documents, and for up to 30 days thereafter, for each violation.

13.2.6 Restore any portions of any Common Elements, Unit, or Limited Common Elements damaged or altered, or allowed to be damaged or altered, by any Owner or Occupant or their guests in violation of the Governing Documents, and to assess the cost of such restoration against the responsible Owners and their Units.

13.2.7 Enter any Unit, improvement thereon, or Limited Common Element in which, or as to which, a violation or breach of the Governing Documents exists which materially affects, or is likely to materially affect in the near future, the health or safety of the other Owners or Occupants, or their guests, or the safety or soundness of any Unit or other part of the Property or the property of the Owners or Occupants, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit, any improvement thereon, or Limited Common Elements which is causing the violation; provided, that any improvements which are a part of a Unit may be altered or removed only pursuant to a court order or with the agreement of the Owner.

13.2.8 Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Act.

13.3 **Rights to Hearing.** Before the imposition of any of the remedies authorized by *Section 13.2.4, 13.2.5, 13.2.6* or, except in an emergency *Section 13.2.7*, the Board shall, upon written request of the offender, grant to the offender an opportunity for a fair and equitable hearing as contemplated by the Act. The offender shall be given notice of the nature of the violation and the right to a hearing, and at least 10 days within which to request a hearing. The hearing shall be scheduled by the Board and held within 30 days of receipt of the hearing request by the Board, and with at least 10 days prior written notice to the offender. If the offender fails to timely request a hearing or to appear at the hearing, then the right to a hearing shall be deemed waived and the Board may take such action as it deems appropriate. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The Board's decision shall be delivered in writing to the offender within 10 days following the hearing, if not delivered to the offender at the hearing.

13.4 **Lien for Assessments, Charges, Etc.** Any Assessments, charges, fines, expenses, penalties or interest imposed under this Section shall be a lien against the Unit 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 under **Section 6**. The lien shall attach as of the date of imposition of the remedy, but shall not be final as to violations for which a hearing is held until the Board makes a written decision at or following the hearing. All remedies shall be cumulative, and the exercise of, or failure to exercise, any remedy shall not be deemed a waiver of the Association's right to pursue any others.

13.5 Costs of Proceedings 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 Act, Governing Documents or Rules and Regulations, whether or not finally determined by a court or arbitrator, the Association may assess the Unit owned by the violator 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. Such expenses shall also include any collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant. Such collection or contingency fees or costs shall be the personal obligation of the Owner and shall be a lien against the Owner's Unit.

13.6 Liability for Acts of Owners and Occupants. An Owner shall be liable for the expense of any maintenance, repair or replacement of the Property rendered necessary by such Owner's acts or omissions, or by that of Occupants or guests in the Owner's Unit, to the extent that such expense is not covered by the proceeds of insurance carried by the Association or such Owner or Occupant. However, any insurance deductible amount and/or increase in insurance rates, resulting from the Owner's acts or omissions may be assessed against the Owner responsible for the condition and against his or her Unit.

13.7 Enforcement by Owners. The provisions of this Section shall not limit or impair the independent rights of other Owners to enforce the provisions of the Governing Documents, the Rules and Regulations, and the Act as provided therein.

Section 14 AMENDMENTS

14.1 Approval Requirements. This Declaration may be amended only by the approval of:

14.1.1 Owners of Units to which are allocated at least 67% of the total votes in the Association; and

14.1.2 The percentage of Eligible Mortgagees (based upon one vote per Unit financed) required by **Section 15** as to certain amendments referred to in said Section; and

14.1.3 Declarant as to certain amendments as provided in **Section 16.7**.

14.2 Procedures. Approval of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the Bylaws. Consents of Eligible Mortgagees or

Declarant, if required, shall be in writing. Any amendment shall be subject to any greater requirements imposed by the Act. The amendment shall be effective when recorded as provided in the Act. An affidavit by the 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 15

RIGHTS OF ELIGIBLE MORTGAGEES

Notwithstanding anything to the contrary in the Governing Documents, but subject to the Act or other laws, Eligible Mortgagees shall have the following rights and protections:

15.1 Consent to Certain Amendments. Subject to Declarant's rights under *Section 16*, the written consent of Eligible Mortgagees representing at least 51% of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required for any amendment to the Governing Documents which causes any change in provisions including the following: (i) voting rights; (ii) increases in Assessments over 25%; (iii) Assessment liens, or priority of Assessment liens; (iv) reductions in reserves for maintenance, repair and replacement of Common Elements; (v) responsibility for maintenance and repairs; (vi) reallocation of interests in the Common Elements or Limited Common Elements, or rights to their use; (vii) redefinition of any Unit boundaries; (viii) convertibility of Units into Common Elements or vice versa; (ix) expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Property; (x) hazard or fidelity insurance requirements; (xi) imposition of material restrictions on the leasing of Units; (xii) imposition of any restrictions on an Owner's right to sell or transfer his or her Unit; (xiii) a decision by the Association (if the common interest community involves fifty or more Units) to establish self-management when professional management is in effect as required previously by the Governing Documents or an Eligible Mortgagee; (xiv) restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents; (xv) any action to terminate the legal status of the common interest community after substantial destruction or condemnation occurs; or (xvi) any provisions that expressly benefit Eligible Mortgagees, or insurers or guarantors of mortgages.

15.2 Consent to Certain Actions. Subject to Declarant's rights under *Section 16* and *Section 17*, the written consent of Eligible Mortgagees representing at least 51% of the Units that are subject to first mortgages held by Eligible Mortgagees (based upon one vote per Unit financed) shall be required to (i) abandon or terminate the common interest community; (ii) change the allocations of voting rights, Common Expense obligations or interests in the Common Elements; (iii) partition or subdivide a Unit except as permitted by statute; (iv) abandon, partition, subdivide, encumber or sell any Common Elements; or (v) use hazard insurance proceeds for other than the repair, replacement or reconstruction of the Property, except as otherwise provided by law.

15.3 Consent to Subdivision. No Unit may be partitioned or subdivided without the prior written approval of the Owner and Eligible Mortgagee thereof, and the Association.

15.4 No Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his or her Unit shall not be subject to any right of first refusal or similar restrictions.

15.5 **Priority of Lien.** Any Person who comes into possession of a Unit by foreclosure of the first mortgage on a Unit, or by deed or assignment in lieu of foreclosure of the first mortgage on a Unit, takes the Unit free of any claims for unpaid Assessments or any other charges or liens imposed against the Unit by the Association which have accrued against such Unit prior to the acquisition of possession of the Unit by said Person; (i) except as provided in Section 6.10 and the Act and (ii) except that any unreimbursed Assessments or charges may be reallocated among all Units in accordance with their interests in the Common Elements.

15.6 **Priority of Taxes and Other Charges.** All taxes, Assessments and charges which may become liens prior to the first mortgage under state law shall relate only to the individual Units and not to the Property as a whole.

15.7 **Priority for Condemnation Awards.** No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of the Eligible Mortgagee of the Unit pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Unit and/or the Common Elements. The Association shall give written notice to all Eligible Mortgagees of any condemnation or eminent domain proceeding affecting the Property promptly upon receipt of notice from the condemning authority.

15.8 **Requirements for Management Agreements.** The term of any agreement for professional management of the Property may not exceed two years. Any such agreement must provide at a minimum for termination without penalty or termination fee by either party, (i) with cause upon 30 days' prior written notice, and (ii) without cause upon 90 days' prior written notice.

15.9 **Access to Books and Records/Audit.** Eligible Mortgagees shall have the right to examine the books and records of the Association upon reasonable notice, for a proper purpose and during normal business hours, and to receive free of charge, upon written request, copies of the Association's annual reports and other financial statements. Financial statements, including those which are audited, shall be available within 120 days of the end of the Association's fiscal year. If the common interest community consists of fewer than fifty Units, the FNMA, FHLMC, FHA, VA or any other institutional guarantor or insurer of a mortgage loan against a Unit, may require that, at its own expense, an audit of the Association's financial statements be made for the preceding year, in which case the Association shall cooperate in having an audit made and a copy given to the requesting party. If the common interest community consists of fifty or more Units, the Association shall provide the requested audit at its expense.

15.10 **Notice Requirements.** Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor of a mortgage on a Unit, and the Unit number or address, the holder, insurer or guarantor shall be entitled to timely written notice of:

15.10.1 a condemnation loss or any casualty loss which affects a material portion of the Property or the Unit securing the mortgage;

15.10.2 a 60-day delinquency in the payment of Assessments or charges owed by the Owner of a Unit on which it holds a mortgage;

15.10.3 a lapse, cancellation or material modification of any insurance policy maintained by the Association; and

15.10.4 a proposed action which requires the consent of a specified percentage of Eligible Mortgagees.

Section 16

SPECIAL DECLARANT RIGHTS

Declarant hereby reserves exclusive and unconditional authority to exercise the following special declarant rights within the meaning of Section 515B.1-103(33) of the Act for as long as it owns a Unit, or for such shorter period as may be specifically indicated:

16.1 **Complete Improvements**. To complete all the Units, improvements thereon, and other improvements indicated on the Plat, or otherwise included in Declarant's development plans or allowed by the Declaration, and to make improvements in the Units and Common Elements to accommodate the exercise of any special declarant rights.

16.2 **Relocate Boundaries and Alter Units**. To relocate boundaries between Units and to otherwise alter Units owned by it without the need to obtain the consent of: (i) any mortgagee of the affected Unit or Units; or (ii) the Owner of any Unit other than the Owner of the affected Unit or Units.

16.3 **Sales Facilities**. To construct, operate and maintain a sales office, management office, model Units, and other development, sales and rental facilities within the Common Elements, and within any Units owned or leased by Declarant from time to time, located anywhere on the Property.

16.4 **Signs**. To erect and maintain signs and other sales displays offering the Units for sale or lease, on any Unit owned by Declarant and on the Common Elements.

16.5 **Easements**. To have and use easements, for itself, its employees, contractors, representatives, agents and prospective purchasers through and over the Common Elements and the yard areas of the Units for the purpose of exercising its special declarant rights.

16.6 **Control of Association**. To control the operation and administration of the Association, including without limitation the power to appoint and remove the members of the Board pursuant to Section 515B.3-103 of the Act, until the earliest of: (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than Declarant of 75% of the total number of Units authorized to be included in the Property or (iii) the date 5 years following the date of the first conveyance of a Unit to an Owner other than Declarant provided, however, that Declarant shall retain the operation and administration of the Association so long as Declarant owns any unsold Units. Notwithstanding the foregoing, the Owners other than Declarant shall have the right to nominate and elect not less than 33-1/3% of the directors at a meeting of the Owners which shall be held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the Property.

16.7 **Consent to Certain Amendments.** Until such time as Declarant no longer owns any Units for initial sale, Declarant's written consent shall be required for any amendment to the Governing Documents or Rules and Regulations which directly or indirectly affects Declarant's rights under the Governing Documents, the Act or the Commercial Resort Easement.

Section 17

RIGHTS TO RELOCATE UNIT BOUNDARIES AND ALTER UNITS

17.1 **Rights to Relocate Boundaries and Alter Units.** Existing or future Units may be altered and Unit boundaries may be relocated only in accordance with the following conditions:

17.1.1 Relocation of Boundaries. The boundaries between adjoining Units may be relocated in accordance with Section 515B.2-114 of the Act and ***Section 17.2.4*** of this ***Section 17***.

17.1.2 Subdivision or Conversion. No additional Units may be created by the subdivision or conversion (within the meaning of the Act) of a Unit into two or more Units, nor into other Units, Common Elements or Limited Common Elements.

17.1.3 Requirements. The alteration, relocation of boundaries or other modification of Units or the structures located therein may be accomplished only in accordance with ***Section 7.11*** of this Declaration.

Section 18

MISCELLANEOUS

18.1 **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 Declaration or exhibits attached hereto.

18.2 **Construction.** Where applicable, the masculine gender of any word used herein 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 the Act, or any section thereof, shall be deemed to include any statutes amending or replacing the Act, and the comparable sections thereof.

18.3 **Tender of Claims.** In the event that any incident occurs which could reasonably give rise to a demand by the Association against Declarant for indemnification pursuant to the Act, the Association shall promptly tender the defense of the action to its insurance carrier, and give Declarant (i) written notice of such tender, (ii) written notice of the specific nature of the action, and (iii) an opportunity to defend against the action.

18.4 **Notices.** Unless specifically provided otherwise in the Governing Documents or the Act, all notices required to be given by or to the Association, the Board, the Association officers, or the Owners or Occupants shall be in writing and shall be effective upon: (i) electronic delivery, but only if the recipient has consented in writing to receiving notices by electronic means; (ii) hand

delivery; or (iii) mailing, if properly addressed with postage prepaid and deposited in the United States mail. Notwithstanding the foregoing, registrations pursuant to **Section 2.2** of the Bylaws shall be effective only upon receipt by the Association.

18.5 **Conflicts Among Documents.** In the event of any conflict among the provisions of the Act, the Declaration, the Bylaws and any Rules or Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, the Bylaws and any Rules and Regulations, the Declaration shall control, and as between the Bylaws and any Rules and Regulations, the Bylaws shall control. In the event of a conflict between and of the foregoing and the Commercial Resort Easement, the Commercial Resort Easement shall control.


18.6 **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.

18.7 **Shoreland.** The planned community does not include shoreland and is not subject to county, township, or municipal ordinances or rules affecting the development and use of the shoreland area.

18.8 **Amendment of Declaration or Common Interest Community Plat.** As long as Declarant is the owner of a Unit, Declarant reserves the right to amend this Declaration and/or plat, as needed for purposes of any boundary line adjustments or encroachments, pursuant to local zoning ordinances and Minnesota Law, without obtaining approval from Owners.

The undersigned has executed this instrument the day and year first set forth in accordance with the requirements of the Act.

ETOC COMPANY, INC., a Minnesota corporation,
a/k/a ETOC CO., INC. d/b/a GRAND VIEW
LODGE

By: 
Thomas Juliano
Its: Chief Executive Officer

STATE OF MINNESOTA)
) ss.
COUNTY OF Crow Wing)

The foregoing instrument was acknowledged before me this 23 day of March
2021, by Thomas Juliano, the Chief Executive Officer of ETOC Company, Inc., a Minnesota
corporation, on its behalf.


Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
GAMMELLO PEARSON PLLC (JMG)
PO Box 2629
14275 Golf Course Drive, Suite 200
Baxter, MN 56425
218/828-9511



DECLARATION FOR NORTH PINES

Exhibit A

Legal Description of Property

Lots 1 through 7, Block 1, NORTH PINES, Crow Wing County, Minnesota.

Lots 1 through 12, Block 2, NORTH PINES, Crow Wing County, Minnesota.

Lot 1, Block 3, NORTH PINES, Crow Wing County, Minnesota.

Lots 1 through 5, Block 4, NORTH PINES, Crow Wing County, Minnesota.

Lots 1 and 2, Block 5, NORTH PINES, Crow Wing County, Minnesota.

Outlot B, NORTH PINES, Crow Wing County, Minnesota.

COMMON INTEREST COMMUNITY NO. 1148
Planned Community

DECLARATION FOR NORTH PINES

Exhibit B

Schedule of Units

UNIT IDENTIFIER	LEGAL DESCRIPTION OF UNIT
Unit 1	Lot 1, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 2	Lot 2, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 3	Lot 3, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 4	Lot 4, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 5	Lot 5, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 6	Lot 6, Block 1, Common Interest Community No. 1148 NORTH PINES
Unit 7	Lot 7, Block 1, Common interest Community No. 1148 NORTH PINES
Unit 8	Lot 1, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 9	Lot 2, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 10	Lot 3, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 11	Lot 4, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 12	Lot 5, Block 2, Common Interest Community No 1148 NORTH PINES
Unit 13	Lot 6, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 14	Lot 7, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 15	Lot 8, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 16	Lot 9, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 17	Lot 10, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 18	Lot 11, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 19	Lot 12, Block 2, Common Interest Community No. 1148 NORTH PINES
Unit 20	Lot 1, Block 3, Common Interest Community No. 1148 NORTH PINES
Unit 21	Lot 1, Block 4, Common Interest Community No. 1148 NORTH PINES
Unit 22	Lot 2, Block 4, Common Interest Community No. 1148 NORTH PINES
Unit 23	Lot 3, Block 4, Common Interest Community No. 1148 NORTH PINES
Unit 24	Lot 4, Block 4, Common Interest Community No. 1148 NORTH PINES
Unit 25	Lot 5, Block 4, Common Interest Community No. 1148 NORTH PINES
Unit 26	Lot 1, Block 5, Common Interest Community No. 1148 NORTH PINES
Unit 27	Lot 2, Block 5, Common Interest Community No. 1148 NORTH PINES

Outlot B constitutes the Common Elements of the Property.

Exhibit H

NORTH PINES Owners Association Articles of Incorporation

Office of the Minnesota Secretary of State Certificate of Incorporation

I, Steve Simon, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

The business entity is now legally registered under the laws of Minnesota.

Name: North Pines Owners Association

File Number: 1222698600028

Minnesota Statutes, Chapter: 317A

This certificate has been issued on: 03/08/2021



A handwritten signature in cursive script that reads "Steve Simon".

Steve Simon
Secretary of State
State of Minnesota

Office of the Minnesota Secretary of State
Minnesota Nonprofit Corporation/Articles of Incorporation
Minnesota Statutes, Chapter 317A



The individual(s) listed below who is (are each) 18 years of age or older, hereby adopt(s) the following Articles of Incorporation:

ARTICLE 1 - CORPORATE NAME:

North Pines Owners Association

ARTICLE 2 - REGISTERED OFFICE AND AGENT(S), IF ANY AT THAT OFFICE:

Name

Address:

Mark Ronnei

23521 Nokomis Avenue Nisswa MN 56468 USA

ARTICLE 3 - INCORPORATOR(S):

Name:

Address:

James M. Gammello

**P.O. Box 2629 14275 Golf Course Drive, Suite 200
Baxter Minnesota 56425**

DURATION: PERPETUAL

If you submit an attachment, it will be incorporated into this document. If the attachment conflicts with the information specifically set forth in this document, this document supersedes the data referenced in the attachment.

By typing my name, I, the undersigned, certify that I am signing this document as the person whose signature is required, or as agent of the person(s) whose signature would be required who has authorized me to sign this document on his/her behalf, or in both capacities. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

SIGNED BY: James M. Gammello

MAILING ADDRESS: None Provided

EMAIL FOR OFFICIAL NOTICES: mark@grandviewlodge.com

ARTICLES OF INCORPORATION

NORTH PINES OWNERS ASSOCIATION

The undersigned, being of full age, for the purpose of organizing a nonprofit corporation under the Minnesota Nonprofit Corporation Act, Minnesota Statutes Chapter 317A, and acts amendatory thereof (the "**Minnesota Nonprofit Corporation Act**"), does hereby adopt, sign and acknowledge the following Articles of Incorporation.

ARTICLE I

Name

The name of this corporation is NORTH PINES OWNERS ASSOCIATION. The corporation shall be referred to in these Articles as the "**Association**."

ARTICLE II

Purposes and Powers

The Association is being formed to serve as the association of Unit owners for NORTH PINES, Common Interest Community Number 1148, Crow Wing County, Minnesota (the "**Common Interest Community**") and future Common Interest Communities located within the Resort, if any, which shall be established in accordance with the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes Chapter 515B, and acts in amendment thereof ("**MCIOA**"). The Association's purposes are to carry out the operation, management, maintenance, preservation, administrative functions, and regulation of certain activities of the Common Interest Community in accordance with the Declaration that will create the Common Interest Community (the "**Declaration**") and the Bylaws adopted by the Association (the "**Bylaws**"). It is the purpose of the Common Interest Community to operate as a commercial resort.

The Association shall have the power and authority to engage in any and all lawful activities that may be desirable in order to accomplish any of the foregoing purposes, and the Association is specifically given the power and authority now or hereafter conferred upon or available to: (i) nonprofit corporations under the Minnesota Nonprofit Corporation Act and other applicable laws of the State of Minnesota; (ii) associations of unit owners under MCIOA, and (iii) such powers as

may be provided for in the Declaration. These powers shall specifically include, but not be limited to, the power to undertake the performance of the acts and duties incident to the administration, operation, and management of the Association in accordance with the terms, provisions, conditions and authorizations contained in these Articles of Incorporation and which may be contained in the Bylaws or the Declaration.

ARTICLE III

No Pecuniary Gain

The Association is organized as a nonprofit corporation. The Association shall in no way, directly or indirectly, incidentally or otherwise, afford pecuniary gain to any of its members, directors, or officers, nor shall any part of the net earnings of the Association in any way inure to the private benefit of any such member, director, or officer of the Association or to any private shareholder or individual within the meaning of Section 528(c)(1)(D) of the Internal Revenue Code, except that the Association shall be authorized to make reasonable allowance and payment for actual expenditures incurred or services rendered for or on behalf of the Association.

No substantial part of the activities of the Association shall constitute the carrying on of legislative lobbying or of otherwise attempting to influence legislation, and the Association shall not participate or intervene in any political campaign on behalf of any candidate for public office nor shall the Association engage in any transaction or carry on any other activity not permitted to be carried on by a Common Interest Community management association exempt from federal income tax under Section 528 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE IV

Duration

The duration of the corporate existence of the Association shall be perpetual.

ARTICLE V

Registered Office

The location of the registered office of the Association shall be:

23521 Nokomis Avenue
Nisswa, MN 56468

ARTICLE VI
Incorporator

The name and address of the incorporator of the Association is as follows:

James M. Gammello
PO Box 2629
14275 Golf Course Drive, Suite 200
Baxter, MN 56425

ARTICLE VII
First Directors

A. There shall be no fewer than three Directors. The names and addresses of the members of the first Board of Directors are as follows:

NAME	ADDRESS
Mark Ronnei	23521 Nokomis Avenue, Nisswa, MN 56468
Monte Mraz	400 N. 1 st Street, #609 Minneapolis, MN 55401
William Roemer	1972 Lambert Ave. NE St. Michael, MN 55376

B. The First Board of Directors shall serve until the first annual meeting of the members of the Association or until their successors have been duly elected and qualified.

ARTICLE VIII
Non-stock

The Association is organized upon a non-stock basis.

ARTICLE IX
Members

The membership of the Association shall consist of the owners of the Units within the Common Interest Community, as defined in and determined by the Declaration. Membership in the Association shall be appurtenant to, and shall not be

separated from, ownership of a Unit in the Common Interest Community. No property right inheres in membership and memberships are not transferable except in connection with the transfer by members of the Association of their respective Units. The votes to be exercised by the members of the Association shall be as allocated to the Units by the Declaration and the Bylaws for voting purposes. All owners of Units within the Common Interest Community shall be members of the Association. Where there is more than one owner of a Unit, the vote allocated to the Unit by the Declaration shall be cast as the owners of that Unit among themselves may determine. Where there is more than one owner of a Unit, the owners of such Unit shall notify the Secretary of the Association in writing of the name of the owner who has been designated to cast the vote allocated to the Unit owned, on behalf of all of the owners of that Unit. Membership in the Association shall automatically pass when the ownership of a Unit is transferred in any manner. In each such event, written notice of the transfer shall be given to the Secretary of the Association.

ARTICLE X

No Personal Liability

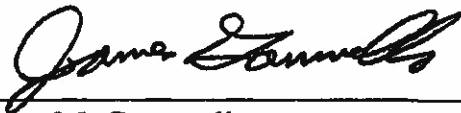
No Member, Director or Officer of the Association shall have any personal liability for any obligation of the Association.

ARTICLE XI

Amendments

These Articles may be amended as provided by the Minnesota Nonprofit Corporation Act, except that the Board may from time to time change the Association's registered office by filing a Certificate of Change of Registered Office in accordance with applicable Minnesota law.

IN WITNESS, the undersigned has set his hand this 8th day of March, 2021.



James M. Gammello

This instrument was drafted by:
Gammello Pearson PLLC (JMG)
PO Box 2629
14275 Golf Course Drive, Suite 200
Baxter, MN 56425



Work Item 1222698600028
Original File Number 1222698600028

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
03/08/2021 11:59 PM

A handwritten signature in black ink that reads "Steve Simon". The signature is fluid and cursive.

Steve Simon
Secretary of State

EXHIBIT I

NORTH PINES Owners Association Bylaws

NORTH PINES OWNERS ASSOCIATION

BYLAWS

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NORTH PINES OWNERS ASSOCIATION

BYLAWS

SECTION 1 GENERAL

The following are the Bylaws of North Pines Owners Association, a Minnesota nonprofit corporation (the "Association"). The Association is organized pursuant to Minnesota Statutes Chapter 317A, and Section 515B.3-101 of the Minnesota Common Interest Ownership Act (the "Act"), for the purpose of operating and managing North Pines, Common Interest Community No. _____ a planned community form of common interest community created pursuant to the Act. The terms used in these Bylaws shall have the same meaning as they have in the Declaration dated the _____ day of _____, 2020 and recorded in the office of the Crow Wing County Registrar of Titles as Document No. _____ (the "Declaration") and the Act.

SECTION 2 MEMBERSHIP

2.1 **Owners Defined.** All Persons described as Owners in Section 4 of the Declaration shall be members of the Association. No Person shall be a member solely by reason of holding a security interest in a Unit. A Person shall cease to be a member at such time as that Person is no longer an Owner.

2.2 **Registration of Owners and Occupants.** Upon acquiring a Unit within the Common Interest Community, an Owner shall register with the Secretary of the Association, in writing, (i) the name and address of the Owners and any Occupants of the Unit, (ii) the nature of such Owner's interest or estate in each Unit owned; (iii) the address at which the Owner desires to receive notice of any meeting of the Owners, if other than the Unit address; (iv) the name and address of the secured party holding the first mortgage on the Unit, if any; and (v) whether the Owner consents to receive notices by email. Each Owner shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information.

2.3 **Transfers.** The interests, rights and obligations of an Owner in the Association may be assigned, pledged, encumbered or transferred, but only along with and as a part of the title to the Owner's Unit or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3 VOTING

3.1 **Entitlement.** Votes shall be allocated to each Unit as provided in the Declaration. However, no vote shall be exercised as to a Unit while the Unit is owned by the Association.

3.2 **Authority to Cast Vote.** At any meeting of the Owners, an Owner included on the voting register presented by the Secretary in accordance with *Section 4.6*, or the holder of such Owner's proxy, shall be entitled to cast the vote which is allocated to the Unit owned by the Owner. If there is more than one Owner of a Unit, only one of the Owners may cast the vote. If the Owners of a Unit fail to agree as to who shall cast the vote, or fail to register pursuant to *Section 2.2*, the vote shall not be cast.

3.3 **Voting by Proxy.** An Owner may cast the vote which is allocated to the Owner's Unit and be counted as present at any meeting of the Owners by executing a written proxy naming another Person entitled to act on that Owner's behalf, and delivering the same to the Secretary before the commencement of any such meeting. All proxies granted by an Owner shall be effective until the earliest of the following events: (i) revocation by the granting Owner by written notice or by personally attending and voting at the meeting for which the proxy is effective, (ii) the date specified in the proxy, if any, or (iii) the time at which the granting Owner is no longer an Owner. A Person acting as proxy need not be a Member of the Association.

3.4 **Voting by Mailed Ballots.** The entire vote on any issue, except the election or removal of directors, may be determined by mailed ballots, subject to the following requirements.

- a. The notice of the vote shall: (i) clearly state the proposed action, (ii) indicate the number of responses needed to meet the quorum requirements, (iii) state the percentage of approvals necessary to approve each matter other than election of directors and (iv) specify the time by which a ballot must be received by the Association in order to be counted.
- b. The ballot shall: (i) set forth each proposed action and (ii) provide an opportunity to vote for or against each proposed action.
- c. The Board shall set the time for the return of ballots, which shall not be less than 15 nor more than 45 days after the date the ballots are given to the Owners. The Board shall provide notice of the results of the vote to the Owners within 10 days after the expiration of the voting period.
- d. Approval by written ballot under this Section is valid only if (i) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and (ii) the number of approval votes equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

3.5 **Vote Required.** A majority of the votes cast at any properly constituted meeting of the Owners, or cast by mail in accordance with *Section 3.4*, shall decide all matters properly brought before the Owners, except where a different vote or voting procedure is required by the Governing Documents or the Act. The term "majority" as used herein shall mean in excess of 50% of the votes cast at a meeting, in person or by proxy, or voting by mail, in accordance with

the allocation of voting power set forth in the Declaration. Cumulative voting shall not be permitted.

SECTION 4 MEETINGS OF OWNERS

4.1 Place. All meetings of the Owners shall be held at the office of the Association or at such other place in the state of Minnesota reasonably accessible to the Owners as may be designated by the Board in any notice of a meeting of the Owners.

4.2 Annual Meetings. An annual meeting of the Owners shall be held in each fiscal year on a date, and at a reasonable time and place, designated by the Board. At each annual meeting of the Owners, (i) the Persons who are to constitute the Board shall be elected pursuant to *Section 6*, (ii) a report shall be made to the Owners on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Owners, shall be considered and acted upon at the meeting.

4.3 Special Meetings. Special meetings of the Owners may be called by the President as a matter of discretion. Special meetings of the Owners shall be called by the President or Secretary within 30 days following receipt of the written request of a majority of the members of the Board or of Owners entitled to cast at least 25% of all the votes in the Association. The meeting shall be held within 60 days following receipt of the request. The request shall state the purpose of the meeting, and the business transacted at the special meeting shall be confined to the purposes stated in the notice. The purpose for which the meeting is requested and held must be lawful and consistent with the Association's purposes and authority under the Governing Documents.

4.4 Notice of Meetings. Not less than 21 nor more than 30 days in advance of any annual meeting of the Owners, and not less than 7 nor more than 30 days in advance of any special meeting of the Owners, the Secretary shall send notice of the time, place and agenda of the meeting to all persons who are Owners as of the date of sending the notice. The notice shall be sent in conformance with *Section 11.1*. The notice shall also be sent to the Eligible Mortgagee, upon request, at the address provided by the Eligible Mortgagee. Any Eligible Mortgagee shall, with respect to the Unit, upon request, be entitled to designate a representative to be present at any meeting. Notice of meetings to vote upon amendments to the Association's Articles of Incorporation shall also be given separately to each officer and director of the Association.

4.5 Quorum/Adjournment. The presence of Owners in person or by proxy, who have the authority to cast in excess of 40% of all the votes in the Association shall constitute a quorum at all meetings of the Owners for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. The Association may not be counted in determining a quorum as to any Unit owned by the Association. Any meeting may be adjourned from time to time, but until no longer than 15 days later, without notice other than announcement at the meeting as initially called. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as

initially called had a quorum then been present. If a quorum has been established at a meeting or a reconvened meeting, the quorum shall continue to exist for the meeting in question notwithstanding the departure of any Owner originally in attendance in person or by proxy.

4.6 **Voting Register.** The Secretary shall have available at the meeting a list of the Unit numbers, the names of the Owners, the vote attributable to each Unit and the name of the Person (in the case of multiple Owners) authorized to cast the vote.

4.7 **Agenda.** The agenda for meetings of the Owners shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Owners along with the notice of the meeting.

SECTION 5 ANNUAL REPORT

The Board shall prepare an annual report, a copy of which shall be provided to each Owner at or prior to the annual meeting. The report shall contain, at a minimum:

5.1 **Capital Expenditures.** A statement of any capital expenditures in excess of 2% of the Association's current budget or \$5,000, whichever is greater, approved by the Association for the current year or succeeding two fiscal years.

5.2 **Reserve Funds.** A statement of the balance in any reserve or replacement fund.

5.3 **Financial Statements.** A copy of the statement of revenues and expenses for the Association's last fiscal year, and a balance sheet as of the end of said fiscal year.

5.4 **Litigation and Judgments.** A statement of the status of any pending litigation or judgments to which the Association is a party.

5.5 **Insurance.** A detailed description of the insurance coverage provided by the Association, including a statement as to which, if any, of the items referred to in Section 515B.3-113(b) of the Act are insured by the Association.

5.6 **Status of Assessments.** A statement of the total past due assessments on all Units, current as of not more than 60 days prior to the date of the meeting.

SECTION 6 BOARD OF DIRECTORS

6.1 **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors. The first Board shall consist of the persons designated by Declarant as directors or appointed by Declarant to replace them, subject to the rights of Owners to elect directors as set forth in *Section 6.2*. Upon the expiration of the terms of the members of the first Board, the Board shall be composed of 5 directors, a majority of whom shall be Owners, or a duly authorized representative of the Owner if the Owner is an entity which has the capacity to hold title to real estate.

6.2 **Term of Office.** The terms of office of the members of the Board shall be as follows:

- a. Subject to *Section 6.2.b.*, the terms of all directors appointed by Declarant as authorized by the Declaration shall terminate upon the earliest of (i) voluntary surrender of control by Declarant, (ii) an Association meeting which shall be held within 60 days after conveyance to Owners other than Declarant of 75% of the total number of Units authorized to be included in the common interest community or (iii) the date 5 years following the date of the first conveyance of a Unit to an Owner other than Declarant.
- b. Notwithstanding the provisions of Subsection a., the Owners other than Declarant shall have the right to nominate and elect not less than 33-1/3% of the directors at a meeting of the Owners held within 60 days following the conveyance by Declarant of 50% of the total number of Units authorized to be included in the common interest community. The term of office of any director elected pursuant to this Subsection shall terminate at the same time as the directors appointed by Declarant.
- c. The first terms of office of the directors elected by the Owners immediately following the termination of the terms provided for in *Section 6.2.a.* shall be one year for two of the directors and two years for three of the directors. Each term of office thereafter shall be two years and shall expire upon the election of a successor director at the appropriate annual meeting of the Owners; provided, that a director shall continue in office until a successor is elected. A number of nominees equal to the number of vacancies, and receiving the greatest numbers of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. At the first election, the nominee or nominees receiving the greatest numbers of votes shall fill the longer terms. A director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There is no cumulative voting for directors.

6.3 **Nominations.** Upon the expiration of the terms of the members of the Board appointed by Declarant, nominations for election to the Board at each subsequent annual meeting shall be made by a nominating committee appointed by the Board; provided, that Owners may also make nominations at any time at or before the annual meeting. The nominating committee shall consist of Owners who are representative of the general membership of the Association, and shall establish fair and reasonable procedures for the submission of nominations. All nominations shall be made only with the consent of the nominee.

6.4 **Powers.** The Board shall have all powers necessary for the administration of the affairs of the Association, and may exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Owners) by law or by the Governing Documents. The powers of the Board shall include, without limitation, the power to:

- a. adopt, amend and revoke Rules and Regulations not inconsistent with the Governing Documents, as follows: (i) regulating the use of the Common Elements; (ii) regulating the use of the Units, and the conduct of Owners and Occupants, which may jeopardize the health, safety, or welfare of other Owners and Occupants, which involves noise or other disturbing activity, or which may damage the Common Elements or other Units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the Common Elements and conduct which may damage the Property, (v) regulating the exterior appearance of the Property, including, for example, decks, patios, and signs and other displays which can readily be seen and the interiors of the Resort Rental Units; (vi) implementing the Governing Documents, and exercising the powers granted by this Section; and (vii) otherwise facilitating the operation of the Property;
- b. adopt and amend budgets for revenues, expenditures and reserves, levy and collect assessments for Common Expenses (subject to Section 6 of the Declaration), and foreclose assessment liens incidental to its collection efforts;
- c. hire and discharge managing agents and other employees, agents, and independent contractors;
- d. institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more Owners on matters affecting the Common Elements or other matters affecting the Property or the Association, or, (ii) with the consent of the Owners of the affected Units, on matters affecting only those Units;
- e. make contracts and incur liabilities;
- f. regulate the use, maintenance, repair, replacement and modification of the Common Elements and the Units;
- g. cause improvements to be made as a part of the Common Elements;
- h. acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, subject to the requirements of the Act for the conveyance or encumbrance of the Common Elements;
- i. grant easements as follows: (i) public utility easements, cable and other electronic communications easements, and public or private access easements, through, over or under the Common Elements may be granted by the Board, and (ii) other public or private easements, leases and licenses through, over or under the Common Elements may be granted only by approval of the Board, and by the Owners (other than Declarant) voting at an Association meeting, unless the Board is expressly authorized to grant the easement by the Governing Documents or by law;

- j. impose and receive any payments, fees, or charges for services provided to Owners;
- k. impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents and the Rules and Regulations;
- l. borrow money, and encumber or pledge the assets of the Association as security therefor; provided, that any borrowings in any twelve month period which exceed, in aggregate, 10% of the Association's current annual budget, shall require approval by the Owners voting at an Association meeting;
- m. impose reasonable charges for the review, preparation and recording of amendments to the Declaration or Bylaws, resale disclosure certificates required by Section 515B.4-107 of the Act, statements of unpaid assessments, or furnishing copies of Association records;
- n. provide for the indemnification of its officers, directors and committee members, and maintain directors' and officers' liability insurance;
- o. provide for reasonable procedures governing the conduct of meetings and the election of directors;
- p. appoint, regulate and dissolve committees;
- q. exercise any other powers conferred by law or the Governing Documents, or which are necessary and proper for the governance of the Association.

6.5 Meetings and Notices. An annual meeting of the Board shall be held promptly following each annual meeting of the Owners. At each annual meeting of the Board, the officers of the Association shall be elected.

- a. Regular meetings of the Board shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the voting directors. A schedule, or any amended schedule, of the regular meetings shall be provided to the directors, and posted or published for the information of Owners, as provided in *Section 6.5.e*.
- b. Special meetings of the Board shall be held when called (i) by the President of the Association, or (ii) by the Secretary within 10 days following the written request of a majority of the voting directors. Notice of any special meeting shall be given to each director not less than 3 days in advance thereof, subject to *Section 6.5.c*. Notice to a director shall be sent in conformance with *Section 11.1*.
- c. Any director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting. If all the directors are

present at a meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

- d. A conference among directors by a means of communication through which all directors may simultaneously hear each other during the conference is a Board meeting, if (i) the same notice is given of the conference as would be required for a meeting, and (ii) the number of directors participating in the conference is a quorum. Participation in a meeting by this means is personal presence at the meeting.
- e. Except as otherwise provided in this Section, meetings of the Board must be open to the Owners. To the extent practicable, the Board shall give reasonable notice to the Owners of the date, time, and place of a Board meeting. If the date, time and place of meetings are provided for in the Declaration, the Association's Articles of Incorporation, the Bylaws, announced at a previous meeting of the Board, distributed to Members in writing, posted in a location accessible to the Owners and designated by the Board from time to time, or if an emergency requires immediate consideration of a matter by the Board, notice is not required. "Notice" has the meaning given in *Section 11.1*. Notwithstanding the foregoing, meetings may be closed at the discretion of the Board to discuss the following:
 - (1) personnel matters;
 - (2) pending or potential litigation, arbitration or other potentially adversarial proceedings between Owners, between the Board or Association and Owners, or other matters in which any Owner may have an adversarial interest, if the Board determines that closing the meeting is necessary to discuss strategy or to otherwise protect the position of the Board or Association or the privacy of an Owner or Occupant of a Unit; or
 - (3) criminal activity arising within the common interest community if the Board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

The minutes of and the documentation discussed or submitted at such closed meeting shall not be made available for review or copying pursuant to *Section 8.5*. Nothing in this Section imposes a duty on the Board to provide special facilities for meetings. The failure to give notice as required by this Section shall not invalidate the Board meeting or any action taken at the meeting, but shall not impair Owners' rights to exercise other remedies against the Directors.

6.6 **Quorum and Voting.** A majority of the directors constitutes a quorum for the transaction of business at any meeting thereof. A quorum, once established, continues to exist, regardless of the subsequent departure of any directors. Each director has one vote. The vote of a majority of the directors present at any meeting at which a quorum is present is sufficient to adopt any action. Proxies shall not be permitted.

6.7 **Action Taken Without a Meeting.** The Board shall have the right to take any action in the absence of a meeting which it could take at a meeting when authorized in a writing signed by all the directors; provided, that a copy of the proposed written action is given to all directors for review prior to its signing.

6.8 **Vacancies.** A vacancy in the directors, other than those under *Sections 6.2 and 6.9*, shall be filled by a person elected within 30 days following the occurrence of the vacancy by a majority vote of the remaining directors, regardless of their number. Each person so elected shall serve out the term vacated.

6.9 **Removal.** A director may be removed from the Board, with or without cause, by a majority vote at any annual or special meeting of the Owners; provided, (i) that the notice of the meeting at which removal is to be considered states such purpose, (ii) that the director to be removed is given an opportunity to be heard at the meeting and (iii) that a new director is elected at the meeting by the Owners to fill the vacant position caused by the removal. A director may also be removed by the Board (i) if such director has more than two unexcused absences from Board meetings during any twelve month period or (ii) if the assessments or installments thereof assessed against the director's Unit are more than 60 days past due. Such vacancies shall be filled by the vote of the Owners as previously provided in this Section.

6.10 **Compensation.** Except as authorized by a vote of the Owners at a meeting thereof, the directors of the Association shall receive no compensation for their services in such capacity. Directors may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. A director or an entity in which the director has an interest may, upon approval by the Board, be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as a director; provided (i) that the contract is approved by a majority vote of the Board, excluding the interested director, and (ii) that the director's interest is disclosed to the Board prior to approval.

6.11 **Fidelity Bond.** Fidelity bonds or insurance coverage for unlawful taking of Association funds shall be obtained and maintained as provided in the Declaration on all voting directors and officers authorized to handle the Association's funds and other monetary assets.

SECTION 7 OFFICERS

7.1 **Principal Officers.** The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the directors. The Board may from time to time elect such other officers and designate their duties as in the Board's judgment may be necessary to manage the affairs of the Association. A person may hold more

than one office simultaneously, except those of President and Vice President. Only the President and Vice President must be members of the Board.

7.2 **Election.** The officers of the Association shall be elected annually by the Board at its annual meeting and shall hold office at the pleasure of the Board.

7.3 **Removal.** Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board, or at any special meeting of the Board called for that purpose.

7.4 **President.** The President shall be the chief executive officer of the Association, and shall preside at all meetings of the Board and the Association. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.

7.5 **Vice President.** The Vice President shall take the place of the President and perform the duties of the office of the President whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be prescribed by the Board.

7.6 **Secretary.** The Secretary is responsible for recording the minutes of all meetings of the Board and the Association. The Secretary shall be responsible for keeping the books and records of the Association, and shall give all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Board may delegate the Secretary's administrative functions to a managing agent; provided, that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

7.7 **Treasurer.** The Treasurer is responsible for all financial assets of the Association. The Association may, but is not required to, maintain a bond or insurance in such sum and with such companies as the Board may require to cover the Association from losses due to the wrongful acts of the Treasurer. The Treasurer shall (i) be responsible for keeping the Association's financial books, assessment rolls and accounts; (ii) cause an annual financial report to be prepared, subject to review by the Association's accountants; (iii) cause the books of the Association to be kept in accordance with generally accepted accounting practices and shall submit them to the Board for its examination upon request; (iv) cause all moneys and other monetary assets of the Association to be deposited in the name of or to the credit of the Association in depositories designated by the Board; (v) cause the proper obligations of the Association to be paid when due; and (vi) perform all other duties incident to the office of Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent; provided, that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

7.8 **Compensation.** Except as authorized by a vote of the Owners at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. Officers may be reimbursed for out-of-pocket expenses incurred in the performance of

their duties. An officer or an entity in which the officer has an interest may be reasonably compensated under a contract for goods and services furnished to the Association in a capacity other than as an officer; provided, (i) that the contract is approved by a majority vote of the Board, excluding the interested party, and (ii) that the officer's interest is disclosed to the Board prior to approval.

SECTION 8 OPERATION OF THE PROPERTY

8.1 **Assessment Procedures.** The Board(s) appointed by the Declarant shall annually prepare a budget of Common Expenses for the Association, but may elect to defer the levying of the first Common Expense Assessment, in which case Declarant shall pay all expenses of the common interest community until the first Assessment is levied. Following the expiration of the terms of the members of the Board(s) appointed by the Declarant, the Board shall annually prepare a budget of Common Expenses for the Association and assess such Common Expenses against the Units according to their respective Common Expense obligations as set forth in the Declaration.

- a. Subject to Section 6 of the Declaration, the Board shall fix the amount of the annual Assessment against each Unit, levy the Assessment and advise the Owners in writing of the Assessment at least 30 days prior to the beginning of the Association's fiscal year when the first Assessment installment shall be due. The failure of the Board to timely levy an annual Assessment shall not relieve the Owners of their obligation to continue paying Assessment installments in the amount currently levied, as well as any increases subsequently levied.
- b. Subject to Section 6 of the Declaration, the Board may amend the budget and Assessments, or levy a special Assessment, at any time. The levy shall be deemed to occur upon the date specified in the resolution which fixes the Assessment.
- c. The Board may levy limited Assessments against only certain Units under Section 6.4 of the Declaration. Such Assessments may be included in the annual Assessments levied against the affected Units or may be levied separately during the year. Such Assessments are not annual or special Assessments within the meaning of the Declaration or of these Bylaws, and are not subject to any limitation contained in Section 6 of the Declaration.
- d. Subject to Section 515B.3-1141 of the Act, the annual budget shall include a general operating reserve, and an adequate reserve fund for maintenance, repair and replacement of the Common Elements and any parts of the Units and improvements thereon that must be maintained, repaired or replaced by the Association on a periodic basis.

- e. The Association shall furnish copies of each budget on which the assessment is based to an Owner or to any Eligible Mortgagee, upon request of such persons.

8.2 Payment of Assessments. Annual Assessments shall be due and payable in monthly or quarterly installments, as established by the Board, in advance on the first day of each month or quarter, as applicable. Special Assessments and limited Assessments shall be due when designated by the Board. All Owners shall be absolutely and unconditionally obligated to pay the Assessments. No Owner or Occupant shall have any right of withholding, offset or deduction against the Association with respect to any Assessments, or late charges or costs of collection, regardless of any claims alleged against the Association or its officers or directors. Any rights or claims alleged by an Owner may be pursued only by separate action.

8.3 Default in Payment of Assessments. If any Owner does not make payment on or before the date when any Assessment or installment thereof is due, subject to such grace periods as may be established, the Board may assess, and such Owner shall be obligated to pay, a late charge as provided in the Declaration for each such unpaid Assessment or installment thereof, together with all expenses, including reasonable attorneys' fees, incurred by the Board in collecting any such unpaid Assessment.

- a. If there is a default of more than 30 days in payment of any Assessment, the Board may accelerate any remaining installments of the Assessment upon prior written notice thereof to the Owner, as provided in the Declaration, and the entire unpaid balance of the assessment and late charges shall become due and payable upon the date stated in the notice unless all past due amounts, including late charges, costs of collection and fines, are paid prior to said date.
- b. The Board shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with any charges, attorneys' fees or expenses relating to the collection thereof. In addition, the Board shall have the right and duty to attempt to recover any and all collection or contingency fees or costs charged to the Association by a collection agency or other Person acting on behalf of the Association in collecting any delinquent amounts owed to the Association by an Owner or Occupant.
- c. Upon written request of an Owner or an Eligible Mortgagee of such Unit, notice of a default of more than 30 days in payment of any Assessment or installment of an Assessment for Common Expenses or any other default in the performance of obligations by the Owner shall be given in writing to such Owner or Eligible Mortgagee.
- d. The rights and remedies referred to in this Section shall not limit the remedies available to the Association under the Declaration or by law.

8.4 **Foreclosure of Liens for Unpaid Assessments.** The Association has the right to foreclose a lien against a Unit for Assessments imposed by the Association, as more fully described in the Declaration and the Act.

8.5 **Records.** The Board shall cause to be kept at the registered office of the Association, and at such other place as the Board may determine, records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Owners, names of the Owners and Eligible Mortgagees, and detailed and accurate records of the receipts and expenditures of the Association. With the exception of records that may be privileged or confidential information, all Association records, including receipts and expenditures and any vouchers authorizing payments, shall be available for examination by Owners and Eligible Mortgagees for a proper purpose, upon reasonable notice and during normal business hours.

8.6 **Financial Review.** The Board shall cause the financial records of the Association to be "reviewed" by an independent certified public accountant on an annual basis, pursuant to the requirements of Section 515B.3-121 of the Act. The review requirement may be waived, on an annual basis, by the vote of Owners holding at least 30% of the total votes in the Association; however, the Board may require an audit notwithstanding a waiver vote. A waiver must be approved prior to 60 days after the end of the Association's fiscal year. Regardless of whether a review occurs, a copy of the Association's financial statements shall be delivered to all Members within 180 days after the end Association's fiscal year.

8.7 **Enforcement of Obligations.** All Owners and Occupants and their guests are obligated and bound to observe the provisions of the Governing Documents, the Rules and Regulations and the Act. The Association may impose any or all of the charges, sanctions and remedies authorized by the Governing Documents, the Rules and Regulations or by law to enforce and implement its rights and to otherwise enable it to manage and operate the Association.

SECTION 9 AMENDMENTS

These Bylaws may be amended, and the amendment shall be effective, upon the satisfaction of the following conditions:

9.1 **Approval.** The amendment must be approved by Owners who have authority to cast in excess of 50% of the total votes in the Association, in writing or at a duly held meeting of the Owners; subject to any approval rights of (i) Eligible Mortgagees or (ii) Declarant, as provided in the Declaration.

9.2 **Notice.** A copy of the proposed amendment and, if a meeting is to be held, notice of such meeting, shall be mailed by U. S. mail, or hand delivered, to all Owners authorized to cast votes.

9.3 **Effective Date; Recording.** The amendment shall be effective on the date of approval by the required vote of the Owners and need not be recorded.

SECTION 10 INDEMNIFICATION

The 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 Association, pursuant to the provisions of Minnesota Statutes Section 317A.521.

SECTION 11 MISCELLANEOUS

11.1 **Notices.** Unless specifically provided otherwise in the Act, the Declaration or these Bylaws, all notices required to be given by or to the Association, the Board, the Association officers or the Owners or Occupants shall be in writing and shall be effective upon (i) hand delivery, (ii) mailing if properly addressed with postage prepaid and deposited in the United States mail, or (iii) when sent by electronic means; provided, however, that notices to an Owner may be sent by electronic means only if that Owner has consented in writing to receive notices by electronic means. Registrations pursuant to *Section 2.2* shall be effective upon receipt by the Association.

11.2 **Severability.** The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.3 **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.

11.4 **Conflicts in Documents.** In the event of any conflict among the provisions of the Act, the Declaration, these Bylaws or the Rules and Regulations, the Act shall control unless it permits the documents to control. As among the Declaration, these Bylaws and Rules and Regulations, the Declaration shall control, and as between these Bylaws and the Rules and Regulations, these Bylaws shall control.

11.5 **Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

11.6 **No Corporate Seal.** The Association shall have no corporate seal.

11.7 **Fiscal Year.** The fiscal year of the Association shall be as determined by the Board.

The undersigned certifies that these Bylaws were adopted by the Board of Directors of North Pines Owners Association, a Minnesota nonprofit corporation, effective as of the date hereof.

Dated: 3-23-, 2021

NORTH PINES OWNERS ASSOCIATION



President

EXHIBIT J

**NORTH PINES Owners Association
Rules And Regulations**



Concepts for Architectural Standards North Pines at Grand View.

Construction Type/Details

- All home plans, including siding, colors, roof colors, site plan, and elevation including roof pitch must be submitted and approved by the ARC (Architectural Review Committee) prior to the start of construction.
- One or two story houses are allowed, preferred that part of a second story would be built into the roof structure.
- No more than 4800 square feet above grade.
- No less than 1800 square feet above grade.
- Basements are encouraged but not required.
- Garage- Oversized 2+ stall no larger than 1200 sq/ft **Required
- Minimum roof pitch of 5-1 is required.
- 25' Side yard setback for the structure unless approved by the ARC (Architectural Control Committee).
- Minimum setback of 50' from structure, patios or decks to the golf course facing edge of the property.

Exterior

- Natural colors for paint are required
- Steel, and asphalt shingles are allowed, wood shakes are not allowed.
- Stone must be an exterior element making up a visible portion of the homes exterior facing the street.
- Stucco and brick exteriors are not allowed
- "Resort living" themes are favored ex. Outdoor Kitchens are preferred if in the rental program
- All exterior lighting must be downcast to minimize light leaving the property.
- At least one exterior light post needs to be installed between the street and the home and must have a house number
- E 911 signs must be placed at the end of every drive way.

Landscaping & Driveways

- All landscaping plans must be submitted and approved by the ARC, prior to the start of construction.
- All landscape maintenance on the lot is the responsibility of the home owner.

- A fully landscaped yard including an irrigation system must be installed and operational at the time of home occupancy or as soon thereafter as weather allows.
- All driveways are to be asphalt or poured concrete as are all sidewalks accessing the primary entry door of the residence.
- All removal of vegetation within 20 feet of lot lines must be ARC coordinated and approved.
- All exterior lighting must be downcast to minimize light leaving the property.

Maintenance Standards

- Lawns must be kept in an orderly fashion with regular mowing, weed control and annual spring and fall clean up.
- All driveways and sidewalks must be kept plowed regardless of occupancy
- Dead and diseased trees must be removed in a timely fashion.
- Major modification to the existing landscaping require ARC review and approval.

EXHIBIT K

Summary of Association Management Services Agreement

The Association has entered into a Management Contract with Grand View Lodge, an affiliate of the Declarant. The term is scheduled to expire on _____, 2021 and is renewable at the option of the parties. The fee for the services under the Management Contract will be \$_____ per year.

Grand View Management, LLC
23521 Nokomis Ave
Nisswa, MN 56468
(218) 963-2234

Association Management Services Agreement

Association: North Pines	Term: Beginning Date: 1/1/2022
Address: Nisswa, MN	Expenditure Limit: Amounts outside of Budget Fee: The greater of \$9,000 or \$420 per unit per year Meetings: Two Meetings per year

This Agreement is entered into by and between **Grand View Management, LLC (the "Manager"), a Minnesota limited liability company** and **North Pines Association (the "Association"), a non-profit corporation**. In consideration of the mutual terms and conditions set forth in this Agreement, the parties hereto agree as follows:

I. Financial Management

- A. **ASSESSMENT COLLECTION.** The Manager is hereby authorized to request, demand, collect, receive, and offer receipt for any and all assessments, dues, fees, and other sums, which may at any time be or become due to the Association from an owner of a Unit within the Association or other person responsible for payment of any sum owed to the Association and to take such action in the name of the Association by legal process or otherwise as may be required for the collection of fees and other sums, which may at any time be or become due from such owner or other person responsible for payment of any sum owed to the Association. The Manager shall not be liable for any assessments, fees, or other sums, which the Manager is unable to collect from an owner or other person responsible for payment of any sum owed to the Association. The Manager shall use reasonable efforts to collect on sums, which may at any time be or become due to the Association by an owner or other person responsible for payment of any sum owed to the Association. This includes the authority, but not the obligation, to take action in the name of the Association by way of legal process to collect the same. Included with each monthly financial report, the Manager shall furnish the Association with an itemized list of all accounts, which were known by the Manager to be delinquent as of the end of the prior month.
- B. **APPLICATION OF FUNDS.** The Association agrees that all monies that the Manager receives from the Association's members, which are to be applied to the members' accounts with the Association, shall be applied to the account balances as shall be agreed in writing by the Manager and the Association, and, in the absence of such written agreement, in any reasonable manner which the Manager deems appropriate.
- C. **BANK ACCOUNTS.** The Manager shall establish and maintain a separate bank account as agent of the Association for the deposit of the money of the Association with authority to draw

thereon for any payments to be made by the Manager to discharge liabilities or obligations pursuant to this Agreement as well as for the payment of the Fee due to the Manager. Other bank accounts may be established and maintained at the direction and approval of the Association Board, such as, without limitation, for Replacement Reserves. All costs associated with maintaining such accounts shall be an operating expense charged to and paid by the Association. The Manager shall have full and exclusive authority over all accounts, which the Manager opens on behalf of the Association.

- D. *ACCOUNTING.* The Manager shall maintain a record of income, expenses, cash flow, assets, and liabilities of the Association utilizing the cash method of accounting. The Manager shall maintain a record of dues and assessment charges, adjustments, and receipts. The Manager will prepare and maintain the records necessary to produce monthly computerized financial statements and provide the Association officers, upon written request, with copies of the balance sheets, income statements, and statement of cash flow and delinquency reports. Upon year-end closing, the Manager will prepare for the Association a year-end cumulative report to be produced no later than February 15th each year. The Manager will utilize a stand-alone computerized accounting system for the Association record keeping. All records are currently kept in QuickBooks. The parties agree that the financial records described in this paragraph need not be maintained in accordance with generally accepted accounting principles ("GAAP").
- E. *BUDGET PREPARATION.* Upon written request of the Association, the Manager shall prepare and submit to the Association, not later than ninety (90) days prior to the beginning of each new fiscal year of the Association, a draft of an operating budget for that fiscal year showing anticipated receipts and expenditures. The budget is for the Association's Board of Directors to consider, revise as necessary, and approve. The Association Board may request the assistance of the Manager in preparing a long-range plan.
- F. *ASSESSMENT BILLING.* The Manager will provide Association members with invoices for dues and assessments owing to the Association, or each member may choose, in writing, to have the fee assessments and dues deducted from the member's unit rental income owing to the member/unit owner (if the homeowner is in the Grand View Lodge Resort rental pool). The choice of how fees and assessments will be paid to the Association will be determined at the time of signing of the rental management agreement with Grand View Lodge. The Manager will provide written delinquency notices to all delinquent Association members on a monthly basis.
- G. *DELINQUENCY PROCESSING.* Upon written request by the Association, the Manager shall work with the Association's Board of Directors to develop a delinquency policy and procedure for the Association. The Manager will administer the delinquency procedure with authority to charge late fees, retain legal counsel to represent and work for the Association, at the Association's expense, and answer questions regarding accounts.
- H. *INVOICE/DISBURSEMENT PROCEDURES.* The Manager will receive, review, and approve invoices and other bills received by the Association, prepare checks for payment of approved Association expenses as permitted, and maintain vendor files with attached checks, copies and

invoices. The Manager will work with the Association's Board of Directors to determine approval limits and procedures as mutually determined necessary.

- I. **TAX PREPARATION.** The Manager will prepare the Association tax returns prior to the Internal Revenue Service deadline each year. All 1099 and related tax filings will be completed on a timely basis and as necessary. If necessary, the Manager may require the assistance of a tax professional, in which case the professional costs will be paid by the Association after approval by the Board of Directors/officers. In the event that the Manager is the designated tax preparer for the Association's annual State and/or Federal Income Tax Return, the Association shall execute such tax return(s) as taxpayer and execute such documents as shall be reasonably requested by the Manager approving of the tax return(s) and the Manager's preparation and filing of such tax return(s).
- J. **INVESTMENTS.** Although the Manager will not offer investment advice, the Manager will assist the Association in obtaining the appropriate information necessary to develop an investment program utilizing a savings account, money market funds, or other investment products. The Manager will gather information for review by the Association, but the Manager shall not endorse any specific investment products. The Manager will assist the Association in preparing necessary documents required by banking and investment institutions and implementing the investment program(s) selected by the Association for reserves and other funds, as cash flow allows, if any. All decisions regarding the amount and allocations for reserves shall be determined by the Association Board of Directors and officers, not the Manager.

II. Administrative Management

- A. **FILES AND RECORDS.** All written original records will be maintained by the Manager. The Manager will develop and maintain a filing system of the Association's important papers, such as contracts, resident communications, public agency filings, financial information, and other information which may be important in future decision making by the Association. The Manager will make the Association's routine books and records available for inspection during regular business hours upon written request by any owner that is a member of the Association.
- B. **CORRESPONDENCE.** The Manager will prepare or advise the Association in the preparation of general correspondence dealing with business matters between the Association and residents, contractors, agents, government officials, or other entities involved with the regular business operations of the Association. The Manager will maintain files for all such correspondence. The Manager will arrange for the mailing or other distribution of notices required by the Association's governing documents or as may be directed in writing by the Association Board of Directors. The Association, as directed by the Board of Directors and officers, shall promptly respond to all inquiries, requests, and actions from the Manager. The Association Board of Directors and officers will respond promptly to assistance requested by the Manager in dealing with all business matters. All notices provided for herein shall be in writing and shall be deemed to have been given when delivered personally, via electronic mail, or when deposited in the United States mail, registered or certified.

- C. *INSURANCE CLAIM ADMINISTRATION.* The Manager will assist the Association in the selection of an insurance broker and assist the Association and its broker in placing insurance as required by the governing documents of the Association, or as otherwise decided by the Board of Directors. The Manager will provide the information reasonably accessible to the Manager necessary to complete annual insurance applications for renewal and marketing purposes. The Manager shall undertake administrative oversight of any insurance claim and incident reporting submitted in writing to the Manager. Complicated claims management outside of normal administration may be billed by the Manager on a per hour basis.
- D. *RULES ADMINISTRATION.* The Manager will assist the Association in the development of reasonable and enforceable rules by coordinating with the Board of Directors, or a separate rule committee, and legal counsel. In accordance with instructions from the Board of Directors, the Manager will notify homeowners, in writing, of any rule violations known by the Manager, and take such other actions as may be consistent with Association policy to assist the Association in the administration of the Association's governing documents.
- E. *POLICY DEVELOPMENT.* The Manager will inform the Association concerning significant legislation, insurance, financial practices, court decisions, or other such changes in the laws pertaining to community associations, which are known by the Manager. The Manager will work with the Board of Directors and offer advice and direction as requested in writing by the Association regarding the Association's governing procedures and the responsibilities of the Board of Directors. The Manager does not represent itself to have technical or legal expertise in the laws pertaining to community associations. The Association will approve the use and consultation with legal experts regarding matters within the scope of this paragraph when necessary.
- F. *UNIT SALE AND TRANSITION SERVICES.* The Manager will provide basic information about the Association as requested by a member who wishes to sell or refinance his/her unit to a prospective buyer or their real estate agent(s). The Manager will prepare resale disclosure certificates, refinancing forms, and any other information known by the Manager, as may be required or requested, on behalf of any unit owner who desires to sell or refinance a unit; the costs for processing such disclosures or forms are not included in the Fee but shall be the responsibility of the selling or refinancing party. The Manager shall use the most current information available to the Manager; however, the Association shall indemnify the Manager for any claim, action, or suit by a member of the Association alleging errors or omissions in a resale disclosure statement provided that this indemnification obligation does not require the Association to defend or indemnify the Manager against the Manager's own negligence.
- G. *PROFESSIONAL SERVICES COORDINATION.* The Manager will provide assistance to the Association in selection of consultants to accomplish specialized functions for the Association in the areas of engineering, law, public accounting, and other needs of the Association and will cooperate with those consultants as shall be retained by the Association.

III. Property Management

- A. *SERVICES REQUEST PROCESSING.* The Manager will receive and record reasonable service requests for repairs or maintenance of the common elements, as may be consistent with established policy, and as agreed upon with the Board of Directors. This may include arranging for prompt and satisfactory response (within 48 hours) to service requests for maintenance or repairs as permitted by Association policy and budget limitations. Notwithstanding any other language in this Article, for all maintenance and repair requests, where the anticipated cost is \$1,000 or less, or when no competitive bidding is required by the Association, the Association agrees to contract with Grand View Lodge Maintenance and Resort Services, or another provider if those services are deemed to better serve the needs of the Association.
- B. *SERVICE CONTRACTORS.* The Manager will assist the Association by engaging, meeting with or otherwise communicating the Association's directions to the providers of recurring services, such as landscape maintenance, rubbish removal service, snow plowing, as well as any other contractors consistently providing services to the Association. The Manager will routinely review such services (at least every three years) for best pricing and value to the Association.
- C. *EXPENDITURE LIMITS.* The Manager is authorized to make disbursements, expenditure commitments and enter into contracts related to the Manager's responsibilities to the Association up to the Expenditure Limit set forth above, without prior approval from the Association. The Association grants the Manager this authority without limit in those situations requiring emergency repairs or services involving danger to life or property which may be immediately necessary for the preservation and safety of the property, its residents, or others. In all such cases, the Manager shall make a reasonable effort to minimize costs and to consult with a member of the Board of Directors in a timely fashion. On or before January 1 of each calendar year, the Association shall designate in writing the member of the Association's Board of Directors with whom the Manager shall consult pursuant to the terms of this Paragraph.
- D. *CONTRACTOR BIDDING PROCEDURES.* Subject to the paragraph titled Special Project Coordination, the Manager will assist the Association in undertaking a competitive bidding process, when requested by the Association, for non-emergency services with an estimated cost over \$2,000. This assistance may include finding contractors for the various projects, receiving bids and other contractor information, and submission of the information to the Board of Directors. This service will be billed at the per hour rate for project consulting as advised by the Manager to the Association. In the event that the Association agrees that the Manager shall assist in such bidding process, the final decision regarding the selection of the contractor and financial arrangements with such contractor shall be made and approved by the Association, not the Manager.
- E. *CONTRACT DEVELOPMENT.* Upon request, the Manager will assist the Association in selection of contractors for frequent or continuing services. This service may include obtaining bid information, insurance certificates, and contracts. The Manager is authorized

to enter into contracts in the name of the Association, or in the Manager's name on behalf of the Association, and to place orders for such services, equipment, tools, appliances, materials, and supplies as are necessary to maintain the buildings and property of the Association. As may be requested by the Manager, the Association shall execute written agreements with third party vendors or materialmen approving the goods and services with maintenance of the Association's buildings and property. The Manager may also arrange for legal counsel to review the contracts presented to the Association (at the expense of the Association and with Association Board approval) in order to help the Association protect the Association's interests; the Manager shall not be responsible for the legal consequences of any agreement entered into on behalf of the Association.

- F. *SPECIAL PROJECT COORDINATION.* For repair, construction, maintenance, and improvement projects, which will cost the Association less than \$2,000 in the aggregate, the Manager will assist the Association with coordination and communication of the project. For any such project which will cost a sum in excess of \$2,000, in the aggregate, upon written request, the Manager will provide such services for an administrative fee agreed upon in writing with the Association and based upon estimated hours needed to manage the project. Nothing contained herein, nor in the work performed by the Manager for any project undertaken by the Association, shall be deemed to constitute any type of guaranty or warranty by the Manager as to the work performed in the project.
- G. *EMERGENCY SERVICES.* The Manager will administer a 24 hour, seven days per week emergency call program for vital support systems of the Association. The system shall be administered through the front desk services offered by Grand View Lodge Resort, instructing callers with emergency procedures. The Manager will also retain a list of firms qualified to repair and maintain the property, when requested.
- H. *MEETING ATTENDANCE.* The Manager shall attend the regularly scheduled meetings of the Association members and the Board of Directors. Meeting attendance is dependent upon availability of designated staff member(s) and those attending may vary. Meetings attended by the Manager in excess of the number of meetings per year set forth on the first page of this Agreement shall be charged to the Association at the hourly rate set forth in Paragraph IV (B). The Manager will support the operation of the meetings by providing the meeting notices and the necessary materials, agendas, personnel, and helping the Board of Directors with any procedural questions, which they may present. Board meetings may be held at the Manager's offices and facilities at no additional charge. A Manager staff person will take minutes for the meetings and distribute a copy to the Board of Directors for approval.
- I. *LONG-RANGE PLANNING ASSISTANCE.* The Manager will assist the Association with an assessment and determination of capital and repair/replacement needs for the future. A walk-through of the Association common areas and the identification of capital or repair/replacement projects will be performed at least once per year. If the service of a special assessor is required, the Association will contract with and pay any fees of such an assessor, upon approval by the Board of Directors and officers.

IV. Compensation/Termination

- A. *COMPENSATION.* For the services specified in this Agreement, the Association shall pay the Manager the Annual fee identified above as "Fee." The Fee is due and payable in quarterly installments by the tenth day of the month preceding the beginning of the calendar quarter during the Term of this Agreement, and any renewal thereof. The Manager is authorized to tender this payment, and any costs or charges it is due in excess of the Fee, upon approval by the Association, to itself from the Association's bank account.
- B. *ADDITIONAL CHARGES.* In the normal course of performing services, the Manager will incur additional expenses on the Association's behalf. For those materials and services, the Association shall pay the Manager as follows:

Additional Association Meetings	\$50 per hour per staff attending
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Project Consultation	\$40 per hour
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- C. *TERM/TERMINATION.* This Agreement will continue in full force and effect for a period of two (2) years from the effective date. Notwithstanding the foregoing, on an annual basis, the term of this Agreement automatically will be extended for additional one-year periods unless either party notifies the other party in writing at least 90 days prior to the next anniversary of the of the effective date of this Agreement that it does not wish to so extend the term hereof. In the event that one party breaches this Agreement, the non-breaching party must send notice to the breaching party of the material breach and provide the alleged breaching party with a reasonable period of time to correct the breach. Upon a monetary breach by the Association, after a thirty (30) day advance notice to cure, the Manager may accelerate all sums which will come due during the six months notice of termination period and the Manager may also cease providing services under this Agreement. Should the Association claim that the Manager has breached the Agreement and failed to correct the breach during a reasonable time period after notice thereof, the Association shall remain obligated to continue to make the annual Fee payments to the Manager until such time as; i.) the Manager acknowledges in writing to the Association that it has materially breached the Agreement; ii) the Manager and the Association agree in writing to terminate the Agreement; or iii) an order is issued by a district court judge terminating the Agreement after finding a material breach by the Manager. Upon termination, the parties shall account to each other with respect to all outstanding matters. The Manager shall deliver possession of the Association's records as soon as reasonably possible after termination, and in no event later than sixty days after the effective date of termination. Either party may terminate this Agreement without notice to the other in the event a petition in bankruptcy or corporate reorganization is filed by or against the Manager or the Association. Manager may terminate this Agreement without notice if the Association fails to operate itself in strict compliance with all federal, state and local laws. The provisions of this paragraph shall survive termination of this Agreement.

V. Miscellaneous

- A. *CONFLICTS OF INTEREST/BUSINESS.* There are affiliated business arrangements, which exist among a related group of companies including: i.) the Manager, ii) Grand View Lodge Resort, iii) Cote Family Companies, Inc., iv) Grand View Lodge Maintenance and Resort Services, a division to perform maintenance, repairs and grounds services, v) Grand View Vacation Properties, and vi) ETOC Company, Inc. These companies will be jointly referred to as "Affiliated Companies." There are business relationships by and among the Affiliated Companies. Some or all of the companies have common owners or may be under the same ownership. As an Association or customer of one of the companies, the Association may be referred to one or more of the other Affiliated Companies for the services and/or products that they provide. Because of the business relationships that exist among the Affiliated Companies, referrals to an Affiliated Company may provide a financial or other benefit to the related companies, Manager, its members, shareholders or owners. The Association is not required to use any Affiliated Company as a condition of doing business with the Manager. There are companies other than the Affiliated Companies that are available to provide services and products similar to the services and products provided by the Affiliated Companies. The Association is free to investigate the market to determine that the Association is receiving the best services and/or products and the best rate for these services and/or products.

The Association agrees to defend, hold harmless and indemnify the Manager and the Affiliated Companies against any claims, complaints, demands, liabilities, or causes of action, which the Association or any of the Association's individual members may pursue against the Manager or any Affiliated Company, based upon the relationship between the Manager and any of the Affiliated Companies. The Association acknowledges the relationship between the Manager and the Affiliated Companies and agrees that the Manager may continue to engage in business with any or all of the Affiliated Companies under commercially reasonable terms.

- B. *LIABILITY.* Except for damages or injuries caused by the illegal or intentional misconduct or negligence of the Manager, its agents, or its employees, the Association agrees to defend, hold harmless and indemnify the Manager and the Affiliated Companies against all damages, claims, and expenses sustained by the Manager when carrying out the provisions of this Agreement, acting under the express or implied direction of the Association, or as a result of the actions or inaction of the Association, its contractors, members, or its employees. This provision shall apply even in the event that the Manager may have breached the terms of this Agreement provided that such breach did not cause the indemnified damage or claim. The Association shall name the Manager and Grand View Lodge Resort as an additional insured party under the Association's liability insurance policy, director's and officer's errors and omission policy, and for property coverage. This promise to defend, hold harmless and indemnify shall include, without limitation, any proceeding brought by a member of the Association or a third party for claims relating to the construction, maintenance or repair of the claimant's or the Association's property. All

of the Association's promises to defend, hold harmless and/or indemnify the Manager shall survive termination of this Agreement.

- C. *INSURANCE.* The Manager and the Affiliated Companies shall maintain liability and business insurance in force for the entire Term of this Agreement.
- D. *COMPLIANCE.* The Manager may take such action as may be necessary to comply promptly with any and all orders or requirements affecting the buildings or land of the Association by any federal, state, county, or municipal authority having jurisdiction there over and any other legal orders. The Manager will consult with and advise the Association Board of Directors and officers on any matters of compliance that come to the Manager's attention. The Manager shall not be responsible for the Association's compliance with any federal, state, or local laws and the Association hereby acknowledges that the Association is solely responsible to maintain the Association in strict legal compliance with all federal, state, and local laws, rules, orders, and regulations of any type. Should the Association fail to operate itself in strict compliance with all federal, state, and local laws, the Manager may terminate this Agreement, without advance notice.
- E. *CLAIMS.* The Manager shall have no obligation to perform or render any services beyond those stated herein, unless pursuant to separate written agreement and for the additional consideration stated in the separate agreement. Notwithstanding anything to the contrary contained herein, the Manager shall be required to use only the Manager's reasonable efforts and the Manager's reasonable judgment in performing the Manager's duties and obligations under this Agreement and shall have no liability for failure to properly perform any of the Manager's duties or obligations, except for negligent, illegal or intentional acts. The parties agree that the maximum joint liability of the Manager and the Affiliated Companies, its' employees, officers, agents, representatives, and shareholders, for any loss or damage, in the event any of them are found liable to the Association or its individual members, shall be limited to a sum equal to the Fee paid by the Association to the Manager in any one year. All controversies, suits, claims, or causes of action between the parties hereto, directly or indirectly, arising out of, connected with, or relating to the interpretation of this Agreement, the scope of services to be provided by the Manager, the actual services performed by the Manager, or any other matter relating to this Agreement, including, but not limited to, (i) any promises, representations, or statements of the Manager; (ii) any breach of contract; (iii) any tort, act, or failure to act by the Manager in the performance of its responsibilities hereunder; and/or (iv) any other claims against the Manager, must be filed with a court of proper jurisdiction within six (6) months of the date on which relevant facts giving rise to the claim were, or reasonably could have been discovered. The terms of this paragraph shall survive termination of this Agreement.

MODIFICATIONS/AMENDMENTS/HEADINGS. Time is of the essence in all matters herein. All hold harmless and indemnification provisions throughout this Agreement shall include costs, disbursements, and attorney's fees incurred by the party who is to be held harmless or indemnified. This Agreement may be assigned by the Manager to its affiliates upon thirty (30) days notice. This Agreement may not be assigned by the Association without the prior written consent of the


Manager. This Agreement is a final and complete statement of the terms, conditions, and representations made by both parties. No modification or amendment shall be binding unless reduced to writing and executed by both parties, provided that the Manager may notify the Association in writing of changes to these terms and if no objection is received within thirty (30) days, such changes shall become a part of this Agreement without further action. Should any provisions of this Agreement be found to be unenforceable, those unenforceable provisions alone shall be stricken and the remaining provisions shall remain enforceable as written. The headings in this Agreement are for convenience only and shall not be used in the interpretation of this Agreement. This agreement shall be interpreted under the laws of the State of Minnesota and any litigation between the parties hereto shall be venued in Crow Wing County, Minnesota. The terms of this paragraph shall survive termination of the Agreement.

ATTORNEYS FEES. A prevailing Party shall be entitled to recover all attorneys' fees and costs incurred by it in enforcing the terms of this Agreement. It is specifically contemplated that this provision shall extend to any arbitration or court action brought by a Party against any third party who aids, participates in, or benefits from a Party's breach of this Agreement.

ARBITRATION. All claims and disputes arising under or relating to this Agreement are to be settled by binding arbitration in the state of Minnesota. An award of arbitration may be confirmed in a Court of competent jurisdiction.

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

North Pines

By: 
Its: President
Dated: 3-23-21

Grand View Management, LLC

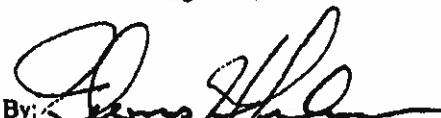
By: 
Its: CEO
Dated: 3-23-21

EXHIBIT L

**Balance Sheet
NORTH PINES Owners Association**

Assets

\$ - 0 -

Liabilities

\$ - 0 -

As of _____, 2021

**North Pines
Balance Sheet
Projected 2022**

	Jan 1, 22	Dec 31, 22
ASSETS		
Current Assets		
Checking/Savings		
Checking-Operating Cash	0.00	16,200.00
Savings-Reserve Fund	0.00	15,600.00
Total Checking/Savings	0.00	31,800.00
Accounts Receivable		
Accounts Receivable	0.00	0.00
Total Accounts Receivable	0.00	0.00
Total Current Assets	0.00	31,800.00
TOTAL ASSETS	0.00	31,800.00
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	0.00	0.00
Total Accounts Payable	0.00	0.00
Total Current Liabilities	0.00	0.00
Total Liabilities	0.00	0.00
Equity		
Retained Earnings	0.00	0.00
Net Income	0.00	0.00
Total Equity	0.00	0.00
TOTAL LIABILITIES & EQUITY	0.00	0.00

**North Pines
Balance Sheet
Projected 2022**

	1-Jan-22	1-Feb-22	1-Mar-22	1-Apr-22	1-May-22	1-Jun-22	1-Jul-22	1-Aug-22	1-Sep-22	1-Oct-22	1-Nov-22	1-Dec-22
Income												
Dues	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00
Total Income	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00	\$ 5,400.00
Reserve Fund	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00
Expenses												
Insurance	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Landscaping	\$ 400.00	\$ 400.00		\$ 400.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00		\$ 15,400.00
Tree Care					\$ 400.00	\$ 400.00	\$ 400.00		\$ 400.00			\$ 2,400.00
Gate Maintenance			\$ 250.00		\$ 250.00						\$ 200.00	\$ 900.00
Road Maintenance	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 3,000.00
Snow/Driveway Plowing	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 200.00					\$ 200.00	\$ 200.00	\$ 1,200.00	\$ 6,400.00
Association Management	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 7,200.00
Bank Fees	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 600.00
Tax Return				\$ 1,200.00							\$ 200.00	\$ 1,400.00
Legal											\$ 500.00	\$ 500.00
Misc.	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 3,600.00
Total	\$ 3,400.00	\$ 3,400.00	\$ 3,250.00	\$ 3,600.00	\$ 4,950.00	\$ 4,700.00	\$ 4,700.00	\$ 4,300.00	\$ 4,700.00	\$ 4,500.00	\$ 3,200.00	\$ 3,900.00
Net Income	\$ 2,000.00	\$ 2,000.00	\$ 2,150.00	\$ 1,800.00	\$ 450.00	\$ 700.00	\$ 700.00	\$ 1,100.00	\$ 700.00	\$ 900.00	\$ 2,200.00	\$ 1,500.00

North Pines
Balance Sheet
 March 22, 2021

	Jan 1, 21	Dec 31, 21
ASSETS		
Current Assets		
Checking/Savings		
Checking-Operating Cash	0.00	5,000.00
Savings-Reserve Fund	0.00	8,000.00
Total Checking/Savings	0.00	13,000.00
Accounts Receivable		
Accounts Receivable	0.00	0.00
Total Accounts Receivable	0.00	0.00
Total Current Assets	0.00	13,000.00
TOTAL ASSETS	0.00	13,000.00
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	0.00	0.00
Total Accounts Payable	0.00	0.00
Total Current Liabilities	0.00	0.00
Total Liabilities	0.00	0.00
Equity		
Retained Earnings	0.00	0.00
Net Income	0.00	0.00
Total Equity	0.00	0.00
TOTAL LIABILITIES & EQUITY	0.00	0.00

EXHIBIT M

Projected Annual Budget

**North Pines
Budget
March 22, 2021**

1-May-21 1-Jun-21 1-Jul-21 1-Aug-21 1-Sep-21 1-Oct-21 1-Nov-21 12/1/2021

Income

Dues	\$	800.00	\$	1,000.00	\$	1,200.00	\$	1,400.00	\$	1,600.00	\$	1,800.00	\$	2,000.00	\$	2,200.00	\$	12,000.00
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Total Income	\$	800.00	\$	1,000.00	\$	1,200.00	\$	1,400.00	\$	1,600.00	\$	1,800.00	\$	2,000.00	\$	2,200.00	\$	12,000.00
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Expenses

Insurance	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	4,000.00
Landscaping	\$	-																\$ -
Tree Care																		\$ -
Gate Maintenance													\$	200.00	\$	200.00	\$	400.00
Road Maintenance																		\$ -
Snow/Driveway Plowing													\$	500.00	\$	500.00	\$	1,000.00
Association Management															\$	200.00	\$	200.00
Bank Fees															\$	200.00	\$	200.00
Tax Return															\$	200.00	\$	200.00
Legal															\$	-	\$	-
Misc.															\$	1,000.00	\$	1,000.00

Total	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	500.00	\$	1,200.00	\$	2,800.00	\$	7,000.00
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Net Income	\$	300.00	\$	500.00	\$	700.00	\$	900.00	\$	1,100.00	\$	1,300.00	\$	800.00	\$	(600.00)	\$	5,000.00
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EXHIBIT N

Purchase Agreement Addendum

ADDENDUM TO PURCHASE AGREEMENT

This form approved by the Minnesota Association of REALTORS®, which disclaims any liability arising out of use or misuse of this form.
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1. Date _____

2. Page 1

3. Addendum to Purchase Agreement between parties, dated _____
4. (Date of this Purchase Agreement), pertaining to the purchase and sale of the Property at
5. _____ North Pines Lot _____ Block _____

6. In the event of a conflict between this Addendum and any other provision of the Purchase Agreement, the language
7. in this Addendum shall govern.

8. It is understood and agreed between Seller and Buyer that the earnest money shall be deposited
9. into the trust account of Lawyers Title, Buyer gives Seller permission to use earnest money
prior to closing, for development costs as outlined by the agreement with the city of Nisswa.

10. It is understood and agreed between Seller and Buyer that no purchase decision is being made on
11. any promise of future earnings of this property.

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31. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

32. _____ (Seller) _____ (Date) _____ (Buyer) _____ (Date)

33. **THIS IS A LEGALLY BINDING CONTRACT BETWEEN BUYER(S) AND SELLER(S).**
34. **IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**