

**SUNDANCE
RIDGE
CONDOMINIUMS**

**DISCLOSURE
STATEMENT**

**REVISED
06/23/21**

COMMON INTEREST COMMUNITY NUMBER 1058

A CONDOMINIUM

SUNDANCE RIDGE CONDOMINIUMS

Declarant: Sundance Ridge Homes on Crosslake, L.L.C., a Minnesota Limited Liability Company, 1090 – 2nd Street South, Suite 2A, Sartell, Minnesota 56377.

The information in this Disclosure Statement is accurate as of the 6th day of June, 2021.

ATTACHMENTS

- A. Corrective Declaration of Common Interest Community Number 1058, Sundance Ridge Condominiums.
- B. First Amendment to Declaration and Supplemental Declarations.
- C. Articles of Incorporation of Sundance Ridge Condominium Owners Association, Inc.
- D. By-Laws of Sundance Ridge Condominium Owners Association, Inc.
- E. Common Interest Community Plat and Supplements.
- F. Balance Sheet and Budget of Sundance Ridge Condominium Owners Association, Inc.
- G. Copy of Minn. Stat. 515B.4-112 through 4-115
- H. Copy of Minn. Stat. Chap. 327A.
- I. Insurance Coverage.
- J. Rules and Regulations of Sundance Ridge Condominium Owners Association, Inc.
- K. Financing Offered by Declarant.
- L. Department of the Army License.
- M. Transfer of Declarant Rights.

I/We hereby acknowledge receipt of a copy of the foregoing disclosure documents and information for COMMON INTEREST COMMUNITY NUMBER 1058, A CONDOMINIUM, SUNDANCE RIDGE CONDOMINIUMS.

Date

Purchaser

Date

Purchaser

DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT IS FURNISHED PURSUANT TO THE REQUIREMENTS OF THE MINNESOTA UNIFORM COMMON INTEREST OWNERSHIP ACT MINNESOTA STATUTES SECTION 515B.4-102. PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT OR ANY PAGES APPENDED HERETO OR ANY COMMUNICATION IN CONNECTION HEREWITH AS LEGAL OR TAX ADVICE. EACH PURCHASER SHOULD CONSULT THEIR OWN COUNSEL AND TAX ADVISER AS TO LEGAL AND TAX MATTERS AND RELATED MATTERS CONCERNING THIS PURCHASE.

The following paragraph numbers correspond to the required disclosure items listed in the Minnesota Uniform Common Interest Ownership Act Minnesota Statutes Section 515B.4-102:

- (1) Name and Number of the Common Interest Community ("CIC"):

Sundance Ridge Condominiums, A Condominium, Common Interest Community Number 1058

- (2) Name and Principal Address of Declarant (Seller):

Sundance Ridge Homes on Crosslake, L.L.C., a Minnesota Limited Liability Company
1090 – 2nd Street South
Suite 2A
Sartell, MN 56377

- (3) Type of Common Interest Community, Number of Units:

Sundance Ridge is a Condominium. Sundance Ridge has received approval for a ten (10) Unit development consisting of condominiums. Declarant may, but is not required, to add Additional Real Estate parcels to the Condominium which may add up to eight (8) additional Units for a total condominium development of eighteen (18) Units.

- (4) General Description of the Common Interest Community:

It is contemplated by the Declarant and approved in principal by the City of Cross Lake, County of Crow Wing that the total development will eventually consist of eighteen (18) Units. The buildings will be of new construction, standard wood frame. There will be six (6) buildings, with two (2) or four (4) Units per building. There will be a recreational building. There are no buildings that have been wholly or partially occupied for any purpose, before it was added to the Common Interest Community. The Association will be required to maintain the Common Elements including roads, trails, utilities and recreational areas as depicted on the Common Interest Community Plat, and in the Declaration and Supplements.

(5) Schedule of Commencement and Completion of Buildings and Other Improvements:

Commencement: October, 2003
Completion: November, 2004

(6) Expenses Not Reflected in Budget, Alternative Assessment Program:

There are no supplies or services not reflected in the budget or projected budget which the Declarant provides, or expenses which it pays, and which it expects may become at any subsequent time a Common Expense of the Association.

The following Alternative Assessment Program is established pursuant to Section 515B.3-115(b) of the Act. If a Common Expense has been levied, any unsold Unit owned by Declarant shall be assessed at the rate of twenty-five percent (25%) of the Assessment levied on other Units of the same type until a certificate of occupancy has been issued with respect to such Unit by the municipality in which the Unit is located. This reduced Assessment shall apply to each Unit owned by Declarant at the time that the Unit is created, and shall continue until the issuance of the certificate of occupancy as previously described. The Declarant's authority to commence the Alternative Assessment Program will end upon the expiration of the period of Declarant's control of the Association, as provided in Section 515B.3-103 of the Act and the Declaration. Although this Alternative Assessment Program will not affect the allocated share of replacement reserves attributable to Units owned by Declarant, there are no assurances that this Alternative Assessment Program will not effect the level of services for items set forth in the Association's budget.

(7) Initial or Special Fee Due Upon Closing: There is no initial or special fee due from the Purchaser to the Declarant or Association at closing.

(8) Liens and Encumbrances Affecting Association Property:

The liens or encumbrances on or affecting the title to the Common Interest Community after the contemplated conveyance shall be as follows:

- (i) Existing roads and utilities;
- (ii) Utility and drainage easements as shown on the recorded plat;
- (iii) The provisions of Minnesota Uniform Common Interest Ownership Act, Minnesota Statutes Section 515B.1-101 to 515B.4-118 as may be amended;
- (iv) The provisions of the Declaration, By-Laws, and Common Interest Community Plat and any Amendments or Supplements of record as of the date of the closing;

- (v) The lien of real estate taxes against the Unit (including installments of special assessments and interest thereon payable therewith, if any) due and payable in the year of closing and thereafter and special assessments hereafter levied;
- (vi) Applicable building and zoning laws and other regulations and ordinances;
- (vii) The rights of purchaser therein, if any, and any liens, encumbrances or other interest created or suffered to be created due to act or omission of purchaser; and
- (viii) Restrictive covenants of record.

(9) Financing Offered by Declarant:

Financing, if any, offered or arranged by Declarant at the date of this Statement is described in an attachment. If no such description is attached, no such financing is then offered.

(10) Government Loan Program Project Approvals:

No application for project approvals have been made, or approvals received, with the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Department of Housing and Urban Development (HUD), or Department of Veterans Affairs (VA).

IT IS IMPORTANT TO NOTE that references in some of the documents to VA are included in the event Declarant decides to apply for qualification for VA ("GI") loans, Declarant is not obligated to apply for such qualification or to continue such application if made, and no inference is to be drawn from such reference that the project has been approved by either agency. If such approval is not obtained, Declarant may delete VA references in the documents.

(11) Warranties:

Declarant acknowledges that it is bound by the warranties contained in Minnesota Statutes Section 327A and the terms of Minnesota Uniform Common Interest Ownership Act, Section 515B.4-112 through 515B.4-115, copies of which are reproduced and attached hereto. No other warranties are provided by Declarant, either expressed or implied.

(12) Notice of Disclosure Statement to Purchaser, Cancellation of Purchase:

- (i) **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 terminate upon the purchaser's voluntary acceptance of a conveyance of the Unit from the Declarant or by purchaser agreeing to modify or waive the right to cancel in the manner provided by Section 515B.4-106(a);**

- (ii) **If a purchaser receives a Disclosure Statement more than ten (10) days before signing a Purchase Agreement, the purchaser cannot cancel the Purchase Agreement; and**
- (iii) **If a Declarant obligated to deliver a Disclosure Statement fails to deliver a Disclosure Statement which substantially complies with Chapter 515B to a purchaser to whom a Unit is conveyed, the Declarant shall be liable to the purchaser as provided in Minnesota Statutes Section 515B.4-106(d).**

(13) Judgements, Lawsuits:

The Declarant or any affiliate, after reasonable inquiry, has no actual knowledge of any judgments against the Association, pending suits to which the Association is a party, or pending suits material to the Common Interest Community or the Unit being purchased.

(14) Escrow of Earnest Money:

As set forth in Minnesota Statutes Section 515B.4-109, all earnest money paid or deposits made in connection with the purchase or reservation of Units from or with a Declarant shall be deposited in an escrow account controlled jointly by the Declarant and the purchaser, or controlled by a licensed title insurance company or agent thereof, an attorney representing either the Declarant or the purchaser, a licensed real estate broker or an independent bonded escrow company. The escrow account shall be in an institution whose deposits are insured by a governmental agency or instrumentality. The money or deposits shall be held in the escrow account until (i) delivered to the Declarant at closing; (ii) delivered to the Declarant because of the purchaser's default under a reservation agreement or a contract to purchase the Unit; (iii) delivered to the purchaser pursuant to the provisions of section 515B.4-106 or the provisions of a reservation agreement or a contract to purchase; or (iv) delivered for payment of construction costs pursuant to a written agreement between the Declarant and the purchaser.

Any earnest money paid in connection with the purchase of a Unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the Purchase Agreement pursuant to Section 515B.4-106 of the Minnesota Uniform Common Interest Ownership Act. The name and address of the escrow agent holding said earnest money is or shall be the listing agent for this project who is a licensed real estate broker or a licensed title insurance company.

(15) Insurance Coverage:

The insurance coverage provided by the Association for the benefit of the Unit owners is in the form of a blanket policy which is described on an attachment hereto. The Association is not required to provide insurance coverage with respect to fixtures, decorating items or construction items within a Unit, or with respect to loss of or damage to any of the property constituting or located upon a Unit. The following items are covered by the insurance coverage provided by the Association unless set forth in the policy: (i) all personal property belonging to the Association and all structures,

fixtures, buildings and other improvements included in the Real Estate subject to the Declaration (including all building service equipment in all of the Units and the fixtures installed therein as of the date hereof, and specifically including, without limiting the generality of the foregoing, interior walls, interior doors, built-in cabinets and counters and electrical and plumbing conduits, pipes and fixtures installed therein as of the date hereof, but not including carpeting, drapes, wall coverings, furniture, furnishings, or personal property belonging to the Unit Owners and not including improvements, fixtures and other property supplied or installed by Unit Owners) (ii) each Unit Owner shall maintain insurance for such Owner's own benefit insuring such Owner's personal liability, and such Owner's carpeting, drapes, wall covering, fixtures, furniture, furnishings, personal property and improvements, fixtures and other property supplied or installed by such Owner or a previous Unit Owner or tenant. If any additional improvements and betterments are covered, any increased cost may be assessed by the Association against the Units affected.

(16) Fees for use of Common Elements and Improvements:

There are no current or expected fees or charges, other than Assessments for Common Expenses, to be paid by Unit owners for the use of the common Elements and other improvements or facilities related to the CIC, except those Units to which a boatslip or dock is assigned, shall be responsible for such fees as may be set by the Association.

(17) Financial arrangements for Improvement to be completed by Declarant:

No such arrangements have been made.

(18) Cooperative Real Estate Taxes:

Not applicable, as this is not a Cooperative.

(19) Real Estate Taxes:

The real estate taxes for the Real Property of the Association and the Unit for which this Disclosure Statement is given are not delinquent. The real estate taxes, including special assessments certified for payment with the real estate taxes, due and payable with respect to the Unit for which this Disclosure Statement is given are unknown as of the time of making of this Disclosure for taxes payable in the year of sale. Taxes payable in the year of sale may or may not have been determined by the County Assessor. You should check with the County Assessor for estimates for taxes payable in the year of sale.

(20) Master Association:

At this time, neither Sundance Ridge Condominium Owners Association, Inc., nor the Unit Owner will be a member of a Master Association.

(21) Completion of Unit:

The Unit for which this Disclosure Statement is given will be substantially completed at the time of closing. If the Unit is not substantially completed at the time of the closing, Declarant will be responsible to complete and pay for the construction of the Unit.

(22) Copies of CIC Documents:

Copies of the Declaration, Supplements and any amendments thereto, the Common Interest Community Plat and Supplements, any other recorded covenants, conditions, restrictions, and reservations affecting the Common Interest Community, the Articles of Incorporation, By-Laws, and current Rules and Regulations of the Association are attached hereto. The Directors of the Association have the right to promulgate additional Rules and Regulations.

Any management contract, employment contract, or lease of recreational facilities, units, garages, or other parking facilities, (ii) any contract, lease or license binding the Association to which the Declarant or an affiliate of Declarant is a party, or (iii) any contract, lease or license binding the Association of any Unit owner other than the Declarant or an affiliate of the Declarant which is not bona fide or which was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the Association at any time after the expiration of Declarant Control upon not less than ninety (90) days' notice to the other party.

(23) Balance Sheet, Budget:

A current balance sheet and a current budget for the Association is attached hereto. No projected budget for future years has been adopted by the Association. The balance sheet and budget were prepared by the Declarant.

(24) Flexible Common Interest Community, Notice of Right to Add Additional Real Estate:

This Condominium is a flexible Common Interest Community. The following notice is required by Minnesota Statutes:

The Declarant has reserved in the Declaration certain rights to add Additional Real Estate to the Common Interest Community. These rights allow the Declarant to add Units or Common Elements to the Common Interest Community, and to make other changes to the community over a specified period of time. These changes may have a substantial effect upon the rights of the Unit Owners by changing relative voting power and share of Common Expenses by increasing the number of persons using the Common Elements, by altering the size and appearance of the Common Interest Community, and by making other changes which effect the value or utility of the Units. A purchaser of Units in the Common Interest Community should consider the possible affects of Declarant's rights reserved for this project.

The right to add Additional Real Estate is found in paragraph 11 of the Declaration.

Broker and Agent Disclosure:

_____ is a licensed real estate broker and agent in Minnesota, and represents the Declarant.

Additional Disclosures:

a. Walking Trail. A principal of the Declarant has secured a license for the construction, use, and maintenance of a paving stone walking trail on lands of the United States adjacent to the Common Interest Community for a five-year period. As may be permitted by this license, the Declarant's intent is for the construction, use, and maintenance of this paving stone walking trail by and for the Sundance Ridge Condominiums Owners Association and its members. No representation is made by the Declarant of the availability for the use of, or future use of, this trail. The Sundance Ridge Condominium Owners Association will be responsible for the maintenance and up-keep of this trail, subject to the license and any other rules or regulations of the City or any other governmental agency. The Association will attempt to renew the license at the end of its term. A copy of the License is attached as Attachment K to the Disclosure Statement.

b. Rental of Units. The Declaration does not require an Owner to place their Unit in a rental pool unless they choose to rent their Unit, in which case the Unit must be placed in a rental pool, which will be managed by a designated agent.

ATTACHMENTS ARE A PART OF THIS DISCLOSURE STATEMENT

EXHIBIT A TO DISCLOSURE STATEMENT

**DECLARATION OF SUNDANCE RIDGE
COMMON INTEREST COMMUNITY NUMBER 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS**

**COMMON INTEREST COMMUNITY NUMBER 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
DECLARATION**

THIS DECLARATION is made this 14th day of June, 2004, by SUNDANCE II, LLC, a Minnesota Limited Liability Company (hereinafter referred to as "Declarant"), and by American National Bank of Minnesota, a United States Corporation, (hereinafter referred to as "Mortgagee") pursuant to the provisions of the Minnesota Common Interest Ownership Act, Minnesota Statutes Sections 515B.1-101 to 515B.4-118 as amended (hereinafter referred to as the "Act").

WHEREAS, the Declarant is the fee simple owner of that certain real estate situated in Crow Wing County, Minnesota, legally described as:

Lots 1, 2, 3, 4, and 7, Block 1, Sundance Ridge, a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

(hereinafter referred to as the "Real Estate"); and

WHEREAS, the Real Estate is improved with and includes 4 buildings containing 10 residential Units and other facilities.

WHEREAS, Mortgagee is the holder of the Mortgagee's interest in that certain mortgage covering the Real Estate and filed for record as Document Number 650265 and 650267 in the office of the County Recorder in and for Crow Wing County, Minnesota; and

NOW, THEREFORE, in order to establish the Real Estate as a Condominium pursuant to the Act, Declarant and Mortgagee hereby declare that the Real Estate is subject to the covenants, restrictions, terms and conditions hereinafter set forth in this Declaration, which shall constitute covenants running with the Real Estate and shall be binding on Declarant and Mortgagee, their successors and assigns, and on all subsequent holders of any right, title or interest in or to all or any part of the Real Estate, their grantees, successors, heirs, personal representatives, devisees and assigns;

1. General. The Common Interest Community created hereby pursuant to the Act is a Condominium, and it is not currently subject to a Master Association. The name and number of the Condominium, the County in which the Condominium is situated, and the legal description of the Real Estate included in the Condominium are as hereinabove set forth. The Association (as hereinafter defined) has been incorporated under Chapter 317A of Minnesota Statutes. The Common Interest Community is a Flexible Common Interest Community, which Additional Real Estate may be added. Declarant has incorporated Sundance Ridge Condominium Owners Association, Inc.

(referred herein as "Association"), under the laws of the State of Minnesota as a non-profit corporation for the purpose of acting as the Association with the duty and power of maintaining, administering and enforcing the covenants and restrictions, and collecting and enforcing the assessments and charges hereinafter created and imposed.

2. Condominium Units. There are 10 separate Units located in 4 buildings as shown on the Common Interest Community Plat (hereinafter referred to as the "CIC Plat") certified by Barry Dorniden, Brown Herkenhoff Engineers and Land Surveyors, 1424 - 2nd Street North, Sauk Rapids, Minnesota 56379, Registered Land Surveyor, Minnesota Registration No. 23044, as accurately depicting all the information required by Section 515B.2-110(c) of the Act, which CIC Plat is a part hereof. The identifying number, location and boundaries of each of the 10 Units established hereby are set forth in Exhibit A attached hereto and/or in the CIC Plat. The boundaries of each Unit shall be the interior unfinished surface of the walls, floors and ceilings thereof depicted as boundaries in the CIC Plat. Accordingly, all lath, furring, wallboard, plasterboard, and plaster constituting a part of the wall shall be deemed to be outside of the Unit and any paneling, tiles, wallpaper, paint, carpeting, linoleum or other wall or floor coverings or finishings shall be deemed to be included within the Unit. The entry area depicted on the CIC Plat shall be considered part of the Unit. All doors and windows located in the perimetrical walls of a Unit shall be deemed to be part of that Unit. Each of the 10 Units is hereby allocated one vote in the Association. The percentages of undivided interests in the Common Elements and the percentages of the Common Expenses of the Association are hereby equally allocated to the Units. The percentages of undivided interests in the Common Elements and of the Common Expenses of the Association allocated to each Unit on such basis is the Percentage Interest set forth opposite each such Unit in Exhibit A attached hereto.

3. Common Elements; Limited Common Elements. All portions of the Real Estate other than the Units are Common Elements. Certain portions of the Common Elements designed to serve a single Unit are, by operation of Section 515B.2-102(d) and (f) of the Act, Limited Common Elements allocated for the exclusive use by the respective Unit served thereby to the exclusion of other Units. As shown on the CIC Plat, the driveways or the half of the driveways and the sidewalks adjacent to and serving each unit are Limited Common Elements allocated for the exclusive use of the respective Unit indicated on the CIC Plat to the exclusion of the other Units. Additionally, the air conditioning equipment serving each Unit and deck or patio area which are accessible from each Unit are Limited Common Elements allocated for the exclusive use of such Unit to the exclusion of the other Units. The air conditioning equipment which is a Limited Common Element allocated to each Unit shall be maintained, repaired and replaced by the Owner of each such Unit at such Owner's sole cost and expense, but may be subject to a master maintenance agreement held and managed by the Association. Notwithstanding the foregoing, the Association by Rules and Regulation may agree to maintain the air conditioning equipment in the Limited Common Element and the heating equipment located in the Unit. The Association may assess the cost of such maintenance as a Common Expense, or as a Limited Allocation Assessment to the individual Unit.

An allocation of Limited Common Elements established pursuant to this Declaration may be changed as hereinafter provided. The reallocation shall be accomplished by an amendment to this Declaration executed by the Owners between or among whose Units the reallocation is made and the Association. The Unit Owners required to execute the Amendment shall submit to the Association an application, including a proposed Amendment, for approval as to form and compliance with this Declaration and the Act. The Association, through its Board of Directors, shall have the right to establish fair and reasonable procedures and timeframes for the submission and processing of the applications, and shall maintain records thereof. If approved, the Unit Owners executing the Amendment shall promptly record the Amendment and deliver a copy of the recorded Amendment to the Association. The Association may require the Unit Owners executing the Amendment to pay all fees and costs for reviewing, preparing, and recording the Amendment and any amended CIC Plat.

THE COMMON ELEMENTS ARE OWNED BY THE ASSOCIATION FOR THE BENEFIT OF THE UNIT OWNERS, AND ARE HEREBY GRANTED AND CONVEYED TO THE ASSOCIATION WITHOUT THE NEED FOR ANY OTHER ACT BY OR INSTRUMENT FROM THE DECLARANT.

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:

A. General. Each Owner shall be a member of the Association by virtue of his or her ownership of a Unit, and the membership shall be 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.

B. Voting and Common Expenses. Voting rights and Common Expense obligations are allocated equally among the Units, subject to this Declaration.

C. Appurtenant Rights and Obligations. The ownership of a Unit shall include the voting rights and Common Expense obligations. Said rights, obligations and interests, and the title to the Units, shall not be separated or conveyed separately.

D. Authority to Vote. The Owner, or some other 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; provided, that if there are multiple Owners of a Unit, only the Owner or other Person designated pursuant to the provisions of the By-Laws may cast such vote. The voting rights of Owners are more fully described in the Bylaws.

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

A. General. The operation and administration of the Association and the Property, shall be governed by the Declaration, By-Laws, the Rules and Regulations and the Act ("Governing Documents"). The Association shall, subject to the rights of the Owners set forth in the Governing Documents, be responsible for the operation, management and control of the Property. The Association shall have all powers described in the Governing Documents and the statute under which it 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. All references to the Association means the Association acting through the Board unless specifically stated to the contrary.

B. 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; (ii) maintaining, repairing and replacing those portions of the Property for which it is responsible; and (iii) preserving the value and architectural uniformity and character of the Property.

C. 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 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.

D. By-Laws. The Association shall have By-Laws. The By-Laws and any amendments thereto shall govern the operation and administration of the Association.

E. 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; provided, however, that such delegation shall not relieve the Officers and Directors of the ultimate responsibility for the performance of their duties.

C. Special Assessments. In addition to Annual Assessments, and subject to the limitations set forth herein, the Board may levy in any Assessment year a Special Assessment against all Units for the purpose of defraying in whole or in part (i) the cost of any unforeseen or unbudgeted Common Expense, (ii) general or specific reserves for maintenance, repair or replacement and (iii) the maintenance, repair or replacement of any part of the Property, and any fixtures or other property related thereto. Notwithstanding the foregoing, any Special Assessment shall be subject to approval by the vote of sixty-seven percent (67%) of the Owners voting, in person or by proxy, at a meeting called for that purpose. Written notice of the meeting shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of the meeting.

3. Until the termination of the period of Declarant control, and except for the variations authorized herein and premiums on insurance carried by the Association, the increase in the Annual Assessment for any year shall not exceed the greater of (i) five percent (5%) of the total Annual Assessment for the Association's previous fiscal year or (ii) the percentage increase in the National Bureau of Labor Statistics Consumer Price Index for the Minnesota Twin City Metropolitan Area (or comparable index if not available) for the most recent available year, multiplied by the total Annual Assessment for the Association's previous fiscal year. Notwithstanding the foregoing, a larger increase in the Annual Assessment will occur where it is approved by the vote of sixty-seven percent (67%) of those Owners voting, in person or by proxy, at a meeting called for that purpose. Written notice of the meeting shall be sent to all Owners not less than twenty-one (21) days nor more than thirty (30) days in advance of the meeting. The foregoing restriction shall apply only during the period of Declarant Control of the Association.

2. After a Common Expense assessment is levied, the Annual Assessment may be subsequently increased by the Board, subject to limitations contained herein.

1. Until a Common Expense assessment is levied, Declarant shall pay all accrued expenses of the Common Interest Community.

B. Annual Assessments. Annual assessments shall be established and levied by the Board, subject only 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 equally by all Units. Annual Assessments shall be payable in equal monthly installments. Annual Assessments shall provide, among other things, for contributions to a separate reserve fund sufficient to cover the periodic cost of maintenance, repair and replacement of the Common Elements and those parts of the Units for which the Association is responsible.

A. General. Assessments shall be determined and assessed against the Units by the Board, in its discretion; subject to the limitations set forth in this Section and the requirements of the By-Laws. Assessments shall include Annual Assessments and may include Special Assessments and Limited Allocation Assessments. Assessments shall be allocated among the Units equally. Limited Allocation Assessments shall be allocated to the Units as set forth in that Section.

6. Assessments.

F. 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 Real Estate; provided that the Rules and Regulations shall not be inconsistent with the Governing Documents.

D. Working Capital Fund. There shall be established a working capital fund to meet unforeseen expenditures or to purchase additional equipment or services during the Association's beginning years of operation. The Board shall include in each subsequent annual budget a reasonable amount of working capital, based upon the anticipated needs of the Association for the year in question. The funds shall be deposited into the Association's account, and Declarant may not use the funds to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficit while Declarant is in control of the Association. However, upon closing of a previously unsold Unit, Declarant may reimburse itself from funds collected at the closing for funds which it contributed to the Working Capital Fund with respect to that Unit.

E. Limited Allocation Assessments. In addition to Annual Assessments and Special Assessments, the Board may, at its discretion, levy and allocate Limited Allocation Assessments among only certain Units in accordance with the following:

1. Any Assessment associated with the maintenance, repair, or replacement of a Limited Common Element undertaken by the Association may 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.
2. Any Assessment or portion thereof benefitting fewer than all of the Units may be assessed exclusively against the Units benefitted, 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.
3. The costs of insurance may be assessed in proportion to value or risk of coverage per Unit, and the costs of utilities may be assessed in proportion to usage.
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, against an Owner or Occupant or their guests, may be assessed against the Owner's Unit.
5. Fees, charges, late charges, fines and interest may be assessed as provided in Sections 515B.3-115, 515B.3-116, and 515B.3-117 of the Act.
6. Assessments levied under Sections 515B.3-115 and 515B.3-116 of the Act to pay a judgment against the Association may be levied against the Units existing at the time the judgment was entered, in proportion to their Common Expense liabilities.
7. If any damage to the Common Elements, Limited Common Elements or another Unit is caused by the act or omission of any Owner or Occupant, their guests or their pets, the Association may assess the costs of repairing the damage exclusively against the Owner's Unit to the extent not covered by insurance.
8. If any installment of an assessment becomes more than thirty (30) days past due, then the Association may, upon ten (10) days written notice of the Owner, declare the entire amount of the assessment immediately due and payable in full.
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.

10. Any Assessment associated with the maintenance, repair or replacement of the dock or boatslips undertaken by the Association may be assessed exclusively against the Unit or Units to which the dock space or boatslips are assigned, on the basis of (i) equality; (ii) square footage or type of area being maintained, repaired or replaced or; (iii) the actual cost incurred with respect to each assigned dock space or boatslip.

Assessments under Section 6E shall not be considered Special Assessments as described in Section 6C, and may, at the Board's discretion, be assessed as part of, or in addition to, the Assessments levied under Section 6.

F. 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 Alternative Assessment Program described in Section 6G. 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 his or her share of Common Expenses by right of set-off, by waiver of use or enjoyment of any part of the Property and Real Estate, by absence from or abandonment of the Unit, by the waiver of any 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. The Association may invoke the charges, sanctions and remedies set forth herein, in addition to any remedies provided elsewhere in the Governing Documents or by law, for the purpose of enforcing its rights hereunder.

G. Declarant's Alternative Assessment Program. The following Alternative Assessment program is established pursuant to Section 515B.3-115(a)(2) of the Act. Notwithstanding anything to the contrary in this Section 6, if a Common Expense has been levied, any unsold Unit owned by Declarant shall be assessed at the rate of twenty-five percent (25 %) of the Assessment levied on other Units of the same type until a certificate of occupancy has been issued with respect to such Unit by the municipality in which the Unit is located. This reduced assessment shall apply to each Unit owned by Declarant at the time that the Unit is created, and shall continue until the issuance of the certificate of occupancy as previously described. The Declarant's authority to commence the Alternative Assessment Program will end upon the expiration of the period of Declarant's control of the Association, as provided in Section 515B.3-103 of the Act and as set forth in this Declaration. Although this Alternative Assessment Program will not affect the allocated share of replacement reserves attributable to Units owned by Declarant, there are no assurances that this Alternative Assessment Program will have no effect on the level of services for items set forth in the Association's budget.

H. 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, lines 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. The release of the lien shall not release the Owner from personal liability unless agreed to in writing by the Association. **RECORDING OF THIS 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.**

I. 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 as a lien under 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, 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.

J. Lien Priority; Foreclosure. A lien under this Section 6 is prior to all other liens and encumbrances on a Unit except (i) liens and encumbrances recorded before this Declaration, (ii) any first mortgage on the Unit, and (iii) liens for real estate taxes and governmental assessments or charges against the Unit. Notwithstanding the foregoing, if a first mortgage on a Unit recorded on or after the date of the recording of the Declaration is foreclosed and 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 Section 515B.3-115 of the Act which became due, without acceleration, during the six (6) months immediately preceding the first day following the end of the Owner's period of redemption.

K. Voluntary Conveyances; Statement of Assessments. In a voluntary conveyance of a Unit the purchaser 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 purchaser, unless expressly assumed by the purchaser. However, the lien of such Assessments shall remain against the Unit until satisfied or released, and may be foreclosed or otherwise enforced. Any seller or purchaser 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 purchaser.

7. Use of the Condominium. The Condominium and each of the Units shall be used and occupied in accordance with the following provisions:

A. Residential Use Only. Subject to the provisions contained in this Declaration, the Condominium and each of the Units are intended for residential purposes only. No use may be made of any Unit except that of a residence for the Unit Owners thereof, their families, tenants and social guests and no business or commercial use shall be permitted on the Real Estate except as specifically provided in this Declaration and specifically Section 7C entitled "Rental of Units." The Association may maintain an office on or in any part of the Real Estate for management and sale purposes.

B. Use for Sales Purposes. So long as Declarant owns any Unit or the Additional Real Estate parcels, Declarant may maintain advertising signs on any part of the Common Elements and sales offices, management offices and model Units within any Unit or Units or in or on any part of the Common Elements and such sales offices, management offices and model Units may be relocated by Declarant from time to time.

C. Time shares; Rental of Units. Time shares (as defined in the Act) are not permitted. This Declaration requires a minimum of five (5) rentals/leases per lease year of any one Unit or a combination of Units. All Units shall be placed in a rental pool, which will be managed according to the Rules and Regulations of the Association. The Unit Owners of the respective Units shall not lease less than the entire Unit. Any lease arrangement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of Governing Documents and to any Rules and Regulations established by the Board of Directors, shall contain the agreement of the tenant to be bound by the terms of such documents and shall provide that any failure by the tenant to comply with the terms of such documents or rules shall be a default under the lease or rental agreement. All leases shall be required to be in writing and any

Unit Owner leasing or renting a Unit shall, prior to the commencement of the lease or rental term, deliver to the Secretary of the Association, or designated leasing agent, a complete copy of the lease or rental agreement. Other than the foregoing, the Unit Owners of the respective Units shall have the absolute right to lease the same, subject to the Rules and Regulations of the Association. The Rules and Regulations may require that all leasing of Units be through an Association approved leasing agent.

D. Easements for Encroachments. If, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Condominium, any portion of the Common Elements encroaches upon a Unit or Units or any portion of a Unit encroaches upon the Common Elements or upon an adjoining Unit or Units, a valid easement for the encroachment and for the maintenance thereof, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units for the purposes of marketability of title. In the event the Real Estate is partially or totally destroyed, and then rebuilt, the Unit Owners shall permit minor encroachment of parts of the Common Elements, and of other Units, due to reconstruction, and a valid easement for said encroachments and the maintenance thereof shall exist.

E. Access Easements. Each Unit shall be the beneficiary of an appurtenant easement for access to a public street or highway on or across the Common Elements as shown on the Plat, subject to any restrictions set forth in this Declaration.

F. Use and Enjoyment Easements. Each Unit shall be the beneficiary of appurtenant easements for use and enjoyment on and across the Common Elements, and for use and enjoyment of any Limited Common Elements allocated to the Unit, subject to any restrictions authorized by this Declaration.

G. Benefit of Easements. All easements benefitting a Unit shall benefit the Owners and Occupants of the Unit, and their families and guests. However, an Owner who has delegated the right to occupy the Unit to an Occupant or Occupants, whether by lease or otherwise, does not have the use and other easements rights in the Property during such delegated occupancy, except as a guest of an Owner or Occupant or in connection with the inspection of the Unit or recovery of possession of the Unit from the Occupant pursuant to law.

H. 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 beneficial interest in such property shall not be transferable except with the transfer of a Unit. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Member may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Members. The Association shall have the authority to impose reasonable rules, regulations and charges upon the use of such property.

I. Emergency Access to Units. In case of emergency, all Units and Limited Common Elements are subject to an easement for access, without notice and at any time, by an officer or member of the Board, by the Association's management agents or by any public safety personnel. The Board may require that an Owner or Occupant leave the keys to the Unit with another owner of his or her choice or agent of the Board, and to advise the manager or Board of the locations of the keys, so as to allow access for emergencies when the Owner or Occupant is absent for extended periods.

J. Rules. Each Unit Owner, occupant, tenant or guest shall use the Units and the Common Elements only in compliance with the provisions of the Act, this Declaration, the Articles and the Bylaws of the Association, all as lawfully amended from time to time, and with all decisions, resolutions and rules promulgated by the Board of Directors. Failure to comply with

any such provisions, rules, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief, or both. Additionally, in the event of any such failure to comply, the Association may levy and collect reasonable fines in accordance with the provisions of the Act.

K. Prohibited Activities. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Real Estate, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board of Directors cause unreasonable noise or disturbance to others. No residents or visitors may park in areas not specifically designated for parking on the CIC Plat or in this Declaration.

L. Unit Exterior. No clothing, sheets, blankets, laundry or other articles shall be hung, displayed or stored outside the Units, or which may be visible from the outside of the Units (other than draperies, curtains, or shades of a customary nature and appearance and in any event subject to the Rules and Regulations of the Board of Directors). No Owner shall paint or decorate or adorn the outside of such Owner's Unit, or install outside such Owner's Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Board of Directors in its discretion. No Owner of a Unit, shall display, hang, store or use any sign outside such Owner's Unit, or which may be visible from the outside of such Owner's Unit without the prior written permission of the Board of Directors. The foregoing notwithstanding, an Owner shall be permitted to display a sign of not more than three square feet in area advertising such Owner's Unit for sale or lease. Such sign shall be located in the yard area between such Owner's Unit and the road in front of such Unit.

M. Pets. No animal of any type shall be kept in any Unit or in the Common Elements, unless and until the Board of Directors has enacted Rules and Regulations specifically permitting the keeping of such type of animal. The Board of Directors shall have complete discretion as to whether or not it will permit the keeping of animals of any particular type. When deemed appropriate by the Board of Directors, it may, but shall not be required to, enact Rules and Regulations permitting the keeping of a specific type of animal when special circumstances are present. An example of the special circumstances contemplated hereby is the need for a Seeing Eye dog. The Board of Directors shall also have complete discretion as to the substance of any administrative Rules and Regulations enacted by it regarding the manner in which any permitted animal shall be kept, provided that the Board of Directors may not, in any case, permit the keeping of any animal for any commercial purpose. The Board of Directors shall have the right at any time, to change its Rules and Regulations relating to animals. Such right shall include the Right to prohibit the keeping of any animal of a type permitted to be kept by previously enacted Rules and Regulations. Any animal permitted to be kept shall be kept in strict accordance with the administrative Rules and Regulations relating to such animals from time to time approved by the Board of Directors and in any event shall be kept in a manner so as not to constitute a nuisance to others.

N. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in the Rules and Regulations promulgated by the Board of Directors. At its option, the Association may contract with a single provider for the removal and disposal of garbage, trash and other solid waste from all Units in accordance with this Declaration. Each Unit Owner shall be obligated to purchase such services from the provider designated by the Association upon the terms, conditions and rates negotiated by the Association. Any charges imposed by the provider designated by the Association shall be paid by the Association and shall be a Common Expense. In the event that any Unit Owner requests any services not included within the basic/general charges of the provider, the Association may assess all costs incurred for such additional services against that Unit Owner's Unit.

O. Storage of Personal Property. Except as provided in this Declaration or as permitted by the Rules and Regulations adopted from time to time by the Board of Directors in its sole discretion, no personal property of any kind whatsoever belonging to any Owner or to any tenant of such Owner or any guest or invitee of any Owner shall be stored, placed or kept, temporarily or permanently, in or on the Common Elements. Without limiting the generality of the foregoing, no motorized or non-motorized vehicles, boats, campers, cabs, trailers, recreational vehicles, snowmobiles, bicycles, tricycles or motorcycles shall be stored on any Common Element except inside a garage. The foregoing notwithstanding an Owner, may: (i) park operational motorized vehicles on the driveway allocated to such Owner's Unit as a Limited Common Element; (ii) keep normal and customary lawn and patio furniture and potted plants (but not play equipment) in the deck and patio allocated to such Owner's Unit as a Limited Common Element; and (iii) boats and watercraft may be kept in Common Elements as designated by the Board of Directors and the Rules and Regulations. Certain Units may be allocated boatslips and dock space as part of the purchase of the in Unit. The boatslips and dock space may be separately transferred from the Unit only upon approval of the Board of Directors and then only to another Unit. The boatslips and dock space may be leased to other Unit owners, their guests and Unit tenants only, and are subject to the Rules and Regulations.

P. Machines. No Owner shall overload the electrical wiring in the Condominium or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others.

Q. Rules and Regulations. The Board of Directors may, from time to time, promulgate rules and regulations regarding the use of the Units and the Common Elements, provided that such rules and regulations shall be reasonable in scope and shall tend to promote the use of the Real Estate for the purposes set forth herein.

R. Gardens and Shrubs. Except as permitted by the Board of Directors in its sole discretion, and except as provided in this paragraph above, no gardens, shrubs, flowers or other plants shall be planted by any Owner on any Common Element or Limited Common Element.

S. Visitor Parking. Parking areas in the Common Elements shall be designated for guests, invitees and visitors to the Condominium and shall not be used by Owners, except as may be permitted by the Rules and Regulations.

T. Blocking of Driveways. Under no circumstances shall any Owner block access to any garage other than the driveway to the garage allocated to such Owner's Unit as a Limited Common Element, and then only as permitted by the Rules and Regulations and this Declaration.

8. Maintenance and Repair.

A. Every Unit Owner shall perform promptly all maintenance and repair work required within such Owner's own Unit and which, if not performed, would affect the Common Elements or another Unit or Units. Upon the failure of any Unit Owner to perform such Owner's responsibilities under this paragraph, the Association may, but shall not be obligated to, perform the same and such Unit Owner shall be liable to the Association for all expenses incurred by the Association in performing the same and the amount thereof shall be a lien on such Owner's Unit and shall be collectible in the same manner as set forth herein with respect to Common Expense Assessments. All incidental damage or liability caused to a Unit or Units or to the Common Elements by the failure of a Unit Owner to perform such Owner's obligations under this paragraph or caused in the course of performing such obligations shall be the responsibility of the Unit Owner.

B. If maintenance, repairs or replacements to the Common Elements or to the Unit of another Unit Owner are necessitated by the negligence, willful act, misuse or neglect of a Unit Owner or of anyone for whose negligence, willful act, misuse or neglect such Unit Owner is responsible, the expense thereof shall be charged to such offending or responsible Unit Owner, and the amount thereof shall be a lien on such Owner's Unit and shall be collectible in the same manner as set forth herein with respect to Common Expense assessments.

C. The Association is responsible for maintenance, repair, and replacement of the Common Elements including the Limited Common Elements (as may be agreed to by the Association), and excluding the air conditioning equipment allocated as Limited Common Element (except as may be agreed to by the Association). Except as provided in paragraph 8.B. above, any Common Expense associated with the maintenance, repair or replacement of a Common Element or Limited Common Element (as may be agreed to by the Association), shall be assessed against all the Units in accordance with the Common Expense liability allocated to each Unit hereunder and shall not be assessed solely against the Unit or Units to which such Limited Common Element is assigned. Notwithstanding the foregoing, the Association by Rules and Regulations may agree to maintain the air conditioning equipment or other elements in the Limited Common Element and the heating equipment located in the Unit. The Association may access the cost of such maintenance as a Common Expense or as a Limited Allocation Assessment to the individual Unit. The Association shall have an easement for access and entry upon reasonable advance notice into and through any Unit where such access or entry is necessary for the Association to perform its maintenance, repair and replacement obligations.

THE ASSOCIATION SHALL NOT BE LIABLE TO THE OWNER OR ANY THIRD PARTY FOR IMPROPER OR INADEQUATE SNOW REMOVAL. THE OWNER WILL RELEASE, DEFEND AND INDEMNIFY THE ASSOCIATION AND HOLD THE ASSOCIATION HARMLESS FROM ALL CLAIMS.

D. All incidental damage caused to any Unit as a result of any work done by the Association in accordance with its responsibilities as set forth herein or in the Act or as a result of any damage to, failure of or malfunction of anything to be maintained, repaired or replaced by the Association in accordance with the provisions hereof or in the Act, shall be the responsibility of the Association and the cost of repairing such incidental damage shall be a Common Expense.

E. Notwithstanding the foregoing, the Association may by Rule agree to be responsible for more or less of the maintenance, repair and replacement in the Common Elements, Limited Common Elements, and Units. The Association may charge and access individual Units for the expense and the amount thereof shall be a lien on such Owner's Unit and shall be collectible in the same manner as set forth herein with respect to Common Expense Assessments.

9. Required Insurance. Commencing not later than the time of the first conveyance of a Unit to a Unit Owner other than Declarant, and in addition to the requirements of the Act, the Association shall maintain, to the extent reasonably available, the following insurance: (a) fire insurance with extended coverage endorsement (including vandalism, sprinkler leakage, debris removal, cost of demolition, malicious mischief, windstorm, water damage and all other perils which are customarily covered with respect to projects similar to the Real Estate in construction, location and use, including all other perils normally covered by the standard "all risk" endorsement, if such is available). Such insurance shall insure all personal property belonging to the Association and all structures, fixtures, buildings and other improvements included in the Real Estate subject to this Declaration (including all building service equipment and all of the Units and the fixtures installed therein as of the date hereof, and specifically including, without limiting the generality of the foregoing, interior walls, interior doors, built-in cabinets and counters and electrical and plumbing conduits, pipes and fixtures installed therein as of the date hereof, but not including carpeting, drapes, wallcoverings, furniture, furnishings, or personal property belonging to the Unit Owners and not including improvements, fixtures and other property supplied or installed by Unit Owners). Such insurance shall cover the interest of the Association, the Board of Directors and all Unit Owners and their mortgagees, as their

interests may appear, for full insurable replacement cost, as determined annually by the Board of Directors; (b) worker's compensation insurance and insurance covering legal liability arising out of lawsuits related to employment contracts of the Association; (c) comprehensive public liability insurance in such amounts (but not less than \$2,000,000 for any one occurrence) and with such coverage as the Board of Directors shall from time to time determine, but at least covering events occurring anywhere on the Common Elements or arising out of or in connection with the existence, use, ownership, management, or maintenance of the Common Elements, and insuring each officer and member of the Board of Directors, the Association, the managing agent, and their respective employees, agents, and all persons acting as agents, and each Unit Owner and with cross liability endorsement to cover liabilities of the Unit Owners as a group to a Unit Owner, or claims of one or more insured parties against other insured parties, and with a "Severability of Interest Endorsement" which would preclude the insurer from denying the claim of an insured party, including a Unit Owner, for the negligent act of another insured party, including a Unit Owner, occupant or the Association (the Unit Owners shall be included as additional insureds only for claims and liabilities arising in connection with the ownership, existence, use, or management of the Common Elements); (d) director's and officer's liability insurance in such amounts as the Board of Directors shall, from time to time, reasonably determine; and (e) such other insurance as the Board of Directors may determine. If reasonably available, the policy or policies of fire and extended coverage shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild and an inflation guard endorsement. The Board of Directors may from time to time designate an insurance trustee to receive proceeds.

The Association may, in the case of a claim for damage to a Unit or Units, (i) pay the deductible amount as a common expense, (ii) assess the deductible amount against the Units affected in any reasonable manner it may determine, or (iii) require the Unit Owners of the Units affected to pay the deductible amount directly.

If the insurance described herein is not reasonably available, the Association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Unit Owners.

Insurance policies carried herein shall provide that: (i) each Unit Owner and secured party is an insured person under the policy with respect to liability arising out of the Unit Owner's interest in the Common Elements or membership in the Association; (ii) the insurer waives its right to subrogation under the policy against any Unit Owner or members of the Unit Owner's household and against the Association and members of the Board of Directors; (iii) no act or omission by any Unit Owner 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 (iv) if at the time of a loss under the policy there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy is primary insurance.

Any loss covered by the property policy herein shall be adjusted by and with the Association. The insurance proceeds for that loss shall be payable to the Association, or to an insurance trustee designated by the Association for that purpose. The insurance trustee or the Association shall hold any insurance proceeds in trust for Unit Owners and their mortgagees as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and Units. Unit Owners and mortgagees are not entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and Units have been completely repaired or restored or the Condominium is terminated.

An insurer that has issued an insurance policy pursuant to this paragraph shall issue certificates or memoranda of insurance, upon request, to any Unit Owner or mortgagee. The insurance may not be canceled until 30 days after notice of the proposed cancellation has been mailed to the Association, each Unit Owner and each mortgagee to whom certificates of insurance have been issued.

Each Unit Owner shall maintain insurance for such Owner's own benefit insuring such Owner's personal liability, and such Owner's carpeting, drapes, wallcovering, fixtures, furniture, furnishings, personal property and improvements, fixtures and other property supplied or installed by such Owner or a previous Unit Owner or tenant; provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In addition to the foregoing powers, and not in limitation thereof, the Board of Directors shall have the authority at all times without action by the Unit Owners to obtain and maintain in force any other coverages or endorsements which are required under the Act or which the Board of Directors deems necessary or desirable.

Insurance premiums for any blanket property insurance coverage and the other insurance coverages purchased by the Association shall be Common Expenses to be paid by assessments levied by the Association, and such assessments shall be held in an account of the Association and used solely for the payment of the blanket property insurance premiums and other insurance premiums as such premiums become due.

10. Rights of First Mortgagees. The following provisions shall take precedence over all other provisions of this Declaration, and in the event of any inconsistency or contradiction, the following provisions shall control:

A. A first mortgagee of a Unit or its assigns, upon request, will be entitled to written notification from the Association of: (a) any default in the performance by the Unit Owner of any obligation under this Declaration or the Bylaws of the Association which is not cured within sixty (60) days; (b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; or (c) any proposed action which, pursuant to this Declaration or the Act, requires the consent of a specified percentage of the first mortgagees of the Units.

B. In addition to statutory requirements for amendment of this Declaration and the Bylaws of the Association, unless at least sixty-seven percent (67%) (or such higher percentage as is required by law or this Declaration) of the first mortgagees of the Units or their assigns (based upon one vote for each first mortgage owned), and of the Unit Owners (other than any sponsor, developer, or builder including the Declarant) of the Units have given their prior written approval, the Association shall not be entitled to:

(i) By act or omission, seek to abandon, encumber, sell or transfer the Common Elements (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed such a transfer).

(ii) Use hazard insurance proceeds for losses to any Condominium property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium property, except as provided by statute in case of substantial loss to the Units and/or Common Elements of the Condominium.

(iii) Effect any decision by the Association to terminate professional management and assume self-management of the Condominium.

(iv) Partition or subdivide any Unit or the Common Elements.

(v) By act or omission seek to abandon or terminate the Condominium.

(vi) Add or amend any material provision of this Declaration or the Articles or Bylaws of the Association which establishes, provides for, governs or regulates any of the following:

a. Voting;

- b. Increases in assessments for Common Expenses that raise the previously assessed amount by more than 25%, assessment liens or the priority or subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the Common Elements;
- d. Insurance or Fidelity Bonds;
- e. Rights to use of the Common Elements;
- f. Responsibility for maintenance and repair of the several portions of the Condominium;
- g. Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- h. Boundaries of any Unit;
- i. The interests in the Common Elements or Limited Common Elements;
- j. Convertibility of Units into Common Elements or of Common Elements into Units;
- k. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey such Owner's Unit;
- l. Restoration or repair of the Condominium after damage or partial condemnation;
- m. Change the pro rata interest or obligations of any Unit in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Unit in the Common Elements. (The reallocation of undivided interests in and Common Expenses with respect to the Common Elements resulting from the exercise of Declarant's options to add Additional Real Estate pursuant to paragraph 11 hereof shall not be subject to the foregoing.)
- n. Any provisions which are for the express benefit of the holders of first mortgages on the Units.

Any such addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Similarly, any addition or amendment to this Declaration, the Articles or the Bylaws of the Association which is made for the purpose of adding any one or more of the Additional Real Estate Parcels pursuant to paragraph 11 below shall not be considered material.

C. Any holder of a first mortgage on a Unit in the Condominium or such holder's designee will, upon request, be entitled to: (a) inspect the books, records and financial statements of the Condominium and current copies of this Declaration, the Bylaws of the Association and the rules and regulations of the Condominium, as the same may, from time to time, be amended or promulgated, during normal business hours; (b) receive an annual audited financial statement of the Condominium within 120 days following the end of any fiscal year of the Condominium; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

D. Assessments for Common Expenses shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be maintained, repaired or replaced on a periodic basis, and shall, when practicable, be payable in regular installments rather than by special assessments.

E. No provision of this Declaration or of the Bylaws of the Association shall be deemed to give a Unit Owner, or any other party, priority over any rights of first mortgagees of Units, or their successors in interest, pursuant to their mortgages in the case of a distribution to the Unit Owners of insurance proceeds or condemnation awards or settlements for losses to or a taking of Units and/or Common Elements. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the holder of any first mortgage on a Unit will be entitled to timely written notice of any such damage or destruction. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any first mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition. Upon the request of the holder of a first mortgage on any Unit, the Association shall agree in writing to notify such holder, any entity servicing such mortgage, and/or any other entity having an interest in such mortgage whenever damage to the Unit covered by such mortgage exceeds \$5,000.00 and whenever damage to the Common Elements exceeds \$10,000.00.

F. The right of a Unit Owner to sell, transfer, or otherwise convey the Owner's Unit will not be subject to any right of first refusal or any similar restriction in favor of the Association.

G. If the owner of a first mortgage of record on a Unit or a purchaser at a mortgage foreclosure obtains title to, or comes into possession of, a Unit pursuant to the remedies provided in the mortgage or by foreclosure of the first mortgage or by deed or assignment in lieu thereof, such acquirer of title or possession and such acquirer's successors and assigns, shall acquire such title or possession free of any claims, and shall not be liable, for the share of the unpaid Common Expenses or assessments chargeable to such Unit which accrued prior to the acquisition of title or possession to such Unit by such acquirer. Such unpaid share of the Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Unit Owners, including such acquirer and such acquirer's successors and assigns.

11. Option to Add to Condominium; Additional Real Estate Parcels.

Declarant shall have the option ("Option") without the consent or joinder of the Unit Owners, the Association, any holder of an interest as security for an obligation or any other person or entity, to add to the Condominium any one or more of the parcels of land (hereinafter referred to as the "Additional Real Estate Parcels") described in Exhibit B attached hereto and located in the City of Cross Lake, County of Crow Wing, State of Minnesota.

Such Option shall be subject to the terms and conditions hereinafter set forth:

A. Duration of Option. The Option will expire on that date which is ten (10) years after the date upon which this Declaration is recorded. There are no circumstances that will terminate the Option before the expiration of said ten (10) year period. In addition, and notwithstanding the foregoing, the Option may be extended by an Amendment to this Declaration approved in writing by the Declarant and by the vote or written agreement of Unit Owners other than the Declarant or an affiliate of the Declarant to whose Units are allocated at least 67 percent of the votes in the Association. Such Amendment shall specify the date upon which the Option as so amended will expire, and shall be duly recorded.

B. Timing. Each of the Additional Real Estate Parcels may be added at different times. An entire Additional Real Estate Parcel must be added at one time and portions of any Additional Real Estate Parcel may not be added. The various Additional Real Estate Parcels may be added in any order.

C. Maximum Number of Units. The maximum number of Units that may be created within the Additional Real Estate Parcels is 8, for a total of 18 Units for the Condominium. All of such Units will be restricted exclusively to residential use.

D. Buildings. Any buildings and Units that may be erected upon any Additional Real Estate Parcel which is added to the Condominium will be compatible with the buildings and Units originally constituting a part of the Condominium in terms of architectural style, structure type, quality of construction, principal materials employed in construction, and size.

E. Applicability of Restrictions. All restrictions in this Declaration affecting the use, occupancy, and alienation of Units will apply to Units created in any Additional Real Estate Parcel which is added to the Condominium.

F. Improvements in Common Elements. It is presently contemplated that the Common Elements in any Additional Real Estate Parcel added to the Condominium will be substantially comparable to those originally constituting a part of the Condominium. Declarant reserves the right to construct such other, additional improvements as a part of the Common Elements of one or more of the Additional Real Estate Parcels as Declarant may hereafter determine, but in no event shall Declarant have any obligation to construct any improvements to the Common Elements of any of the Additional Real Estate Parcels.

G. No Assurances. Nothing herein contained shall bind the Declarant to add any of the Additional Real Estate Parcels to the Condominium or to adhere to any particular plan of development or improvement for any portion of the Additional Real Estate Parcels not added to the Condominium. Declarant has reserved the right to add the Additional Real Estate Parcels to the Condominium, but the Declarant is not obligated to add any Additional Real Estate Parcels.

H. Exercise of Option. Declarant may exercise its option to add one or more of the Additional Real Estate Parcels by complying with the applicable notice requirements of Section 515B.2-111 of the Act and by securing the execution and recording of one or more amendments or supplements to this Declaration in the manner specified in said Section 515B.2-111. Such Amendment or Supplement shall allocate one vote in the Association to each Unit formed in the Additional Real Estate Parcel or Parcels being added and shall reallocate undivided interests in the Common Elements and the percentages of the Common Expenses of the Association among the Units equally. Contemporaneously with the filing of such Amendment or Supplement, the Declarant shall record supplemental CIC plats in accordance with the provision of Section 515B.2-110(e) of the Act.

The Amendment or Supplement as to any Additional Real Estate Parcel may not be recorded unless all structural components and mechanical systems of all buildings containing or comprising any Units thereby added to the Condominium, but not necessarily the Units, are substantially completed.

I. Assignment of Option. The Option described in this paragraph may be assigned by Declarant insofar as it affects any Additional Real Estate Parcel herein described to the extent and in the manner set forth in Section 515B.3-104.

J. Reservation of Easements. Declarant hereby reserves the right, in the event that one or more of the Additional Real Estate Parcels are not added to the Condominium (whether due to lapse of time or termination to create the following perpetual, non-exclusive easements appurtenant to the Additional Real Estate Parcel or Parcels which are not added to the Condominium in, over, upon, and under portions of the Common Elements within the Condominium and within such Additional Real Estate Parcel or Parcels as have or may be added to the Condominium pursuant to this paragraph:

(i) Non-exclusive easements for the following purposes: a) to connect any improvements constructed on the Additional Real Estate Parcel or Parcels which are not added to the Condominium (hereinafter referred to as the "Excluded Parcels", whether one or more) to any natural gas, storm sewer, water, sanitary sewer, electrical, telephone or other utility line, pipe, wire or other facilities, including the right to connect any improvements constructed on the Excluded Parcels into, and the right to utilize, such utility lines, pipes, wires or other facilities which are or may be located within and/or which may serve the Condominium and/or any such Additional Real Estate Parcel or Parcels as have or may be added to the Condominium; b) to obtain natural gas, water, electricity, telephone and other utility services from, and to discharge storm and sanitary waste into, all such lines, pipes, wires or other facilities; and c) to install, repair, maintain, operate and replace all such natural gas, storm sewer, water, sanitary sewer, electrical, telephone or other utility lines, pipes, wires, or other facilities; and d) to do such other acts or things as are necessary in order to connect into and/or to utilize such utility facilities to serve any improvement constructed or to be constructed on the Excluded Parcels provided, however, that Declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easements hereby reserved, shall be responsible for the restoration of any damage done or sustained in connection with the use of such easements.

(ii) Non-exclusive easements for the purposes of: a) affording the Excluded Parcels and any improvements constructed or to be constructed thereon with access to and from a public road; b) installing, repairing, maintaining, surfacing, resurfacing, grading, replacing and extending any private drives, lanes, streets, roads, or rights-of-way over which the easements hereby reserved are or may be located; and c) to do such other acts or things as are necessary in order to afford any improvement constructed or to be constructed on the Excluded Parcels with access to a public road provided, however, that Declarant, its successors or assigns, as the owner or owners of the Excluded Parcels benefited by the easements hereby reserved, shall be responsible for the restoration of any land, drives, streets, roads or rights-of-way which are disturbed in connection with the use of such easements, and provided further, however, that the location of the easements hereby reserved shall, to the extent practicable, be limited to the location of the private drives, lanes, streets, roads, and rights-of-way existing within the Common Elements at the time or times that the easements hereby reserved are created.

The easements herein reserved may be created in the event that, and from time to time as, one or more Excluded Parcels are created due to lapse of time or termination. As evidence of the creation of one or more of the easements reserved in this paragraph, the then owner or owners of the Excluded Parcels for whose benefit the easement is created shall execute and cause to be filed for record a Declaration of Easement setting forth a description of the easements thereby created and a description of the Excluded Parcels so benefited by the easements thereby created. No consent or joinder of the Association or any Unit Owner or any mortgagee or other holder of an interest in any Unit or Excluded Parcel as security for the performance of an obligation, nor any release therefrom, shall be required to effect or to evidence the creation of the easements hereby reserved. In addition, the owner of an Excluded Parcel or of a platted lot within an Excluded Parcel may at any time waive or terminate any easement hereby reserved or hereafter created for the benefit of such owner's Excluded Parcel or platted lot within an Excluded Parcel, as the case may be, by the execution and recording of an instrument specifying such waiver or termination, and without the necessity of any consent or joinder by the Association, any Unit Owner, or any mortgagee or other holder of an interest in any Unit or Excluded Parcel or platted lot within an Excluded Parcel as security for the performance of an obligation, or any release therefrom. In the event that easements reserved in this paragraph are created, the Unit Owners and the owner or owners of the Excluded Parcels benefited by such easements shall, so long as the easements reserved herein are in existence, share all expenses of maintaining, repairing and replacing the private drives, lanes, streets, roads, or rights-of-way, and the utility lines, pipes, wires and other facilities, which may be commonly used pursuant to the easements herein reserved in the following manner. A portion of any such costs and expenses equal to a fraction, the numerator of which is the number of Units in the Condominium and the denominator of which is the total number of Units in the Condominium and the total number of Units, lots or other individual parcels within the Excluded Parcels benefited by such easements, shall be paid by the Unit owners of the Condominium. The balance of any such costs or expenses shall be paid by the owner or owners of the Excluded Parcels benefited by such easements. Any portion of the costs and expenses to be paid by the Unit Owners of the Condominium shall be paid by the Association as a Common Expense. Notwithstanding the foregoing, if one or more Excluded Parcels benefited by such easements are used for other than residential purposes, then such costs and expenses shall be apportioned to, and shared by the Unit Owners and the owner or owners of such Excluded Parcel or Parcels on any fair and equitable basis.

12. 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 Declaration and By-Laws, the Rules and Regulations, the decisions of the Association, and such amendments thereto as may be made from time to time. 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.

A. Entitlement to Relief. The Association may commence legal action to recover sums due, for damages, for injunctive relief or to foreclose a lien owned by it, or any combination thereof, or an action for any other relief authorized by the Declaration and By-Laws or available at law or in equity. Legal relief may be sought by the Association against any Owner, or by an Owner against the Association or another Owner, to enforce compliance with the Declaration and By-Laws, the Rules and Regulations, the Act or the decisions of the Association. However, no Owner may withhold any Assessments payable to the Association, or take (or omit) other action in violation of the Declaration, By-Laws, the Rules and Regulations or the Act, as a measure to enforce such Owner's position, or for any other reason.

B. Sanctions and 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 any one 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:

1. Commence legal action for damages or equitable relief in any court of competent jurisdiction.
2. Impose late charges of up to the greater of twenty-five dollars (\$25) or fifteen percent (15%) of the amount due for each past due Assessment or installment thereof, and interest at up to the highest rate permitted by law.
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, together with all costs of collection and late charges, are not paid in full prior to the effective date of the acceleration. At least fourteen (14) days written notice of the effective date of the acceleration shall be given to the defaulting Owner.
4. Impose reasonable fines, penalties or charges for each violation of the Act, the Governing Documents or the Rules and Regulations of the Association.
5. Suspend the rights of any Owner or Occupant and their guests to use any Common Element amenities; provided, that this limitation shall not apply to Limited Common Elements or deck, balcony or patio easements, appurtenant to the Unit, and those portions of the Common Elements providing utility services 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.
6. Restore any portions of the Common Elements 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.
7. Enter any Unit 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, Occupants and/or their guests, and to summarily abate and remove, at the expense of the offending Owner or Occupant, any structure, thing or condition in the Unit or Limited Common Elements which is causing the violation; provided, that any improvements which are a part of a Unit may be altered or demolished only pursuant to a court order or with the agreement of the Owner.
8. Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided for the foreclosure of mortgages by action or under a power of sale in the State of Minnesota.

C. Rights to Hearing. In the case of imposition of any of the remedies authorized herein, the Board of Directors shall, upon written request of the offender, grant to the offender 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 ten (10) days within which to request a hearing. The hearing shall be scheduled by the Board of Directors and held within thirty (30) days of receipt of the hearing request by the Board of Directors, and with at least ten (10) days prior written notice to the offender. If the offending Owner fails to timely request a hearing or to appear at the hearing then the right to a hearing shall be waived and the Board of Directors may take such action as it deems appropriate. The decision of the Board of Directors and the rules for the conduct of hearings established by the Board of Directors shall be final and binding on all parties. The Board of Director's decision shall be delivered in writing to the

offender within ten (10) days following the hearing, if not delivered to the offender at the hearing. A party may be represented in any hearing by legal counsel; however, parties may not refuse to directly respond to requests for information or questions addressed to them by members of the Board of Directors except on grounds of self-incrimination, on other grounds deemed by the Board of Directors to be appropriate. In this connection, the Board of Directors need not accept the statements of counsel as being the statements of counsel's client if the Board of Directors desires direct testimony. The parties shall be held responsible for the conduct of their counsel. Formal rules of evidence and formal court-type procedures need not be followed by the Board of Directors. The Board of Directors may consider any evidence, testimony or matter it deems to be relevant. The Board may delegate the foregoing hearing authority to a committee of three or more disinterested Owners, who shall conduct the hearing and make a recommendation to the Board regarding disposition of the matter.

D. Lien for Charges, Penalties, Etc. Any Assessments, charges, fines, 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 right to pursue any others.

E. Costs of Proceeding and Attorneys' Fees. With respect to any collection measures, or any measures or action, legal, administrative, or otherwise, which the Association takes to enforce the provisions of the Act, Governing Documents or Rules and Regulations, whether or not finally determined by a court arbitrator, the Association may assess the violator and his or her Unit 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.

F. Liability for Owners' and Occupants' Acts. 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.

G. 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.

13. 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 (31) of the Act for so long as its owns a Unit or Additional Real Estate Parcels, or for such shorter period as may be specifically indicated:

A. Complete Improvements. To complete improvements indicated on the CIC Plat;

B. Add Additional Real Estate. To add Additional Real Estate Parcels to the Property, as provided for in this Declaration and the Act;

C. Create Units and Common Elements. To create Units, Common Elements and Limited Common Elements within the Condominium;

D. 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 any Units owned by Declarant from time to time, located anywhere on the Real Estate;

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

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

G. 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) recording of a written surrender of control of the Association by Declarant; (ii) the date which is 60 days after conveyance to Owners other than Declarant of 75% of the Units, including any Units which have then or may thereafter be added to the Condominium pursuant to paragraph 11; or (iii) the date five (5) years following the date of the first conveyance of a Unit to an Owner other than a Declarant. Notwithstanding the foregoing, however, not later than 60 days after conveyance of 50% of the Units, including Units which have then or may thereafter be added to the Condominium to Unit Owners other than Declarant, one-third of all of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant at a meeting of the Unit Owners to be called for such purpose;

H. Consent to Certain Amendments. As long as Declarant owns any unsold Unit or Additional Real Estate Parcels, Declarant's written consent shall be required for any amendment to this Declaration, the Articles of Incorporation or the Bylaws of the Association or rules and regulations which directly or indirectly affects or may affect Declarant's rights under this Declaration, or the Articles of Incorporation or Bylaws of the Association.

14. Participation in Master Association. The Board of Directors of the Association shall have the power and authority, pursuant to Section 515B.2-121 of the Act, to delegate to a Master Association any of the powers conferred herein by the Act, this Declaration or the By-Laws of the Association, including but not limited to the powers described in Section 515B.3-102(a)(2) of the Act. Nothing contained in this paragraph shall be deemed to require the Association to participate in or to be subject to a Master Association.

15. Miscellaneous.

A. Termination. Except in the case of a taking of all of the Units by eminent domain, this Condominium may be terminated only by the written agreement of eighty percent (80%) of the Unit Owners and eighty percent (80%) of first mortgagees of Units, and may not be abandoned, nor may such termination or abandonment be sought by act or omission, without such consent.

B. Right of Association to Hold Unit. Subject to the provisions of the Bylaws of the Association, the Board of Directors, acting on behalf of the Association, shall have the power to acquire, hold, lease, mortgage and convey a Unit, including the power to purchase a Unit at the foreclosure sale for unpaid assessments.

C. Remedies of Association. In the event of the failure of any Unit Owner to comply with the provisions of this Declaration, the Articles or the Bylaws of the Association, or the decisions, regulations or rules of the Association, the Association or any aggrieved Unit Owner may in addition to any other right or remedy available to the Association or such aggrieved Unit Owner, bring an action for the recovery of damages, injunctive relief or both. Suit to recover a money judgment for unpaid Common Expenses or for other amounts owing the Association may

be maintained by the Association without foreclosing or waiving the lien securing the same. In the event of any such suit or action, the prevailing party shall be entitled to recover from the losing party, an amount equal to all costs, including attorney fees, incurred by such prevailing party in the preparation for and prosecution of such suit or action.

D. Condemnation of Common Elements. Subject to the provisions of the Act, the Association shall have control over any condemnation proceedings, negotiations, settlements and agreements with the condemning authority relating to the acquisition by the condemning authority of the Common Elements or any part thereof.

E. Supplemental to Law. The provisions of this Declaration shall be in addition to and supplemental to the Act and to all other provisions of law. This Condominium is not subject to an ordinance provided for in Section 515B.1-106 of the Act.

F. Definition of Terms. As used in this Declaration or in the Bylaws of the Association, any words or terms defined in the Act shall have the meaning there ascribed to them. The singular shall be deemed to include the plural wherever appropriate; and unless the context clearly indicates to the contrary, any obligation imposed shall be joint and several. The "Association" shall mean Sundance Ridge Condominium Owners Association, Inc., a Minnesota non-profit corporation.

G. Administration. The Unit Owners of Units in the Condominium covenant and agree that the administration of the Condominium shall be in accordance with the provisions of the Act, this Declaration, and the Bylaws of the Association.

H. Walking Trail. A principal of the Declarant has secured a license for the construction, use, and maintenance of a paving stone walking trail on lands of the United States adjacent to the Common Interest Community for a five-year period. As may be permitted by this license, the Declarant's intent is for the construction, use, and maintenance of this paving stone walking trail by and for the Sundance Ridge Condominiums Owners Association and its members. No representation is made by the Declarant of the availability for the use of, or future use of, this trail. The Sundance Ridge Condominium Owners Association will be responsible for the maintenance and up-keep of this trail, subject to the license and any other rules or regulations of the City or any other governmental agency. The Association will attempt to renew the license at the end of its term. A copy of the License is attached as Attachment K to the Disclosure Statement.

16. Amendments. Except for amendments by Declarant pursuant to Sections 515B.2-111 and 515B.2-112(c) of the Act, this Declaration may be amended only by the approval of (i) Owners of Units to which are allocated at least sixty-seven percent (67%) of the votes in the Association, (ii) the percentage of Eligible Mortgagees (based upon one vote per first mortgage owned) required by Section 10 as to matters prescribed by said Section and (iii) the consent of Declarant to certain amendments as provided in Section 13. Consent of the Owners may be obtained in writing or at a meeting of the Association duly held in accordance with the By-Laws. Consents of Eligible Mortgagees and the Declarant 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.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the date and year first above written.

Declarant:

SUNDANCE II, LLC
a Minnesota Limited Liability Company

By [Signature]
Its: Chief Manager

AMERICAN NATIONAL BANK
OF MINNESOTA,
a United States Corporation

By [Signature]
Its VICE PRESIDENT

STATE OF MINNESOTA)
COUNTY OF Stearns) ss.

On this 14th day of June, 2004, before me a Notary Public within and for said County, personally appeared Stuart Swenson, to me known, who being by me duly sworn, did say that he/she is the Chief Manager of SUNDANCE II, LLC, the limited liability company named in the foregoing instrument, and that said instrument was signed on behalf of said company by authority of its Chief Manager and said Chief Manager Stuart Swenson acknowledged said instrument to be the free act and deed of said limited liability company.

[Signature]
Notary Public



STATE OF MINNESOTA)
COUNTY OF Stearns) ss.

On this 14th day of June, 2004, before me a Notary Public within and for said County, personally appeared Richard Remer, to me known, who being by me duly sworn, did say that he/she is the VP of AMERICAN NATIONAL BANK OF MINNESOTA, the corporation named in the foregoing instrument, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and said Richard Remer acknowledged said instrument to be the free act and deed of said corporation.

[Signature]
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:

Gray, Plant, Mooty, Mooty & Bennett, P.A.
Robert J. Walter
1010 West St. Germain
Suite 600
St. Cloud, MN 56301
Telephone: (320) 252-4414

EXHIBIT A TO DECLARATION

**COMMON INTEREST COMMUNITY NUMBER 1058
SUNDANCE RIDGE CONDOMINIUMS
SCHEDULE OF UNITS/LEGAL DESCRIPTION OF PROPERTY/PERCENTAGE INTEREST**

Unit 1A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 1B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 2A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 2B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 3A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 3B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 4A Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 4B Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 4C Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%
Unit 4D Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums	-	10%

As a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

Lot 7, Block 1, Sundance Ridge	-	Common Element
--------------------------------	---	----------------

As a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

EXHIBIT B TO DECLARATION

**COMMON INTEREST COMMUNITY NUMBER 1058
SUNDANCE RIDGE CONDOMINIUMS
ADDITIONAL REAL ESTATE PARCELS**

Lots 5 and 6, Block 1, Sundance Ridge, a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

**EXHIBIT B TO DISCLOSURE STATEMENT
FIRST AMENDMENT TO DECLARATION
SUPPLEMENTAL DECLARATION
SECOND SUPPLEMENTAL DECLARATION**

**FIRST AMENDMENT TO CORRECTIVE
COMMON INTEREST COMMUNITY NUMBER 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
DECLARATION**

THIS FIRST AMENDMENT to the Corrective Common Interest Community Number 1058, a Condominium, Sundance Ridge Condominiums Declaration ("First Amendment") is made this 22nd day of April, 2015, by SUNDANCE RIDGE HOMES ON CROSSLAKE, L.L.C., a Minnesota limited liability company ("Declarant").

RECITALS

WHEREAS, a Corrective Declaration for Common Interest Community Number 1058, Sundance Ridge Condominiums dated as of June 14, 2004, was recorded on February 7, 2006, as OK Document Number 0703910 in the office of the County Recorder for Crow Wing County, Minnesota ("Declaration"); and

WHEREAS, the Declarant and the Owners are the Owners of certain real estate situated in Crow Wing County, Minnesota, which legal description is more fully set forth on Exhibit A attached hereto ("Real Estate"); and

WHEREAS, at least sixty-seven percent (67%) of the votes of the Owners of Units in Sundance Ridge ("Owners") and the Declarant and sixty-seven percent (67%) of the votes of the

Owners of Units other than the Declarant have agreed to amend the Declaration, pursuant to the provisions of the Minnesota Common Interest Ownership Act, Minn. Stat. § 515B.1-101 to 515B.4-118, as amended (“Act”);

WHEREAS, it is the desire of the Declarant and the Owners to amend certain provisions of the Declaration as set forth herein.

NOW, THEREFORE, pursuant to Sections 515B.2-118 of the Act and pursuant to Section 16 of the Declaration, the Declarant, with the approval of Owners which are allocated at least sixty-seven percent (67%) of the votes in the Association and sixty-seven percent (67%) of the votes of Unit Owners other than the Declarant or an affiliate of Declarant and the Declarant hereby amend the Declaration as follows:

I. Section 7(C), Timeshares; Rental of Units, is hereby amended in its entirety to read as follows:

“C. Time shares; Rental of Units. Time shares (as defined in the Act) are not permitted. This Declaration requires a minimum of five (5) rental/leases per lease year of any one Unit or a combination of units that are placed in the Rental Pool. All Units placed in a rental pool will be managed according to the Rules and Regulations of the Association. The Unit Owners of the respective Units shall not lease less than the entire Unit. Any lease arrangement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of Governing Documents and to any Rules and Regulations established by the Board of Directors, shall contain the agreement of the tenant to be bound by the terms of such documents and shall provide that any failure by the tenant to comply with the terms of such documents or rules shall be a default under the lease or rental agreement. All leases shall be required to be in writing and any Unit Owner leasing or renting a Unit shall, prior to the commencement of the lease or rental term, deliver to the Secretary of the Association, or designated leasing agent, a complete copy of the lease or rental agreement. Other than the foregoing, the Unit Owners of the respective Units shall have the absolute right to lease the same, subject to the Rules and Regulations of the Association. The Rules and Regulations may require that all leasing of Units be through an Association approved leasing agent.”

THIS INSTRUMENT WAS DRAFTED BY:

Gray, Plant, Mooty, Mooty & Bennett, P.A.

Robert J. Walter

1010 West St. Germain

Suite 500

St. Cloud, MN 56301

Telephone: (320) 252-4414

EXHIBIT A

(Legal Description)

a Unit 1A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 1B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 2A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 2B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 3A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 3B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 4A, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 4B, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 4C, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

a Unit 4D, Block 1, Common Interest Community Number 1058 Sundance Ridge Condominiums

As a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

AND

a Lot 7, Block 1, Sundance Ridge – Common Element

As a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

RETURN TO: SUNCONN, LLC
1090 2ND ST S
SUITE 2A
SARTELL, MN 56377-1948

FEE: \$102.00

PAGES: 8

SUPPLEMENTAL DECLARATION

THIS SUPPLEMENTAL DECLARATION is made this 15th day of February, 2019 by **Sundance Ridge Homes on Crosslake L.L.C.** (“Declarant”), a Minnesota limited liability company, and is based on the following facts:

- A. Pursuant to a certain Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated June 14, 2004, recorded in the office of County Recorder in and for Crow Wing County, Minnesota on June 21, 2004 as Document No. 0666800 (the “Original Declaration”), Sundance II, LLC (“Original Declarant”), a Minnesota limited liability company, created a condominium under the Minnesota Common Interest Ownership Act, Minn. Stat. Chapter 515B, as amended (the “Act”).
- B. The Original Declaration Original created a project (the “Project”) consisting of ten (10) Units (collectively, the “Original Units”), and Common Elements.
- C. Pursuant to Section 11 of the Original Declaration, Original Declarant reserved the right to add additional Units to the Project.
- D. The Original Declaration was corrected by a certain Corrective Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated as of June 14, 2004, recorded in the office of said County Recorder on February 7, 2006 as Document No. 0703910 (the “Corrective Declaration”).
- E. Pursuant to a certain First Amendment to Corrective Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated April 22, 2015, recorded in the office of said County Recorder on May 5, 2015 as Document No. 858769 (the “First Amendment”), Original Declarant and the requisite number of other Unit Owners agreed to extend, to May 5, 2035, the time limit under Section 515B.2-1-06(a) for the addition of Units to the Project (the Original Declaration, as corrected by the Corrective Declaration and amended by the First Amendment, is hereafter called the “Declaration”).

- F. Pursuant to a certain Transfer of Special Declarant Rights, dated April 22, 2015, recorded in the office of said County Recorder on May 5, 2015 as Document No. 858770, Original Declarant transferred to Declarant all Special Declarant Rights under the Declaration.
- G. Declarant wishes to add to the Project four (4) additional Units (collectively, the “New Units” and individually, a “New Unit”).

NOW, THEREFORE, in consideration of the facts stated above, and in order to add additional Units to the Project, Declarant hereby supplements the Declaration as follows:

1. Recitals Incorporated. The facts stated above are hereby incorporated into and made a part of this Supplemental Declaration by this reference.
2. Definitions. Capitalized terms used but not defined in this Supplemental Declaration are defined as provided in the Declaration.
3. Addition of Additional Real Estate. The real estate being added to the Project by this Supplemental Declaration is a part of the Additional Real Estate defined on Exhibit B to the Original Declaration, namely Lot 5, Block 1, Sundance Ridge, according to the duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.
4. Boundaries and Unit Identifiers of New Units. The boundaries and Unit identifier of each New Unit created by this Supplemental Declaration are as shown on the First Supplemental CIC Plat, a copy of which is attached hereto as **Exhibit “A”** and made a part hereof by this reference (the “New CIC Plat”). As with the Original Units, the boundaries of each New Unit shall be the interior unfinished surface of the walls, floors and ceilings thereof, depicted as boundaries on the New CIC Plat. Accordingly, all lath, furring, wallboard, plasterboard and plaster constituting a part of the wall shall be deemed to be outside of the New Unit, and any paneling, tiles, wallpaper, paint, carpeting, linoleum or other wall or floor coverings or furnishings shall be deemed to be included within the New Unit. The entry area for each New Unit depicted on the New CIC Plat shall be considered part of the New Unit. All doors and windows located in the perimeter walls of a New Unit shall be deemed to be part of that New Unit.
5. Reallocation of Votes in the Association, Common Expense Liabilities and Interests in Common Elements. The reallocation of votes in the Association, Common Expense Liabilities and Interests in the Common Element resulting from this Supplemental Declaration for both the Original Units and the Existing Units is as shown interests votes in the Association and Common Expense liabilities for the Units created by the Original Declaration and the Units created by this Supplemental Declaration are set forth on **Exhibit “B”** attached hereto and made a part hereof by this reference.

6. Limited Common Elements Formed from the Additional Real Estate. The Limited Common Elements formed out of the Additional Real Estate, and the Unit to which each is allocated, is as shown on the New CIC Plat. The driveways or the half of the driveways and the sidewalks adjacent to and serving each New Unit are Limited Common Elements allocated for the exclusive use of that New Unit to the exclusion of the other Units. Also, the air-conditioning equipment serving each New Unit and deck or patio areas that are accessible from each New Unit are Limited Common Elements allocated for the exclusive use of such New Unit to the exclusion of the other Units.

7. Additional Units. The total number of Units that hereafter may be created in the Project is four (4).

8. Period of Declarant Control; Notice to Association. The period of Declarant control under the Declaration has terminated. Attached hereto as **Exhibit "C"** and made a part hereof by this reference is an affidavit attesting to the fact that Declarant has given to the Association notice of Declarant's intention to add additional real estate to the Association, as required by Section 515B.2-111(b) of the Act.

9. Survival. Except as expressly amended by this Supplemental Declaration, all of the terms, covenants, provisions and agreements in the Declaration shall remain in full force and effect.

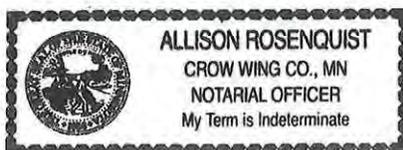
IN WITNESSETH WHEREOF, Declarant has caused this Supplemental Declaration to be duly executed as of the day and year first above written.

DECLARANT:
Sundance Ridge Homes on Crosslake
L.L.C.

By: *Stuart Swenson*
Its: CO

STATE OF MINNESOTA)
COUNTY OF Crow Wing)

The foregoing instrument was acknowledged before me this 15th day of February, 2019 by Stuart Swenson, the Chief Officer of Sundance Ridge Homes on Crosslake, L.L.C., a Minnesota limited liability company, on behalf of the company.



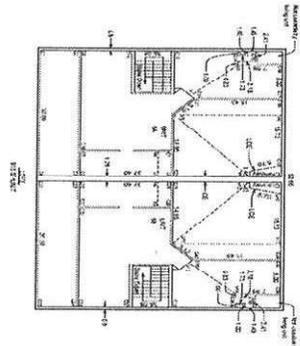
Allison Rosenquist
Notary Public
My Commission Expires: Indeterminate

Drafted By:
Moss & Barnett (JLW)
A Professional Association
150 South Fifth Street
Suite 1200
Minneapolis, MN 55402

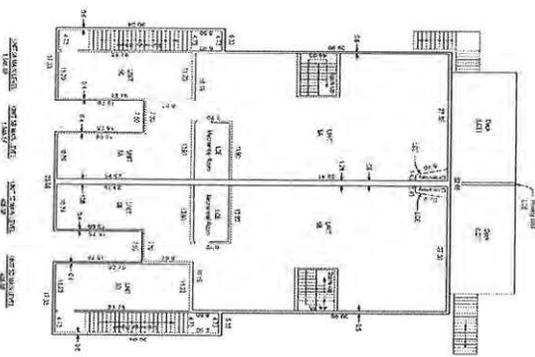
RETURN TO

Suncom, LLC
1090 2nd S Ste 2a
Sartell, MN 56377-1948

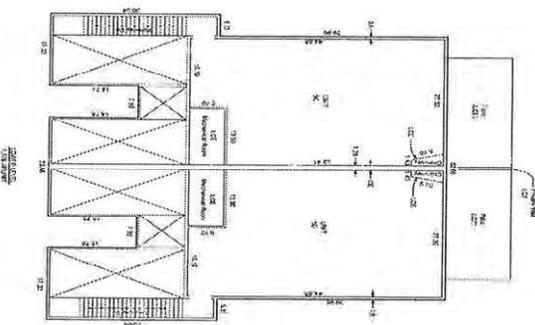
COMMON INTEREST COMMUNITY NO. 1058
 A CONDOMINIUM
 SUNDANCE RIDGE CONDOMINIUMS
 FIRST SUPPLEMENTAL CIC PLAT
 FLOOR PLANS
 UNITS 5A, 5B, 5C, AND 5D



Notes: Dimensions shown are approximate and subject to change.
 All measurements are taken from the center of the wall unless otherwise noted.
 All areas are in square feet.
 All areas are subject to change without notice.
 All areas are subject to the provisions of the governing documents.
 All areas are subject to the provisions of the applicable laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.
 All areas are subject to the provisions of the applicable local, state, and federal laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.
 All areas are subject to the provisions of the applicable local, state, and federal laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.



Notes: Dimensions shown are approximate and subject to change.
 All measurements are taken from the center of the wall unless otherwise noted.
 All areas are in square feet.
 All areas are subject to change without notice.
 All areas are subject to the provisions of the governing documents.
 All areas are subject to the provisions of the applicable laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.
 All areas are subject to the provisions of the applicable local, state, and federal laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.



Notes: Dimensions shown are approximate and subject to change.
 All measurements are taken from the center of the wall unless otherwise noted.
 All areas are in square feet.
 All areas are subject to change without notice.
 All areas are subject to the provisions of the governing documents.
 All areas are subject to the provisions of the applicable laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.
 All areas are subject to the provisions of the applicable local, state, and federal laws and regulations.
 All areas are subject to the provisions of the applicable codes and standards.
 All areas are subject to the provisions of the applicable industry practices and standards.



Exhibit "B"

Reallocation of Votes in the Association, Percentage Interests in Common Elements, and Common Expense Liabilities effected by this Supplemental Declaration:

Unit	Original Votes in the Association	New Votes in the Association	Original Percentage Interests and Common Expense Liabilities	Reallocated Percentage Interests and Common Expense Liabilities
<u>Original Units</u>				
Unit 1A	1	1	10%	1/14
Unit 1B	1	1	10%	1/14
Unit 2A	1	1	10%	1/14
Unit 2B	1	1	10%	1/14
Unit 3A	1	1	10%	1/14
Unit 3B	1	1	10%	1/14
Unit 4A	1	1	10%	1/14
Unit 4B	1	1	10%	1/14
Unit 4C	1	1	10%	1/14
Unit 4D	1	1	10%	1/14
<u>New Units</u>				
Unit 5A	0	1	0%	1/14
Unit 5B	0	1	0%	1/14
Unit 5C	0	1	0%	1/14
Unit 5D	0	1	0%	1/14
TOTALS	10	14	100%	100.00%

SECOND SUPPLEMENTAL DECLARATION

THIS SECOND SUPPLEMENTAL DECLARATION is made this 3rd day of June, 2021 by **Sundance Ridge Homes on Crosslake L. L. C.**, a Minnesota limited liability company (“Declarant”), and is based on the following facts:

- A. Pursuant to a certain Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated June 14, 2004, recorded in the office of County Recorder in and for Crow Wing County, Minnesota on June 21, 2004 as Document No. 0666800 (the “Original Declaration”), Sundance II, LLC, a Minnesota limited liability company (“Original Declarant”), created a condominium under the Minnesota Common Interest Ownership Act, Minn. Stat. Chapter 515B, as amended (the “Act”).
- B. The Original Declarant created a project (the “Project”) consisting of ten (10) Units (collectively, the “Original Units”), and Common Elements.
- C. Pursuant to Section 11 of the Original Declaration, Original Declarant reserved the right to add additional Units to the Project.
- D. The Original Declaration was corrected by a certain Corrective Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated as of June 14, 2004, recorded in the office of said County Recorder on February 7, 2006 as Document No. 0703910 (the “Corrective Declaration”).
- E. Pursuant to a certain First Amendment to Corrective Common Interest Community Number 1058, A Condominium, Sundance Ridge Condominiums Declaration, dated April 22, 2015, recorded in the office of said County Recorder on May 5, 2015 as Document No. 858769 (the “First Amendment”), Original Declarant and the requisite number of other Unit Owners agreed to extend, to May 5, 2035, the time limit under Section 515B.2-1-06(a) for the addition of Units to the Project.
- F. Pursuant to a certain Transfer of Special Declarant Rights, dated April 22, 2015, recorded in the office of said County Recorder on May 5, 2015 as Document No.

858770, Original Declarant transferred to Declarant all Special Declarant Rights under the Declaration.

- G. Pursuant to the Supplemental Declaration dated February 15, 2019 by the Declarant, recorded in the office of said County Recorder on February 15, 2019 (the "Supplemental Declaration") (the Original Declaration, as corrected by the Corrective Declaration, amended by the First Amendment, and supplemented by the Supplemental Declaration is hereafter called the "Declaration"), the Declarant added to the Project four (4) additional Units (collectively, the "Additional Units").
- H. Declarant wishes to add to the Project four (4) additional Units (collectively, the "New Units" and individually, a "New Unit").

NOW, THEREFORE, in consideration of the facts stated above, and in order to add additional Units to the Project, Declarant hereby supplements the Declaration as follows:

1. Recitals Incorporated. The facts stated above are hereby incorporated into and made a part of this Second Supplemental Declaration by this reference.
2. Definitions. Capitalized terms used but not defined in this Second Supplemental Declaration are defined as provided in the Declaration.
3. Addition of Additional Real Estate. The real estate being added to the Project by this Second Supplemental Declaration is a part of the Additional Real Estate defined on Exhibit B to the Original Declaration, namely Lot 5, Block 1, Sundance Ridge, according to the duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.
4. Boundaries and Unit Identifiers of New Units. The boundaries and Unit identifier of each New Unit created by this Second Supplemental Declaration are as shown on the Second Supplemental CIC Plat, a copy of which is attached hereto as **Exhibit "A"** and made a part hereof by this reference (the "New CIC Plat"). As with the Original Units and the Additional Units, the boundaries of each New Unit shall be the interior unfinished surface of the walls, floors and ceilings thereof, depicted as boundaries on the New CIC Plat. Accordingly, all lath, furring, wallboard, plasterboard and plaster constituting a part of the wall shall be deemed to be outside of the New Unit, and any paneling, tiles, wallpaper, paint, carpeting, linoleum or other wall or floor coverings or furnishings shall be deemed to be included within the New Unit. The entry area for each New Unit depicted on the New CIC Plat shall be considered part of the New Unit. All doors and windows located in the perimeter walls of a New Unit shall be deemed to be part of that New Unit.
5. Reallocation of Votes in the Association, Common Expense Liabilities and Interests in Common Elements. The reallocation of votes in the Association, Common Expense Liabilities and Interests in the Common Element resulting from this Second Supplemental Declaration for both the Original Units, the Additional Units and the New Units is as shown interests votes in the Association and Common Expense liabilities for the Units created by the

Original Declaration and the Units created by this Second Supplemental Declaration are set forth on **Exhibit "B"** attached hereto and made a part hereof by this reference.

6. Limited Common Elements Formed from the Additional Real Estate. The Limited Common Elements formed out of the Additional Real Estate, and the Unit to which each is allocated, is as shown on the New CIC Plat. The driveways or the half of the driveways and the sidewalks adjacent to and serving each New Unit are Limited Common Elements allocated for the exclusive use of that New Unit to the exclusion of the other Units. Also, the air-conditioning equipment serving each New Unit and deck or patio areas that are accessible from each New Unit are Limited Common Elements allocated for the exclusive use of such New Unit to the exclusion of the other Units.

7. Period of Declarant Control; Notice to Association. The period of Declarant control under the Declaration has terminated. Attached hereto as **Exhibit "C"** and made a part hereof by this reference is an affidavit attesting to the fact that Declarant has given to the Association notice of Declarant's intention to add additional real estate to the Association, as required by Section 515B.2-111(b) of the Act.

8. Survival. Except as expressly amended by this Second Supplemental Declaration, all of the terms, covenants, provisions and agreements in the Declaration shall remain in full force and effect.

[Signature page follows.]

IN WITNESSETH WHEREOF, Declarant has caused this Second Supplemental Declaration to be duly executed as of the day and year first above written.

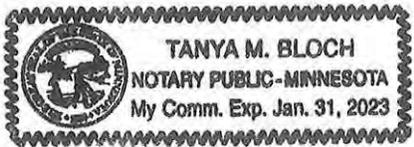
DECLARANT:

Sundance Ridge Homes on Crosslake L. L. C.

By: *Stuart N. Swenson*
Stuart N. Swenson
Its: Chief Manager

STATE OF MINNESOTA)
)
COUNTY OF STEARNS)

The foregoing instrument was acknowledged before me this 3 day of June, 2021 by Stuart N. Swenson, the Chief Manager of Sundance Ridge Homes on Crosslake L. L. C., a Minnesota limited liability company, on behalf of the company.

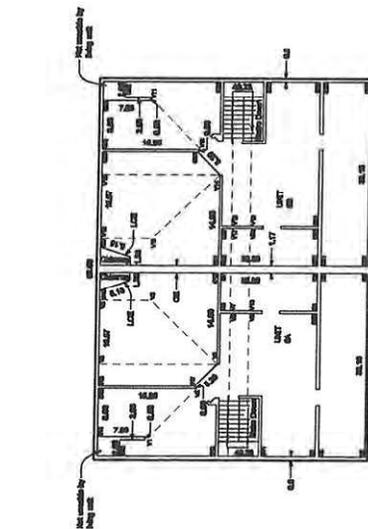


Tanya Bloch
Notary Public
My Commission Expires: 01/31/2023

Drafted By:
Moss & Barnett (GES)
A Professional Association
150 South Fifth Street
Suite 1200
Minneapolis, MN 55402

EXHIBIT "A"
New CIC Plat

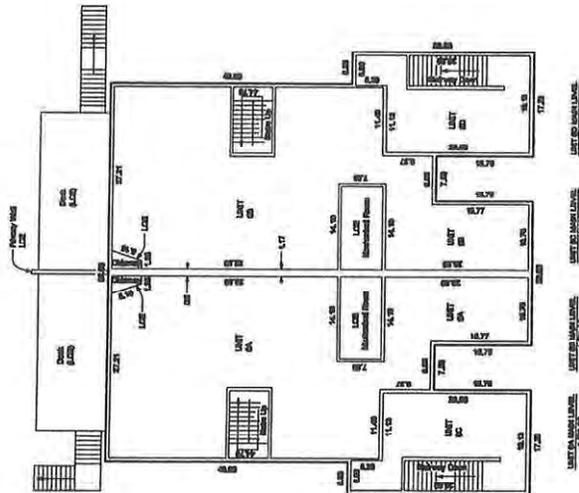
**COMMON INTEREST COMMUNITY NO. 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
SECOND SUPPLEMENTAL CIC PLAT
FLOOR PLANS
UNITS 6A, 6B, 6C, AND 6D**



UNIT 6A

All exterior dimensions shown are proposed without eaves.
All interior dimensions shown are proposed to the finished surface of walls, floors and ceilings.
Dimensional Building Elevation

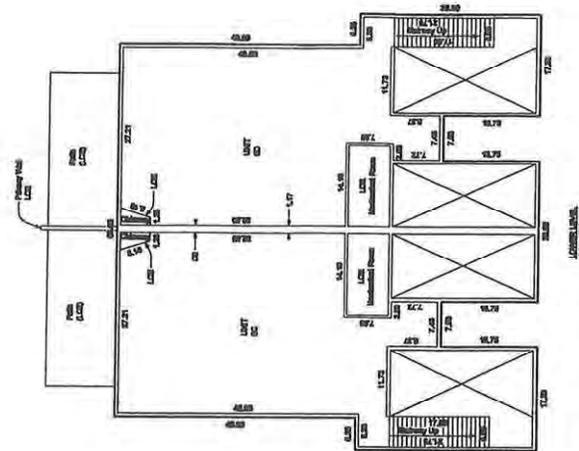
First Floor	= 1250.76	Unit 6B	First Floor	= 1250.76
Second Floor	= 1250.76	Unit 6C	First Floor	= 1250.76
Third Floor	= 1250.76	Unit 6D	First Floor	= 1250.76
Fourth Floor	= 1250.76			
Fifth Floor	= 1250.76			
Sixth Floor	= 1250.76			
Seventh Floor	= 1250.76			
Eighth Floor	= 1250.76			
Ninth Floor	= 1250.76			
Tenth Floor	= 1250.76			
Eleventh Floor	= 1250.76			
Twelfth Floor	= 1250.76			
Thirteenth Floor	= 1250.76			
Fourteenth Floor	= 1250.76			
Fifteenth Floor	= 1250.76			
Sixteenth Floor	= 1250.76			
Seventeenth Floor	= 1250.76			
Eighteenth Floor	= 1250.76			
Nineteenth Floor	= 1250.76			
Twentieth Floor	= 1250.76			
Twenty-First Floor	= 1250.76			
Twenty-Second Floor	= 1250.76			
Twenty-Third Floor	= 1250.76			
Twenty-Fourth Floor	= 1250.76			
Twenty-Fifth Floor	= 1250.76			
Twenty-Sixth Floor	= 1250.76			
Twenty-Seventh Floor	= 1250.76			
Twenty-Eighth Floor	= 1250.76			
Twenty-Ninth Floor	= 1250.76			
Thirtieth Floor	= 1250.76			
Thirty-First Floor	= 1250.76			
Thirty-Second Floor	= 1250.76			
Thirty-Third Floor	= 1250.76			
Thirty-Fourth Floor	= 1250.76			
Thirty-Fifth Floor	= 1250.76			
Thirty-Sixth Floor	= 1250.76			
Thirty-Seventh Floor	= 1250.76			
Thirty-Eighth Floor	= 1250.76			
Thirty-Ninth Floor	= 1250.76			
Fortieth Floor	= 1250.76			
Forty-First Floor	= 1250.76			
Forty-Second Floor	= 1250.76			
Forty-Third Floor	= 1250.76			
Forty-Fourth Floor	= 1250.76			
Forty-Fifth Floor	= 1250.76			
Forty-Sixth Floor	= 1250.76			
Forty-Seventh Floor	= 1250.76			
Forty-Eighth Floor	= 1250.76			
Forty-Ninth Floor	= 1250.76			
Fiftieth Floor	= 1250.76			



UNIT 6B

All exterior dimensions shown are proposed without eaves.
All interior dimensions shown are proposed to the finished surface of walls, floors and ceilings.
Dimensional Building Elevation

First Floor	= 1250.76	Unit 6C	First Floor	= 1250.76
Second Floor	= 1250.76	Unit 6D	First Floor	= 1250.76
Third Floor	= 1250.76			
Fourth Floor	= 1250.76			
Fifth Floor	= 1250.76			
Sixth Floor	= 1250.76			
Seventh Floor	= 1250.76			
Eighth Floor	= 1250.76			
Ninth Floor	= 1250.76			
Tenth Floor	= 1250.76			
Eleventh Floor	= 1250.76			
Twelfth Floor	= 1250.76			
Thirteenth Floor	= 1250.76			
Fourteenth Floor	= 1250.76			
Fifteenth Floor	= 1250.76			
Sixteenth Floor	= 1250.76			
Seventeenth Floor	= 1250.76			
Eighteenth Floor	= 1250.76			
Nineteenth Floor	= 1250.76			
Twentieth Floor	= 1250.76			
Twenty-First Floor	= 1250.76			
Twenty-Second Floor	= 1250.76			
Twenty-Third Floor	= 1250.76			
Twenty-Fourth Floor	= 1250.76			
Twenty-Fifth Floor	= 1250.76			
Twenty-Sixth Floor	= 1250.76			
Twenty-Seventh Floor	= 1250.76			
Twenty-Eighth Floor	= 1250.76			
Twenty-Ninth Floor	= 1250.76			
Thirtieth Floor	= 1250.76			
Thirty-First Floor	= 1250.76			
Thirty-Second Floor	= 1250.76			
Thirty-Third Floor	= 1250.76			
Thirty-Fourth Floor	= 1250.76			
Thirty-Fifth Floor	= 1250.76			
Thirty-Sixth Floor	= 1250.76			
Thirty-Seventh Floor	= 1250.76			
Thirty-Eighth Floor	= 1250.76			
Thirty-Ninth Floor	= 1250.76			
Fortieth Floor	= 1250.76			
Forty-First Floor	= 1250.76			
Forty-Second Floor	= 1250.76			
Forty-Third Floor	= 1250.76			
Forty-Fourth Floor	= 1250.76			
Forty-Fifth Floor	= 1250.76			
Forty-Sixth Floor	= 1250.76			
Forty-Seventh Floor	= 1250.76			
Forty-Eighth Floor	= 1250.76			
Forty-Ninth Floor	= 1250.76			
Fiftieth Floor	= 1250.76			



UNIT 6C

All exterior dimensions shown are proposed without eaves.
All interior dimensions shown are proposed to the finished surface of walls, floors and ceilings.
Dimensional Building Elevation

First Floor	= 1250.76	Unit 6D	First Floor	= 1250.76
Second Floor	= 1250.76			
Third Floor	= 1250.76			
Fourth Floor	= 1250.76			
Fifth Floor	= 1250.76			
Sixth Floor	= 1250.76			
Seventh Floor	= 1250.76			
Eighth Floor	= 1250.76			
Ninth Floor	= 1250.76			
Tenth Floor	= 1250.76			
Eleventh Floor	= 1250.76			
Twelfth Floor	= 1250.76			
Thirteenth Floor	= 1250.76			
Fourteenth Floor	= 1250.76			
Fifteenth Floor	= 1250.76			
Sixteenth Floor	= 1250.76			
Seventeenth Floor	= 1250.76			
Eighteenth Floor	= 1250.76			
Nineteenth Floor	= 1250.76			
Twentieth Floor	= 1250.76			
Twenty-First Floor	= 1250.76			
Twenty-Second Floor	= 1250.76			
Twenty-Third Floor	= 1250.76			
Twenty-Fourth Floor	= 1250.76			
Twenty-Fifth Floor	= 1250.76			
Twenty-Sixth Floor	= 1250.76			
Twenty-Seventh Floor	= 1250.76			
Twenty-Eighth Floor	= 1250.76			
Twenty-Ninth Floor	= 1250.76			
Thirtieth Floor	= 1250.76			
Thirty-First Floor	= 1250.76			
Thirty-Second Floor	= 1250.76			
Thirty-Third Floor	= 1250.76			
Thirty-Fourth Floor	= 1250.76			
Thirty-Fifth Floor	= 1250.76			
Thirty-Sixth Floor	= 1250.76			
Thirty-Seventh Floor	= 1250.76			
Thirty-Eighth Floor	= 1250.76			
Thirty-Ninth Floor	= 1250.76			
Fortieth Floor	= 1250.76			
Forty-First Floor	= 1250.76			
Forty-Second Floor	= 1250.76			
Forty-Third Floor	= 1250.76			
Forty-Fourth Floor	= 1250.76			
Forty-Fifth Floor	= 1250.76			
Forty-Sixth Floor	= 1250.76			
Forty-Seventh Floor	= 1250.76			
Forty-Eighth Floor	= 1250.76			
Forty-Ninth Floor	= 1250.76			
Fiftieth Floor	= 1250.76			



Exhibit "B"

Reallocation of Votes in the Association, Percentage Interests in Common Elements, and Common Expense Liabilities effected by this Second Supplemental Declaration:

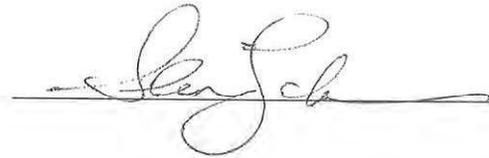
Unit	Original Votes in the Association	New Votes in the Association	Original Percentage Interests and Common Expense Liabilities	Reallocated Percentage Interests and Common Expense Liabilities
<u>Original Units</u>				
Unit 1A	1	1	7.14%	1/18
Unit 1B	1	1	7.14%	1/18
Unit 2A	1	1	7.14%	1/18
Unit 2B	1	1	7.14%	1/18
Unit 3A	1	1	7.14%	1/18
Unit 3B	1	1	7.14%	1/18
Unit 4A	1	1	7.14%	1/18
Unit 4B	1	1	7.14%	1/18
Unit 4C	1	1	7.14%	1/18
Unit 4D	1	1	7.14%	1/18
Unit 5A	1	1	7.14%	1/18
Unit 5B	1	1	7.14%	1/18
Unit 5C	1	1	7.14%	1/18
Unit 5D	1	1	7.14%	1/18
<u>New Units</u>				
Unit 6A	0	1	0%	1/18
Unit 6B	0	1	0%	1/18
Unit 6C	0	1	0%	1/18
Unit 6D	0	1	0%	1/18
TOTALS	14	18	100%	100.00%

EXHIBIT "C"

AFFIDAVIT OF COMPLIANCE WITH MINN. STAT. §515B.2-111(b)

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Glen Schumann, being first duly sworn on oath, states that she served the attached Notice on Sundance Ridge Condominium Owners Association, Inc., a Minnesota non-profit corporation, by depositing the Notice, postage prepaid, in the United States mail on June 3, 2021.



Subscribed and sworn to before me
this 3rd day of June, 2021.



Notary Public

EXHIBIT C TO DISCLOSURE STATEMENT

**ARTICLES OF INCORPORATION OF
SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.**



NP-OR

**ARTICLES OF INCORPORATION
OF
SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.**

The undersigned, being of legal age, for the purposes of forming a nonprofit corporation under Chapter 317A of Minnesota Statutes, as amended, and in compliance with the requirements thereof, do hereby voluntarily associate ourselves as a body corporate, not for profit, but for the purposes herein conferred and adopt these Articles of Incorporation.

**ARTICLE I
NAME**

The name of this Corporation shall be SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC..

**ARTICLE II
REGISTERED OFFICE**

The registered office of this Corporation shall be at 230 Pinecone Road, Sartell, MN 56377.

**ARTICLE III
PURPOSES AND AUTHORITY**

This Corporation is formed generally for civic, recreational, social and community welfare purposes, and specifically for the purposes of constituting and acting as an association of the owners of units in that certain platted, or to be platted, subdivision situated in the City of Cross Lake, Crow Wing County, Minnesota, on property legally described as **Common Interest Community Number 1058 Sundance Ridge Condominiums**, (the "Subject Property") and on any portion of the property legally described in the Declaration as Additional Property (the "Additional Property") that may be added to the Subject Property by an amendment to the Declaration, as defined below.

The property is being developed as a condominium development and is a "Condominium" as defined in Chapter 515B of the Minnesota Statutes. For the purposes of managing, maintaining, repairing, replacing and operating certain buildings and facilities located thereon, and any additions thereto as may be made in accordance with the Declaration hereinafter referred to, all for the preservation of the value and amenities of said development, and such additions as may be made thereto as provided in said Declaration, and in fulfillment of such purposes, this Corporation shall have the power:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association described in that certain Declaration herein referred to as the "Declaration", applicable to the aforementioned property and recorded or to be recorded in the Office of the County Recorder (or Registrar of Titles) of Crow Wing County, Minnesota, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
- (b) To fix, levy, collect and enforce the payment of, by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the aforementioned property of the Association;
- (c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) To borrow money, and with the assent of all the members of each class of membership, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by all members, agreeing to such dedication, sale or transfer;
- (f) To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of all members;
- (g) To enforce provisions of the Declaration, and any and all other covenants, conditions or restrictions applicable to the aforementioned property; and
- (h) To, insofar as permitted by law, and consistent with the provisions and purposes hereof and of the Declaration, do any other thing that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the members, including cooperative developments or undertakings with adjacent properties.

ARTICLE IV
NO PECUNIARY GAIN TO MEMBERS

This Corporation does not and shall not afford pecuniary gain, incidentally or otherwise, to its members. None of its members shall be personally liable for corporate debt. Members, however, shall be liable to this Corporation for the assessments as specified in the Declaration.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS

As set forth in the By-Laws, every person or entity who is a record owner of a fee or undivided fee simple interest or a contract vendee, in any Unit as described in the Declaration (an "Owner"), shall be a member of this Corporation. The foregoing is intended to exclude contract vendors, unless the contract provides otherwise, and other persons or entities who hold an interest in any Unit merely as security for the performance of any obligation. Membership in this Corporation shall be appurtenant to and may not be separated from the above-described ownership interest in each such Unit.

The Owner of any Unit created by the addition of any portion of the Additional Property to the Condominium shall become a Member of the Association upon the recording of an amendment to the Declaration that creates the new Unit.

The voting right of the Member shall be as set forth in the By-Laws of this Corporation and the Declaration.

ARTICLE VI
BOARD OF DIRECTORS

The business and affairs of this Corporation shall be managed by a Board of Directors consisting of three Directors, or such other number of Directors as may be determined in accordance with the By-Laws. Until the first full Board of Directors shall have been elected, the first and interim Board of Directors shall consist of one Director whose name and address is as follows:

<u>Name</u>	<u>Address</u>
Stuart N. Swenson	230 Pinecone Road Sartell, MN 56377

Said first directors shall serve until the first annual meeting of the members or until their successors have been duly elected and qualified. If the Corporation has less than three members, the number of directors may be less than three, but not less than the number of members having voting rights.

ARTICLE VII
DIRECTOR LIABILITY

To the fullest extent permitted by Chapter 317A, Minnesota Statutes, as the same exists or may hereafter be amended, a director of this corporation shall not be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE VIII
DURATION

The duration of this Corporation shall be perpetual.

ARTICLE IX
DISSOLUTION AND DISPOSITION OF ASSETS

This Corporation may be dissolved only with the written consent of members holding at least 90% of the voting power of the Corporation. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of its assets shall be mailed to every member at least ninety (90) days prior to any meeting at which such dissolution shall be voted upon. Disposition of assets shall be according to the By-Laws of this Corporation, the Declaration and Chapter 515B of the Minnesota Statutes.

ARTICLE X
AMENDMENTS

These Articles of Incorporation may be amended only with the assent of 75% of the Members.

ARTICLE XI
INCORPORATORS

The following person constitutes the incorporator who is forming this Corporation:

Name

Address

Robert J. Walter

1010 West St. Germain Street Suite 600
St. Cloud, MN 56301

IN WITNESS WHEREOF, we have hereunto executed these ARTICLES OF INCORPORATION effective this 21 day of July, 2003.



Robert J. Walter

GP:1481448 v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUL 24 2003

Mary Hoffmeyer
Secretary of State

EXHIBIT D TO DISCLOSURE STATEMENT
BYLAWS OF SUNDANCE RIDGE
CONDOMINIUM OWNERS ASSOCIATION, INC.

SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.

A MINNESOTA NON-PROFIT CORPORATION

BYLAWS

ARTICLE I

Section 1. Name. The name of the corporation is Sundance Ridge Condominium Owners Association, Inc. ("Association"). The Association is formed pursuant to Chapter 317A and Sections 515B.1-101 et seq., Minnesota Statutes, known respectively as the Minnesota Non-Profit Corporation Act and Minnesota Common Interest Ownership Act (the latter being referred to herein as the "Act"), and laws amendatory thereof and supplemental thereto. The terms used in these Bylaws shall have the same meaning as they have in the Act, except as otherwise specified herein.

Section 2. Date of Incorporation. The Articles of Incorporation of the Association were filed in the office of the Secretary of State of the State of Minnesota on July 24, 2003.

Section 3. Membership and Voting. The membership of the Association shall consist of the Unit Owners of the Units within Common Interest Community Number 1058, a Condominium, Sundance Ridge Condominiums, Crow Wing County, Minnesota, and any amendments thereto (hereinafter referred to as the "Condominium"). Membership in the Association shall be appurtenant to, and shall not be separated from, Unit ownership in the Condominium. A person shall cease to be a Member of the Association at such time as that person ceases to be a Unit Owner of a Unit. Each Unit shall have one vote. Where there is more than one Unit Owner of a Unit, all of such Unit Owners shall be Members of the Association and the vote allocated to that Unit in accordance with the Declaration and these Bylaws shall be cast as the Unit Owners among themselves may determine and signify in writing to the Association, but in no event shall more than one vote be cast with respect to any Unit nor shall the vote allocated to a Unit be split or otherwise cast separately by the Unit Owners. Where there is more than one Unit Owner of a Unit, the Unit Owners thereof shall notify the Secretary of the Association in writing of the name of the Unit Owner who has been designated to cast the vote attributable to that Unit, on behalf of all the Unit Owners of that Unit. If the Owners of a Unit cannot agree on the Unit Owner who is to be designated to cast the vote attributable to the Unit owned by such Owners, or on the manner in which such vote is to be cast, the Unit Owners shall submit such dispute to the Board of Directors of the Association. The Board of Directors shall resolve such dispute in the manner determined by the Board of Directors to be fair and equitable and such determination shall be binding on said Unit Owners. Membership in the Association shall automatically pass when the ownership of a Unit is transferred in any manner.

Section 4. Registration of Owner. It shall be the duty of each Unit Owner to register with the Secretary of the Association in writing (i) the name and address of such Unit Owner; (ii) the nature and satisfactory evidence of such Unit Owner's interest or estate in a Unit; and (iii) the addresses at which such Unit Owner desires to receive notice of any duly called meeting of the Members. If a Unit Owner does not register as provided in this paragraph, the Association shall be under no duty to recognize the rights of such person hereunder, and shall not recognize such person's right to vote as provided herein, but such failure to register shall not relieve a Unit Owner of any obligation, covenant or restriction under the Declaration or these Bylaws. If there is more than one Unit Owner of a Unit, each must execute the registration as provided in this paragraph.

ARTICLE II MEMBERS

Section 1. Place of Meeting. Meetings of Members and Directors of the Association may be held at such places within the State of Minnesota, County of Crow Wing, as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held within one year after the recording of the Declaration on a date established by the first Board of Directors. Each subsequent regular annual meeting of the Members shall be held at least once each year on the same day of the same month of each year thereafter (unless the Board of Directors designates a different date for annual meetings), at such hour as may be designated by the Secretary in the notice of said meeting, as hereinafter provided. At each annual meeting, the Members shall, subject to the provisions of Section 2 of Article III hereof, elect Members to the Board of Directors from among themselves, consider a report on the activities and financial condition of the Association, and shall transact such other business as may be included in the notice of meeting or otherwise properly come before the meeting.

Section 3. Special Meetings. Special Meetings of the Members may be called for any purpose at any time by the President or by the Board of Directors, on their own initiative or upon the delivery of a written request signed by Unit Owners of Units to which is assigned 10% or more of the votes in the Association to either the President or the Secretary, stating the purpose or purposes of the Special Meeting. No business shall be transacted in a Special Meeting of the Members except as stated in the notice of the meeting, as hereinafter provided.

Section 4. Notice of Meetings. Not less than 21 days nor more than 30 days in advance of any Annual or regularly scheduled meeting, and not less than 7 days nor more than 30 days in advance of any other meeting, the Secretary of the Association shall send to each Unit Owner a written notice of the date, time, place, purpose, and complete agenda of the meeting which is the subject of such notice and, if proxies are permitted, the procedures for appointing proxies. Such notice shall be hand delivered or sent by United States mail to all Unit Owners of record at the address of their respective Units and to such other addresses as any Unit Owner may have designated in writing to the Secretary. Unit Owners of record shall be those Unit Owners who are registered with the Secretary as provided in Article I Section 4 on a date specified by the Board of Directors (the "Record Date"). Such Unit Owners of record shall be entitled to notice of any duly called meeting of the Members; provided that the Board of Directors may not specify a Record Date which is more than 35 days prior to the date of an annual meeting or more than 20 days prior to the date of a Special Meeting. A Unit Owner may at any time waive notice of any meeting by a signed writing or by attendance at the meeting.

Section 5. Quorum and Adjournment. The presence of Members in person or represented by proxy who have the authority to cast twenty percent (20%) of the total of the votes of all Members of the Association shall be requisite for and shall constitute a quorum at all meetings of the Association for the transaction of business except that of adjourning the meeting to reconvene at a subsequent time and except as otherwise provided by law. If, however, such percentage shall not be present or represented at any such meeting, the Members entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present, at which time any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting, shall continue to exist for that meeting, notwithstanding the departure of any Member previously in attendance in person or by proxy. No votes allocated to Units owned by the Association may be cast nor counted toward a quorum.

Section 6. Voting Register. At the beginning of each meeting of the Members, the Secretary shall deliver to the chairperson for the meeting a written list of the Unit numbers, the respective name or names of the Unit Owners entitled to notice of such meeting, and the respective name of the person (in the case of multiple Unit Owners) authorized to vote.

Section 7. Order of Business. The order of business at annual meetings of the Members, and at such other membership meetings of the Members as may be practical, shall be as follows:

- a. Presenting of Voting Register, proxy certification and establishment of a quorum.
- b. Reading or distribution of minutes of the preceding meeting of the Members.
- c. Reports of officers.
- d. Reports of committees.
- e. Appointment by the Chairperson of inspectors of election as determined by the Chairman or when requested by a Member of the Board of Directors.
- f. Election of members of the Board of Directors.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

Section 8. Manner of Voting. Proxies shall be in writing, signed by the Member giving the Proxy, and filed with the Secretary of the Association prior to the meeting. All elections and all questions shall be decided by the concurring vote of the Members who are entitled to cast a majority of the votes represented by all Members present in person or by proxy at a meeting, except as otherwise specifically provided in the Declaration, these Bylaws or the Act. Cumulative voting shall not be permitted. Every proxy shall be revocable and shall automatically cease upon the expiration of three (3) years from the date of its execution, the conveyance by the Member of his Unit or by the Member's personal attendance at the meeting.

No vote in the Association shall be deemed to inure to any Unit during the time when the Unit Owner thereof is the Association.

Section 9. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Unit Owners may be taken without a meeting if authorized in a writing or writings signed by all of the Unit Owners.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualification. The first Board of Directors shall consist of the persons designated as Directors in the Articles of Incorporation of the Association, who need not be Unit Owners. Upon the ending of the terms of the first Board of Directors, the Board of Directors shall be composed of three (3) Directors, all of whom shall be Members; or, in the case of ownership of a Unit by a limited liability company, shall be Members of such company; or, in the case of ownership of a Unit by a corporation, shall be officers or employees of such corporation; or, in the case of ownership of a Unit by a fiduciary, shall be officers or employees of such fiduciary.

Section 2. Term of Office. Notwithstanding the right to remove a Director under Section 9 of this ARTICLE III, and notwithstanding anything else herein contained, Declarant may elect the Members to the Board of Directors of the Association during the period from the date of the first conveyance of a Unit to a Unit Owner other than Declarant until that date which is five years later; or until that date which is 60 days after the conveyance of 75% of the Units (including any Units which have then or may thereafter be added to the Condominium pursuant to paragraph 11 of the Declaration establishing the Condominium) to Unit Owners other than Declarant; or a recording of a written surrender of control of the Association by the Declarant, whichever first occurs. Upon the happening of the earliest of said events, all Directors elected by the Declarant shall resign from the Board of Directors. Notwithstanding the foregoing, however, not later than 60 days after conveyance of 50% of the Units (including Units which have then or may thereafter be added to the Condominium pursuant to Section 11 of the Declaration) to Unit Owners other than Declarant, one-third of the Board of Directors shall be elected by Unit Owners other than the Declarant at a meeting of the Unit Owners to be called for such purpose. Upon the resignation from the Board of Directors of all Directors elected by the Declarant, three directors shall be elected, one for a one-year term, one for a two-year term, and one for a three-year term. At each Annual Meeting thereafter, one, two or three (as the case may be) Directors shall be elected, to the respective terms, as successors (as the case may be) directors whose term is then ending. The term of a Member of the Board of Directors shall expire upon the election of a successor at an annual meeting of the Members. A Director shall hold office until he/she shall resign and his resignation shall have become effective, or until a qualified successor has been elected and shall have accepted the office, or until the Director has been removed in accordance with the provisions of these Bylaws. The Board of Directors elected by the Declarant shall have the power to adopt the Bylaws of the Association, to elect Officers, to establish a schedule of assessments and shall have generally the powers and duties of the Board of Directors as set forth herein and in the Declaration.

Section 3. Election. The three Directors being elected upon the resignation from the Board of Directors of all Directors elected by the Declarant shall be elected in one voting. Each Unit shall be entitled to cast three votes, one vote for each Director position. Such votes may not be used cumulatively and, if cast, must be cast for three separate candidates. The candidates receiving the first highest number of votes shall have been elected to a three-year term; the candidate receiving the second highest number of votes shall have been elected to a two-year term; and the third highest number of votes shall have been elected to a one-year term. Each year thereafter, each Unit shall be entitled to cast one, two or three (as the case may be) votes. Such votes may not be used cumulatively and such one, two or three (as the case may be) votes, if cast, must be cast for the one, two or three (as the case may be) separate candidates.

Section 4. General Powers. The Board of Directors shall manage the property, affairs and business of the Association. Specifically, and without limiting the generality of the foregoing, the Board of Directors shall have the power to, among other powers permitted by the Act:

a. adopt, amend and revoke rules and regulations not inconsistent with the Articles of Incorporation, these Bylaws, and the Declaration, as follows:

- (i) regulating the use of the Common Elements;
- (ii) regulating the use of the Units, and conduct of Unit occupants, which may jeopardize the health, safety or welfare of other 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 Condominium;
- (v) regulating the exterior appearance of the Condominium, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a Unit;

(vi) implementing the Articles of Incorporation, these Bylaws and the Declaration, and exercising the powers granted by Section 515B.3.-102 of the Act; and

(vii) otherwise facilitating the operating of the Condominium.

Copies of all rules and regulations shall be made available to all Unit Owners.

b. adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for Common Expenses from Unit Owners;

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 Unit Owners on matters affecting the Common Elements or other matters affecting the Condominium or, (ii) with the consent of the Unit 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. subject to the Act, acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property. Without limiting the generality of the foregoing, the Board of Directors shall have the power to lease or purchase and mortgage a Unit, Units or other residential quarters for management and maintenance personnel. All rental or debt service paid by the Association pursuant to such lease agreement or mortgage shall be a general Common Expense.

i. grant public utility easements through, over or under the Common Elements, and, subject to approval by resolution of Unit Owners other than Declarant or its affiliates at a meeting duly called, grant other public or private easements, leases and licenses through, over or under the Common Elements;

j. impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements, other than Limited Common Elements, and for services provided to Unit 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 Declaration, these Bylaws, and rules and regulations of the Association;

l. impose reasonable charges for the review, preparation and recordation of amendments to the Declaration, resale certificates required by the Act, statements of unpaid assessments, or furnishing copies of Association records;

m. provide for the indemnification of its Officers and Directors, and maintain directors' and officers' liability insurance;

n. provide for reasonable procedures governing the conduct of meetings and election of Directors;

o. exercise any other powers conferred by law, or by the Declaration, Articles of Incorporation or these Bylaws;

p. exercise any other powers necessary and proper for the governance and operation of the Association.

Notwithstanding anything contained herein to the contrary, no lease or contract shall be entered into on behalf of the Association whose term exceeds three (3) years; and any contract for professional management of the Property, or any other contract providing for services by the Declarant, shall be terminable by the Association or the other party thereto on 90 days' written notice without cause and without the imposition of any penalty or termination fee and shall be terminable for cause by the Association on 30 days' written notice.

Section 5. General Duties. In addition to and without limitation of the powers and duties assigned to the Board of Directors elsewhere herein, by the Declaration or by the Act, it shall be the duty of the Board of Directors to:

a. Contract for labor and materials needed to maintain, repair and replace the Common Elements, pay for insurance, utilities and other expenses of operating the Common Elements and of performing the other duties of the Association as provided by law, the Declaration or herein, and assess the costs thereof against the Members of the Association in the manner provided for by the Act, herein and in the Declaration. The Board shall include in the monthly assessments such amount as is necessary to accumulate an adequate reserve for the maintenance, repair and replacement of those Common Elements that must be replaced, repaired or maintained on a periodic basis, and may accumulate an additional reserve from time to time in anticipation of extraordinary Common Expenses.

b. Cause to be kept detailed, accurate records in chronological order, of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance repair and replacement expenses of the Common Elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Unit Owners during normal business hours.

c. Prepare or cause to be prepared an annual report, a copy of which shall be provided to each Unit Owner with the notice of each annual meeting and shall be available to each Unit Owner at the annual meeting, showing the financial affairs of the Association, and containing at a minimum the following:

(i) A statement of any capital expenditures in excess of 2% of the current budget or \$5,000.00, whichever is greater, approved or anticipated by the Association for or during the current year or succeeding two (2) fiscal years;

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated by the Board for any specified project;

(iii) 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;

(iv) A statement of the status of any pending litigation or judgments to which the Association is a party;

(v) A statement of the insurance coverage provided by the Association; and

(vi) A statement of any unpaid assessments levied by the Association on individual Units, current as of not more than 60 days prior to the date of the meeting, identifying the Unit number, the amount of the unpaid assessment and its due date.

d. In accordance with Section 515B.3-116(g) of the Act, furnish to a Unit Owner or the owner's authorized agent upon written request of the Unit Owner or the authorized agent a statement, in recordable form, setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement shall be furnished within 10 business days after receipt of the request and is binding on the Association and every Unit Owner.

e. Furnish or cause to be furnished a certificate in accordance with Section 515B.4-107(b) of the Act. The Board of Directors shall have the power to establish and collect a fee for such certificates, which fee shall be in an amount reasonably related to the costs incurred by the Association in furnishing such certificate.

Any Member of the Association shall have the right, upon reasonable notice to the Treasurer, to review the accounts and financial records of the Association. If the Association does not elect to include an audit as a part of the Common Expenses, one or more Members may call for an audit of the affairs of the Association by written notice to the President. If the audit shall disclose errors of three percent (3%) or greater in any figures contained in the most recent statements issued by the Board, the Association shall bear the expense of the audit. If no such error of three percent (3%) or greater shall be established by the audit, the Member or Members requesting the audit shall bear the entire expense thereof, which shall be a lien upon their individual Units until paid.

Section 6. Limitation of Authority. Anything herein or in the Declaration to the contrary notwithstanding, unless specifically authorized herein or in the Declaration, the Board of Directors shall have no authority, except as may specifically be granted by the majority (or such higher number as may otherwise be required hereunder, by the Act or by the Declaration) of the Members present in person or by proxy at a meeting thereof, to do any of the following:

a. Purchase any Unit except that the Board of Directors may accept any Unit surrendered to it for unpaid assessments and may purchase a Unit at any sale held pursuant to foreclosure for unpaid assessments provided that the Board of Directors shall not, unless authorized by the Members, bid, at any such foreclosure sale, any amount in excess of the total of the delinquent assessment on account of which the foreclosure-sale is being held, any interest thereon and other costs related thereto which are, pursuant to the Declaration, the Act and hereunder, collectible from the Unit Owner of such Unit.

b. Levy or assess as a Common Expense the cost of any capital improvement or acquisition, other than the repair or replacement of an existing portion of the Real Estate unless specifically authorized by not less than 90% of the total voting power of the Association.

Section 7. Resignation. A Director of the Association may resign at any time by giving written notice to the Board of Directors, such resignation to take effect at the time of receipt of such notice or at any later date or time specified therein. Unless otherwise specified therein, acceptance of a resignation shall not be necessary to make it effective.

Section 8. Vacancy. A vacancy in the Board of Directors caused by resignation, death, disqualification, removal or any inability to act shall be filled by the Board of Directors and such action shall be valid notwithstanding the fact that the number of Directors then in office is less than the number specified herein.

Section 9. Removal. Any Director or all Directors, except the first Board of Directors, may be removed at any time with or without cause by a majority vote of a quorum of the Owners at any Annual or Special Meeting of the Association. A Director shall be automatically removed without a meeting or other action of the Owners on the date of closing of any sale or transfer of his Unit or on the date of transfer of possession thereof in connection with any such sale or transfer, whichever occurs earlier.

Section 10. Regular Meeting. The regular Annual Meeting of the Board of Directors shall be held without notice at the place, and immediately following the adjournment of the Annual Meeting of the Members of the Association, to transact such business as may properly come before the Board.

Section 11. Special Meetings of the Board of Directors. Special Meetings of the Board of Directors shall be held upon written request of the President or of any Director, stating the purpose or purposes thereof. Notice of such meeting shall be given by mail or electronically to each Director, addressed to them at their residence or usual place of business at least three (3) days before the day on which such meeting is to be held. Every such notice shall state the time, place and purpose of the meeting. No business other than that stated in the notice shall be transacted at said meeting without the unanimous consent of the Directors.

Section 12. Quorum and Manner of Acting. Except as otherwise provided by statute, the Declaration or these Bylaws, a majority of the Directors in office at the time of any meeting of the Board of Directors shall constitute a quorum for transaction of business at such meeting and the act of a majority of the Directors present at any such meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum be had.

Section 13. Waiver of Notice. Notice of a Special Meeting may be waived by any Member of the Board of Directors in writing before, at, or after a meeting. The waiver shall be filed with the person who has been designated to act as secretary of the meeting, who shall enter it upon the records of the meeting. Appearance at a meeting is deemed a waiver of notice unless the appearance is solely for the purpose of asserting the illegality of the meeting.

Section 14. Action Taken Without A Meeting. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if authorized in a writing or writings signed by all of the Directors.

Section 15. Fidelity Bonds. The Board of Directors may require that all Officers, Directors, employees and representatives of the Association, and all officers, employees and agents of any management agent employed by the Association, handling or responsible for the Association funds to furnish adequate fidelity bonds. Such fidelity bonds shall be in such amount as the Board of Directors deems appropriate but not less than the greater of either the estimated maximum amount of funds (including reserve funds) in the custody of the Association or management agent at any given time or a sum equal to three months assessments on all Units plus reserve funds. Such bonds shall name the Association as an obligee, shall contain waivers of defenses based on exclusion of persons serving without compensation and shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to the Association and each holder of a first mortgage on any Unit. The premiums on such bonds shall be a Common Expense.

Section 16. Compensation. No Director shall receive compensation for any service they may render in their capacity as a Member of the Board of Directors unless such compensation is approved at a meeting of the Members. However, any Director may be reimbursed, by resolution of the Board of Directors, for their actual expenses incurred in the performance of their duties as a Director.

Section 17. Meetings to be Open. Meetings of the Board of Directors must be open to the Unit Owners. To the extent practicable, the Board shall give reasonable notice to the Unit Owners of the date, time, and place of special meetings of the Board in the manner hereinafter provided. Notwithstanding the foregoing, if a meeting of the Board of Directors is announced at a previous meeting of the Board, posted in a location accessible to the Unit 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. Where notice is required, such notice shall be given by personal delivery or mailed to each Unit Owner of record at the address of their respective Units and to such other addresses as any

Unit Owner may have designated in writing to the Secretary; when communicated to any Unit Owner orally or when handed to any Unit Owner; or by any other method permitted by applicable law. Notwithstanding the foregoing, meetings may be closed to discuss the following: (1) personnel matters; (2) pending or potential litigation, arbitration, or other potentially adversarial proceedings between Unit Owners, between the Board or the Association and Unit Owners, or other matters in which any Unit 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 the Association or the privacy of a Unit Owner or occupant of a Unit; or (3) criminal activity arising within the Condominium 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.

ARTICLE IV OFFICERS AND THEIR DUTIES

Section 1. Officers. The Officers of the Association shall be a President, a Secretary and a Treasurer and such assistant or other officers as the Board of Directors may designate. Each Officer shall be selected by a majority vote of the Board of Directors. One person may hold the office and perform the duties of any two of said Officers; provided, however, that the same person shall not at the same time hold the offices of President and Secretary. The President shall be selected from among the Board of Directors. Each officer shall continue in office until:

- a. The next Annual Meeting of the Board and thereafter until a successor is elected; or
- b. He shall resign and his resignation shall have become effective; or
- c. He shall no longer be a Member of the Association (provided that Officers selected by the first Board of Directors need not be Members of the Association); or
- d. He shall be removed as hereinafter provided. Vacant offices shall be filled by the Board.

Section 2. Removal of Officers. Upon an affirmative vote of a majority of the Members of the Board, any Officer may be removed, with or without cause, and his successor elected at any Regular Meeting of the Board of Directors, or at any special meeting of the Board of Directors called for that purpose.

Section 3. Duties of Officers. The Officers shall have the duties and responsibilities normally pertaining to their respective offices together with such specific duties as may be specified by the Articles of Incorporation, these Bylaws or the Board of Directors. The President shall preside over the meetings of the Board of Directors and of the Association of Unit Owners, shall have all of the general powers and duties which are normally vested in the office of President of a corporation and shall have the power to execute contracts and similar documents on behalf of the Association. The Secretary shall keep the minute book of the Association wherein minutes of all meetings and all resolutions and proceedings of the Members and of the Board of Directors shall be recorded, and shall keep a record of the name and mailing address of each Unit Owner, and the Unit or Units in which he has an interest and shall give all notices required by the Articles of Incorporation of the Association, these Bylaws, the Declaration or the Act. The Treasurer shall keep the financial records and books of account of the Association. The Treasurer shall have custody of all intangible property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall deposit all moneys and other valuable effects in the name of or to the credit of the Association in such depositories as may be designated by the Board of Directors and shall disburse the funds of the Association as ordered by the Board of Directors and shall perform all other duties incident to the office of Treasurer. The Treasurer shall furnish upon request of any Unit Owner a statement as to the current account of the Unit Owner upon the assessment rolls of the Association. Officers shall serve without compensation except for reimbursement for out-of-pocket expenses incurred in the performance of their duties. If desired by the Board, administrative tasks of the Officers may be performed by a managing agent selected by the Board.

ARTICLE V
OPERATION OF THE PROPERTY

Section 1. Budget; Levy. The Board of Directors shall from time to time, and at least annually in advance of the beginning of the Association's fiscal year, prepare a budget of Common Expenses for the Association and shall allocate, assess and levy such Common Expenses among the Unit Owners in accordance with the percentages specified in the Declaration. Upon the vote of the Board of Directors adopting a resolution which sets forth the budget of Common Expenses and the allocation thereof to the Unit Owners, the amount so allocated to the Unit Owners of each Unit shall, without further resolution by the Board of Directors, be levied as the annual assessment against such Unit, payable in equal monthly installments due on the first day of each month during the period covered by the Budget, without further resolution by the Board of Directors. The Common Expenses shall include those Common Expenses set forth in the Declaration and these Bylaws and may include such other amounts as the Board of Directors may deem proper for the operation and maintenance of the Property and as permitted by the Act and all laws amendatory thereof and supplementary thereto, provided, however, that the assessment for Common Expenses shall include an adequate reserve fund for maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and shall, when practicable, be payable in regular installments. Contributions to any reserve funds established by the Association may not be withdrawn by any Unit Owner. The Board of Directors shall advise all Unit Owners in writing prior to the beginning of the period covered by the budget as to the amount of the monthly assessment payable by each of them, and shall, upon request by the Unit Owner, furnish copies of each budget on which such Common Expenses and the assessment are based to such Unit Owner and to such Owner's First Mortgagee. The total of any budget shall be in the amount of the estimated Common Expenses for the period covered thereby, including a reasonable allowance for contingencies and reserves, less the amounts of any unneeded Common Expense account balances existing from the previous period's budget, and less any estimated payments to be received by the Association from rental, licensing or other payments for the purpose of defraying the costs of the use of the Common Elements. If a budget is not made by the Board of Directors as required, a monthly assessment in the amount required by the last prior budget shall be due upon each monthly assessment payment date until changed by a new budget. In the event an annual or other budget proves to be insufficient, or in the event of extraordinary or unforeseen Common Expenses, the budget and monthly assessments based thereon may be amended, or a special assessment levied, at any time by the Board of Directors. Any Special Assessment shall be assessed against the Unit Owners, shall be a lien on the Units and shall be enforceable in the same manner as the Monthly Assessments. Special Assessments shall be payable in installments or lump sum, all as designated by the Board of Directors.

Section 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed and levied by the Board of Directors pursuant to Section 1 of this Article V. An Owner may not avoid assessment for Common Expenses by failing or waiving the right to use or enjoyment of the Common Elements. Monthly Assessments shall be due as provided in Section 1 of this ARTICLE V and Special Assessments shall be due when designated by the Board of Directors. Any mortgagee acquiring a first mortgage interest from any Owner of a Unit and its appurtenant undivided interest in Common Elements may, as a condition of the loan, include in the mortgage note or deed a requirement that the mortgagor, upon execution of the mortgage deed, make a monthly deposit with the mortgagee of an amount each month sufficient to pay when due and payable all Common Expenses attributable to that Unit. The mortgage note or deed may further provide that a default in making such deposit shall be a default under the terms of the mortgage deed. In the event that mortgagee collects the monthly installments, such mortgagee shall remit the installments monthly on a current basis to the Association.

Section 3. Assessment Roll. The Assessments against all Owners shall be set forth upon a roll of the Units which shall be available in the office of the Association or of any managing agent retained by the Association for inspection at all reasonable times by Owners or their duly authorized representatives. Such roll shall indicate for each Unit the name and address of the Owner or Owners, the Assessments for all purposes, and the amounts of all Assessments paid and unpaid.

Section 4. Default in Payment of Common Expenses. In the event any Owner does not make payment of a Common Expense Assessment on or before the date when due, such Owner shall be obligated to pay interest on such Assessment from the date due at the rate specified from time to time by the Board of Directors which shall not exceed the highest rate of interest which may be charged thereon pursuant to either the Act or the laws of the State of

Minnesota relative to usury. In addition, such Owner shall be obligated to pay all expenses, including reasonable attorneys' fees incurred by the Board in any proceeding brought to collect any such unpaid Assessment, whether or not an action has been commenced with respect thereto. The right of a Unit Owner to pay the Annual Assessment in monthly installments is hereby made conditional on the prompt payment when due of such monthly installments. In the event of a default in the prompt payment of the monthly installments, the Board of Directors may, by written notice given to the defaulting Owner, accelerate the entire unpaid portion of the Annual Assessment, whereupon the same shall become immediately due and payable. Additionally, the Board of Directors shall have the right to withhold services from any defaulting Owner. The Board of Directors shall have the right and duty to attempt to recover all Assessments for Common Expenses, together with interest thereon and the expenses of the proceeding, including reasonable attorneys' fees, in an action to recover the same brought against an Owner, by foreclosure of the lien on a Unit pursuant to the Act, any statute amendatory thereof or supplementary thereto, or by another remedy available under the Act or hereunder.

Section 5. Records. The Board of Directors shall cause to be kept at the registered office of the Association or at such other place as the Board of Directors may determine, records of the actions of the Board of Directors, minutes of the meetings of the Board of Directors, minutes of the meetings of the Members of the Association, names of the Unit Owners and names of any first mortgagees who have requested the notice of default described in the Declaration and the Unit on which such first mortgagee holds a mortgage, and detailed and accurate records, in chronological order, of the receipts and expenditures affecting the Common Elements. Such records shall be available for examination by the Owners or mortgagees at convenient hours of weekdays. Separate accounts shall be maintained for each Unit setting forth the amount of the assessments against the Unit, the date when due, the amount paid thereon and the balance remaining unpaid.

ARTICLE VI AMENDMENT TO BYLAWS

These Bylaws may be amended only in the same manner and to the same extent as the Declaration.

ARTICLE VII INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify and hold harmless every Director and Officer, their heirs, executors and administrators, against all loss, cost, judgment and expense, including attorneys' fees, which may be imposed upon or reasonably incurred by them in connection with or arising out of the defense or settlement of any claim, action, suit or proceeding to which they may be made a party by reason of their being or having been a Director or Officer of the Association whether or not they are an officer or director at the time of incurring such loss, cost, judgment or expense, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to have been guilty of willful or fraudulent conduct detrimental to the best interests of the Association. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors has agreed on behalf of the Association that the person to be indemnified has not been guilty of willful or fraudulent conduct detrimental to the best interests of the Association in the performance of their duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense. Nothing in this Section shall be deemed to obligate the Association to indemnify any Owner who is or has been a Director or Officer of the Association, with respect to any duties or obligations assumed or damage or liabilities incurred by them solely in their capacity as an Owner.

ARTICLE VIII MISCELLANEOUS

Section 1. Notices. All notices required hereunder to be given to the Association or the Board of Directors shall be sent by U.S. mail to the Board of Directors at the office of the Association or to such other address as the Board of Directors may hereafter designate from time to time by written notice given in the manner hereinafter

prescribed. All notices to any Unit Owner Member, or Occupant entitled to any notice, shall be sent by U.S. mail to their Unit address or to such other address as may be designated by them in writing from time to time to the Association. All notices to First Mortgagees of Units shall be sent by U.S. mail to their respective addresses as designated by them from time to time in writing to the Association. All notices shall be deemed to have been given when deposited in the U.S. mail postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity 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.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

Section 4. 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.

Section 5. No Corporate Seal. The Association shall have no corporate seal.

Section 6. Election Under Internal Revenue Code. The Board shall make and file all elections and documents required pursuant to the Internal Revenue Code, and any other applicable statute or regulation, in order to exempt from taxation, insofar as possible, the income of the Association consisting of assessments paid by Unit Owners.

Section 7. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

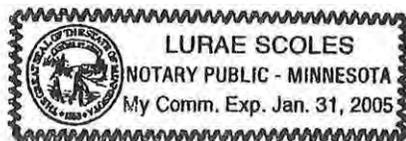
The undersigned hereby certify that the foregoing Bylaws were adopted as the Bylaws of Sundance Ridge Condominium Owners Association, Inc., a non-profit corporation under the laws of the State of Minnesota, by action of the Board of Directors at the first meeting thereof, effective this 14th day of June, 2004.

Andrea Peters
Secretary
Sundance Ridge Condominium Owners Association, Inc.

STATE OF MINNESOTA)
) ss.
COUNTY OF Stearns)

On this 14th day of June, 2004, before me a Notary Public within and for said County, personally appeared Andrea Peters, to me known, who being by me duly sworn, did say that he/she is the Secretary of Sundance Ridge Condominium Owners Association, Inc., the corporation named in the foregoing instrument, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and said is the Secretary acknowledged said instrument to be the free act and deed of said corporation.

Luræ Scoles
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:

Gray, Plant, Mooty, Mooty & Bennett, P.A.
Robert J. Walter
1010 West St. Germain
Suite 600
St. Cloud, MN 56301
Telephone: (320) 252-4414

GP:1562638 v1

EXHIBIT E TO DISCLOSURE STATEMENT

**PLAT OF
COMMON INTEREST COMMUNITY PLAT NUMBER 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
CROW WING COUNTY, MINNESOTA**

COMMON INTEREST COMMUNITY NO. 1058 A CONDOMINIUM SUNDANCE RIDGE CONDOMINIUMS

This CD plat is a part of a declaration recorded as document
Number _____ on this _____ day of _____
County Recorder _____

I, **Berry R. Dornick**, do hereby certify that the work was undertaken by or retained and approved by me for this CD Plat of Common Interest Community Number 1058, a Condominium Sundance Ridge Condominiums, being located upon:
Lots 1, 2, 3, 4, 5, 6, 7 Block 1, Sundance Ridge, a duly recorded plat, thereof on the end of record in the office of the County Recorder, Crow Wing County, Minnesota.

And the Additional Plat Estate is described as follows:
Lots 8 and 9, Block 1, of said Sundance Ridge.

Full and accurate copies of information required by Minnesota Statutes, Section 518.2-116,
dated this _____ day of _____ 2004.

Berry R. Dornick, Land Surveyor
Minnesota License No. 23546

STATE OF MINNESOTA
COUNTY OF BENTON
The foregoing Surveyor's Certificate was subdivided before me this _____ day of _____ 2004, by **Berry R. Dornick**,
Surveyor for Crow Wing County, Minnesota License Number 23546.

Gregory James, Engineer
Minnesota License No. _____

I, **Brooks Sherman**, Architect
Minnesota License No. _____
do hereby certify that all structural components and
mechanical systems serving more than one unit in all buildings pertaining to the units thereby created are substantially completed.
Dated this _____ day of _____ 2004.

Brooks Sherman, Architect
Minnesota License No. _____

STATE OF MINNESOTA
COUNTY OF BENTON
The foregoing Surveyor's Certificate was subdivided before me this _____ day of _____ 2004, by **Brooks Sherman**, Architect,
Licensed Architect, Minnesota License Number _____.

Timothy J. Baker, Engineer
Minnesota License No. _____

The plat of Common Interest Community Number 1058, a Condominium, Sundance Ridge Condominiums, was approved by the
City Council of the City of Crow Wing, Minnesota, on _____ day of _____ 2004.

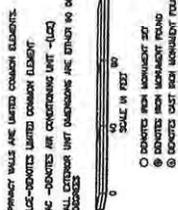
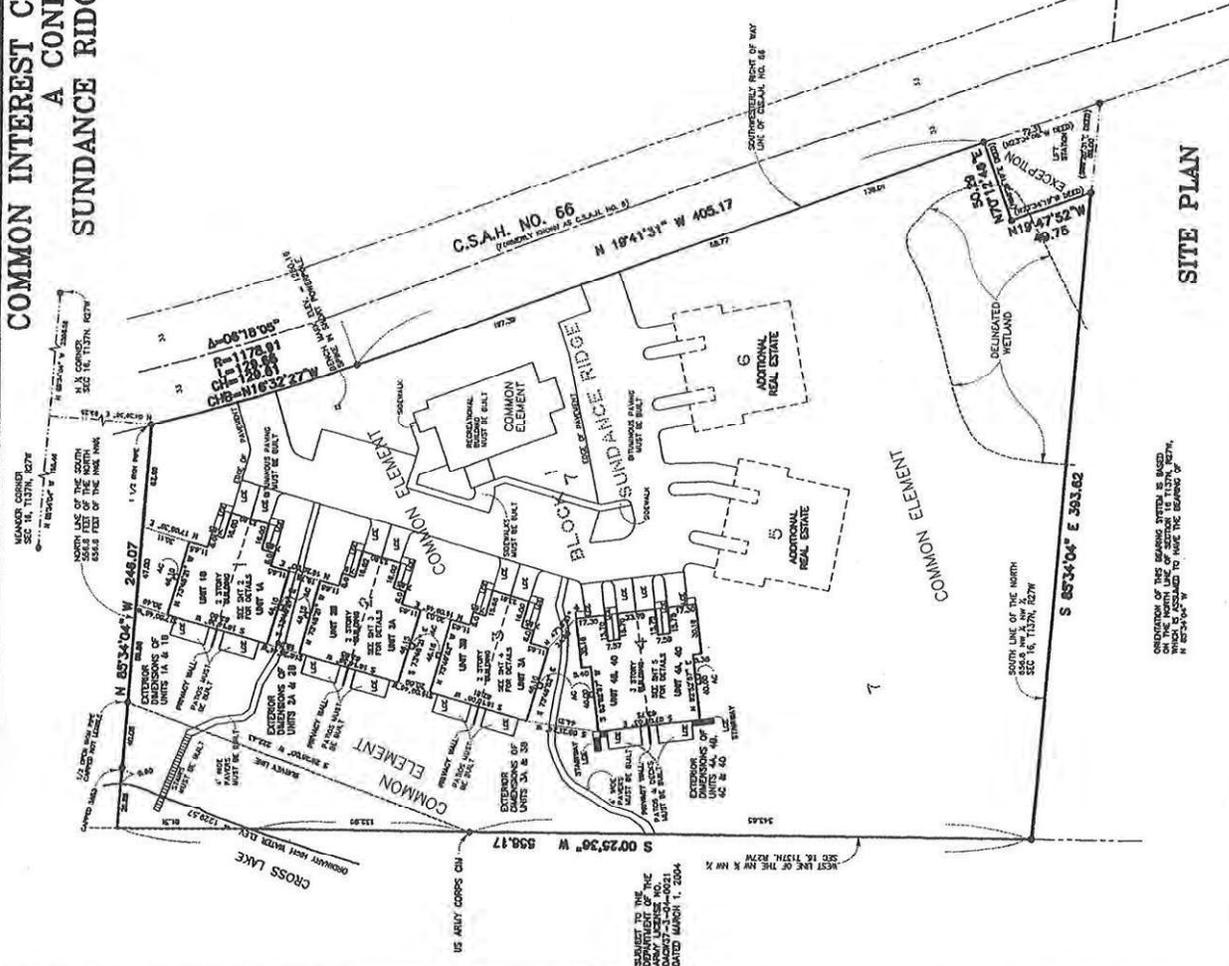
Mayor _____
Mayor City Clerk _____

I, **Ray A. Luukkainen**, Auditor for Crow Wing County, Minnesota, do hereby certify that the taxes on the lands described herein have
been paid for the years prior to 2004.

Ray A. Luukkainen, Auditor
Crow Wing County, Minnesota

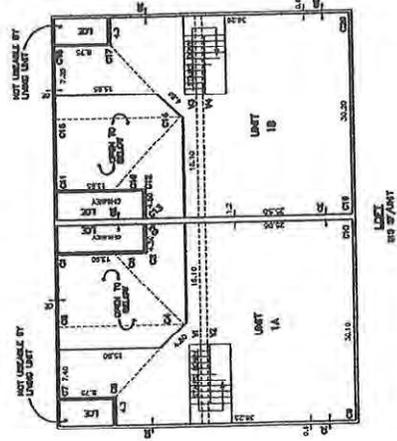
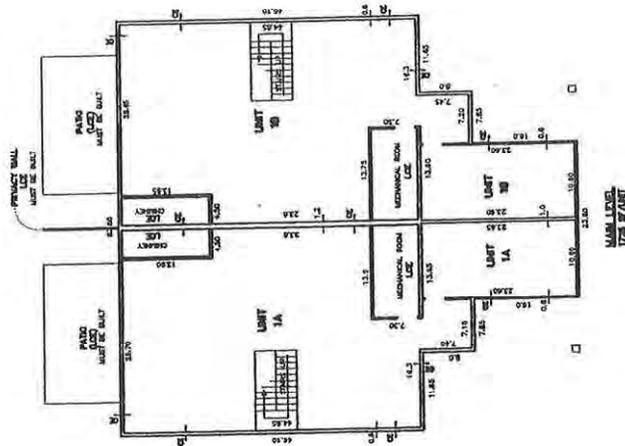
I, **Lawrence E. Gordon**, Treasurer for Crow Wing County, Minnesota, do hereby certify that the taxes on the lands described herein
payable in the year 2004, have been paid.

Lawrence E. Gordon, Treasurer
Crow Wing County, Minnesota



BEVERLY HENNINGSON
1427 7TH STREET NORTH
DULUTH, MINN. 55812
PHONE (218) 263-1334
FAX (218) 263-1334

**COMMON INTEREST COMMUNITY NO. 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
FLOOR PLANS
UNIT 1A AND 1B**



ALL EXTERIOR DIMENSIONS SHOWN WERE MEASURED WITHOUT SIDING
ALL INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE
FINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

BUILDING ELEVATIONS

UNIT 1A
FIRST FLOOR 1252.27
SECOND FLOOR 1261.27
VAULTED CEILING 1262.87

C1 1268.92
C2 1272.37
C3 1274.02
C4 1274.02
C5 1276.02
C6 1268.92
C7 1268.97
C8 1268.97
C9 1268.97
C10 1262.87
V1 1277.52
V2 1277.52

UNIT 1B
FIRST FLOOR 1252.27
FIRST CEILING 1261.27
SECOND FLOOR 1262.92
VAULTED CEILING

C11 1268.97
C12 1272.37
C13 1274.02
C14 1276.02
C15 1276.02
C16 1268.97
C17 1268.92
C18 1262.87
C19 1262.87
C20 1262.87
V3 1277.52
V4 1277.52

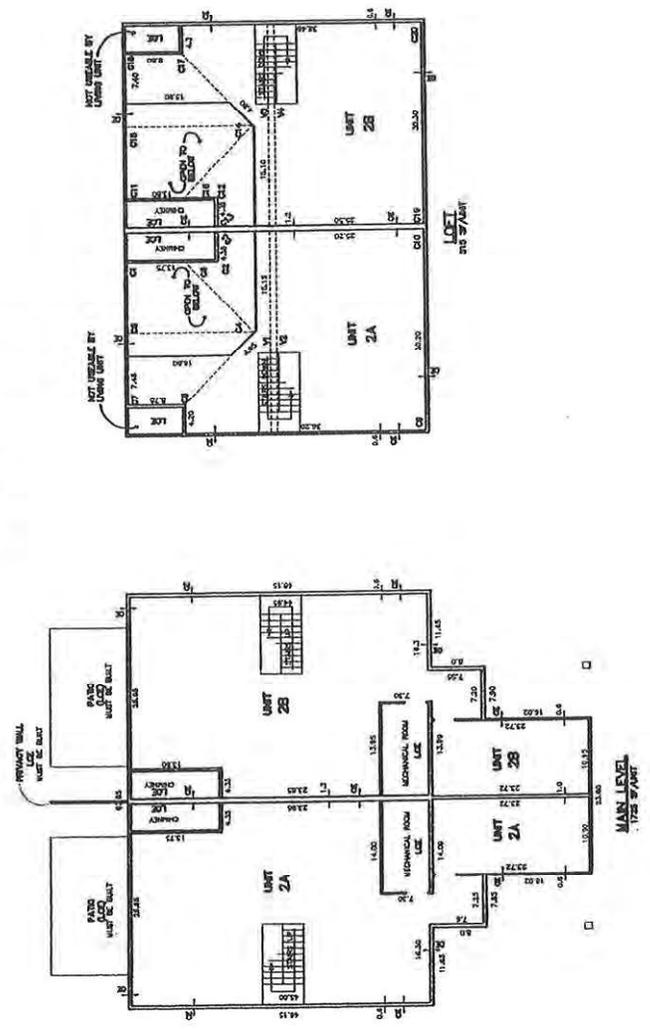
- 1) ELEVATIONS SHOWN ARE REFERENCED TO A BENCH MARK AS NOTED ON SHEET 1 OF 4 SHEETS.
 - 2) ALL EXTERIOR WALLS ARE COMMON ELEMENTS
- CE-DENOTES COMMON ELEMENT
LCE-DENOTES LIMITED COMMON ELEMENT



BRONX ARCHITECT
1434 2ND AVENUE NORTH
PHILADELPHIA, PA 19104
PHONE (215) 261-1234
FAX (215) 261-1234



**COMMON INTEREST COMMUNITY NO. 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
FLOOR PLANS
UNIT 2A AND 2B**



ALL EXTERIOR DIMENSIONS SHOWN WERE MEASURED WITHOUT SIDING
ALL INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE UNFINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

BUILDING ELEVATIONS

UNIT 2A
FIRST FLOOR 1251.24
SECOND FLOOR 1261.89
VAULTED CEILING
C1 1267.94
C2 1271.34
C3 1275.74
C4 1275.14
C5 1275.14
C6 1267.94
C7 1267.94
C8 1267.94
C9 1267.94
C10 1261.89
V1 1276.59
V2 1276.59

UNIT 2B
FIRST FLOOR 1251.24
SECOND FLOOR 1260.34
VAULTED CEILING
C11 1267.99
C12 1271.44
C13 1275.19
C14 1275.19
C15 1275.19
C16 1267.99
C17 1267.94
C18 1267.94
C19 1261.89
C20 1261.89
V3 1276.54
V4 1276.54

- 1) ELEVATIONS SHOWN ARE REFERENCED TO A BENCH MARK AS DENOTED ON SHEET 1 OF 4 SHEETS.
 - 2) ALL EXTERIOR WALLS ARE COMMON ELEMENTS
- CE-DENOTES COMMON ELEMENT
LCE-DENOTES LIMITED COMMON ELEMENT



SHOWING ARCHITECT
LARRY R. BROWN, P.E.
PLANNING, INC.
1000 W. 10TH ST., SUITE 100
DENVER, CO 80202
PHONE (303) 733-1134
FAX (303) 733-1134



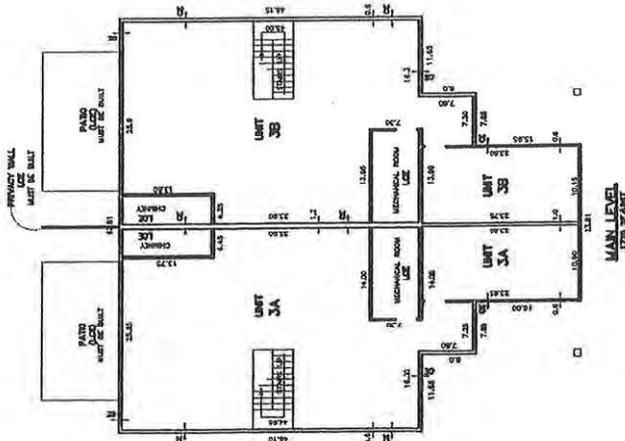
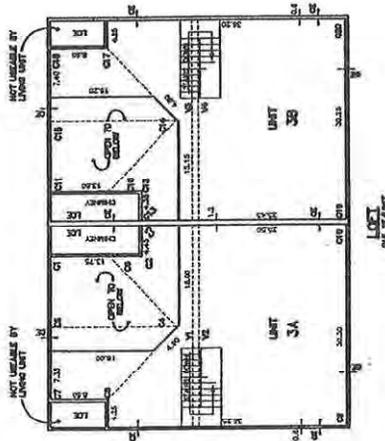
**COMMON INTEREST COMMUNITY NO. 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS
FLOOR PLANS
UNIT 3A AND 3B**

ALL EXTERIOR DIMENSIONS SHOWN WERE MEASURED WITHOUT SIDING
ALL INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE UNFINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

BUILDING ELEVATIONS

UNIT 3A
FIRST FLOOR 1251.26
FIRST CEILING 1260.36
SECOND FLOOR 1261.31
VAULTED CEILING 1268.08
C1 1271.16
C2 1271.16
C3 1271.16
C4 1275.06
C5 1275.06
C6 1268.08
C7 1267.91
C8 1267.91
C9 1261.31
C10 1276.61
V1 1276.61
V2 1276.61

UNIT 3B
FIRST FLOOR 1251.96
FIRST CEILING 1260.36
SECOND FLOOR 1261.96
VAULTED CEILING 1268.08
C11 1267.96
C12 1271.36
C13 1271.36
C14 1275.16
C15 1275.16
C16 1267.96
C17 1267.96
C18 1267.96
C19 1261.96
C20 1251.96
V3 1276.61
V4 1276.61



1) ELEVATIONS SHOWN ARE REFERENCED TO A BENCH MARK AS DENOTED ON SHEET 1 OF 4 SHEETS.

2) ALL EXTERIOR WALLS ARE COMMON ELEMENTS

CE--DENOTES COMMON ELEMENT

LCE--DENOTES LIMITED COMMON ELEMENT

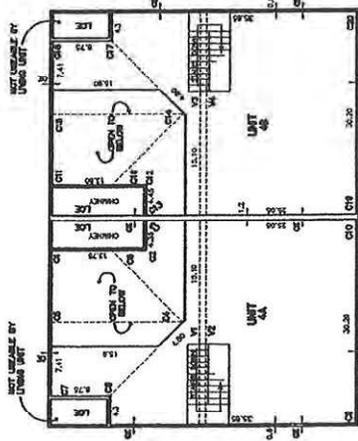


BRUNNEN ARCHITECT
1343 17th STREET NORTH
DENVER, CO 80202
PHONE (303) 555-1234
FAX (303) 555-1234



**COMMON INTEREST COMMUNITY NO. 1058
A CONDOMINIUM
SUNDANCE RIDGE CONDOMINIUMS**

**FLOOR PLANS
UNITS 4A, 4B, 4C AND 4D**



**UNIT 4A
816 S/F/UNIT**

ALL EXTERIOR DIMENSIONS SHOWN WERE MEASURED WITHOUT SIDING

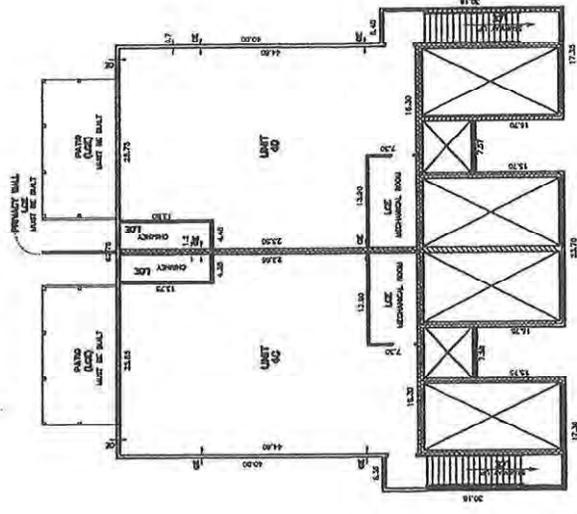
BUILDING ELEVATIONS

UNIT 4A
INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE UNFINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

- FIRST FLOOR 1250.39
- SECOND FLOOR 1250.49
- SECOND FLOOR CEILING 1261.04
- VAULTED CEILING
- C1 1268.89
- C2 1270.48
- C3 1270.48
- C4 1271.34
- C5 1271.34
- C6 1267.19
- C7 1268.87
- C8 1268.87
- C9 1261.04
- V1 1275.74
- V2 1275.74

UNIT 4B
INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE FINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

- FIRST FLOOR 1250.39
- SECOND FLOOR 1250.49
- SECOND FLOOR CEILING 1261.09
- VAULTED CEILING
- C11 1267.04
- C12 1270.54
- C13 1270.54
- C14 1271.24
- C15 1271.24
- C16 1267.04
- C17 1267.14
- C18 1267.14
- C19 1261.09
- V3 1275.09
- V4 1275.78



**UNIT 4C
1263 S/F/UNIT**

ALL EXTERIOR DIMENSIONS SHOWN WERE MEASURED WITHOUT SIDING

BUILDING ELEVATIONS

UNIT 4C
INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE FINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

- FIRST FLOOR 1236.59
- GARAGE FLOOR 1250.39
- FIRST CEILING 1248.09

UNIT 4D
INTERIOR DIMENSIONS SHOWN WERE MEASURED TO THE UNFINISHED SURFACE OF WALLS, FLOORS AND CEILINGS

- FIRST FLOOR 1239.59
- GARAGE FLOOR 1250.39
- FIRST CEILING 1248.59

ZZZZ-DENOTES BLOCK WALL



DRIVEN MECHANICALLY
LIFE OF CONCRETE
SUN PROTECTIVE
PHONE (330) 299-1234
FAX (330) 299-1234



1) ELEVATIONS SHOWN ARE REFERENCED TO A BENCH MARK AS DENOTED ON SHEET 1 OF 4 SHEETS.

2) ALL EXTERIOR WALLS ARE COMMON ELEMENTS

CE-DENOTES COMMON ELEMENT

LCE-DENOTES LIMITED COMMON ELEMENT

EXHIBIT F TO DISCLOSURE STATEMENT

BALANCE SHEET AND BUDGET OF
SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.

Sundance Ridge Condominium Owners Association, Inc

Budget & P'n L

<u>Association Expenses</u>	<u>Vendor</u>	<u>2022 Est.</u>	<u>2021 Est.</u>
Prop & Liab Ins	American Family	(\$9,500.00)	(\$9,370.00)
Mech Maintenance-Quarterly PM	SCR	(\$4,500.00)	(\$4,267.00)
Garbage & Trash Removal	Waste Partners	(\$3,000.00)	(\$3,000.00)
Soft Water Maint	Culligan's	(\$365.00)	(\$365.00)
Irrigation System Repairs	Abra Landscaping	(\$500.00)	(\$500.00)
Greens Upkeep	Abra Landscaping	(\$5,000.00)	(\$5,000.00)
Marina	Dock Tech	(\$3,850.00)	(\$3,850.00)
Snow Removal	Abra Landscaping	(\$2,500.00)	(\$2,500.00)
Pest Control	Godfather's	(\$550.00)	(\$550.00)
Pool Maintenance, Chemicals	CommPool, Mag, etc	(\$5,500.00)	(\$5,500.00)
Pool Cleaning	Dixie Sogge	(\$6,500.00)	(\$6,500.00)
Pool CPO Fee	TWR Pools	(\$10,650.00)	(\$10,650.00)
Beach Maintenance	Abra Landscaping	(\$1,900.00)	(\$1,900.00)
Water/Sewer Services	City of Crosslake	(\$600.00)	(\$600.00)
Electric Service-Rec Bldg	Crow Wing Power	(\$16,214.00)	(\$16,214.00)
Electric Svc-Marina	Crow Wing Power	(\$480.00)	(\$480.00)
Gas Service-Rec Bldg	Xcel Energy	(\$5,500.00)	(\$5,500.00)
Television	DirecTV	(\$2,950.00)	(\$2,950.00)
Communications	CrossComm, ATT	(\$2,250.00)	(\$2,250.00)
Repairs & Maintenance	SUNCOM REDCM	(\$1,900.00)	(\$1,900.00)
Association Accounting & Yearly Audit	MWH, CPA	(\$1,000.00)	(\$950.00)
Line of Credit	SUNCOM REDCM	(\$1,705.00)	(\$1,705.00)
Total Annual Association Expenses		<u>(\$86,914.00)</u>	<u>(\$86,501.00)</u>
			14x12 & 4x6
Assoc. Dues & DirecTV \$375 & \$48/m	18 Condos x 12 Months		\$35,532.00
Assoc. Dues & DirecTV \$400 & \$50/m		\$97,200.00	\$48,600.00
Prepaid Dues by Sundance Ridge Homes			
End of Year Budget Variance	Declarant/Reserve	<u>\$10,286.00</u>	<u>(\$2,369.00)</u>

<u>Jan-Dec 2020</u>	<u>2020 Est.</u>	<u>Jan-Dec 2019</u>
(\$9,370.54)	(\$7,000.00)	(\$7,210.77)
(\$4,267.97)	(\$5,000.00)	(\$5,474.14)
(\$2,509.92)	(\$2,000.00)	(\$2,091.59)
(\$362.71)	(\$400.00)	(\$807.16)
(\$73.16)	(\$500.00)	(\$180.00)
(\$10,687.82)	(\$7,500.00)	(\$9,806.56)
(\$6,810.07)	(\$2,000.00)	(\$1,680.00)
(\$3,552.23)	(\$4,000.00)	(\$6,125.00)
(\$563.72)	(\$450.00)	(\$563.72)
(\$5,547.54)	(\$6,000.00)	(\$8,393.20)
(\$3,900.00)	(\$6,825.00)	(\$6,170.00)
(\$9,000.00)	(\$9,750.00)	(\$9,000.00)
(\$1,923.32)	(\$250.00)	(\$170.00)
(\$600.00)	(\$700.00)	(\$1,096.00)
(\$16,214.00)	(\$20,518.00)	(\$15,033.00)
(\$515.00)	(\$450.00)	(\$798.00)
(\$3,994.45)	(\$4,000.00)	(\$4,990.43)
(\$2,628.86)	(\$4,000.00)	(\$2,391.00)
(\$2,235.18)	(\$2,000.00)	(\$2,390.09)
(\$1,875.80)	(\$2,000.00)	(\$2,395.00)
(\$995.00)	(\$950.00)	(\$950.00)
<u>(\$1,600.22)</u>	<u>(\$1,740.00)</u>	<u>(\$1,729.35)</u>
<u>(\$89,227.51)</u>	<u>(\$88,033.00)</u>	<u>(\$89,445.01)</u>
\$71,064.00	\$71,064.00	\$71,064.00
\$21,445.03		
<u>\$3,281.52</u>	<u>(\$16,969.00)</u>	<u>(\$18,381.01)</u>

Sundance Ridge Condominium Owners Association, Inc.
Balance Sheet

	31-Dec-20	31-Dec-19
ASSETS		
Current Assets		
Checking Account Balance, Liberty Savings	\$4,125.08	\$843.56
Fixed Assets		
Pool Building	\$585,000.00	\$575,000.00
Common Land	\$183,053.55	\$182,000.00
Marina Dock system	\$36,000.00	\$28,064.00
Rainbow Playset	\$14,000.00	\$14,092.44
Other Assets		
Reserve Line of Credit	\$20,000.00	\$20,000.00
Accumulated Depreciation-Pool (30yrs)	(\$200,000.00)	(\$215,000.00)
Accumulated Depreciation-Other (7 yrs)	(\$30,000.00)	(\$35,000.00)
TOTAL ASSETS	\$612,178.63	\$570,000.00
LIABILITIES & EQUITY		
Liabilities		
Deferred Maintenance	(\$20,000.00)	(\$18,000.00)
AHNB Line of Credit	\$30,000.00	\$30,000.00
Due to Sundance Ridge Homes on Crosslake, LLC	\$40,669.60	\$19,224.57
Equity		
Opening Balance Equity	\$469,000.00	\$468,000.00
Retained Earnings	\$0.00	(\$288.57)
Net Income	\$92,509.03	\$71,064.00
TOTAL LIABILITES & EQUITY	\$612,178.63	\$570,000.00

Sundance Ridge Condominium Owners Association, Inc.

Budget & P'n L

2018

<u>Association Expenses</u>	<u>Vendor</u>	<u>Jan-Dec 2018</u>	<u>2019 Budget</u>
Prop & Liab Ins	American Family	(7,030.81)	-8000
Mech Maintenance-Quarterly PM	SCR	(7,337.19)	-7000
Garbage & Trash Removal	Waste Partners	(2,187.46)	-2200
Soft Water Maint	Culligan's	(316.54)	-350
Irrigation System Repairs	Abra Landscaping	(391.58)	-400
Greens Upkeep	Abra Landscaping	(5,416.01)	-5500
Marina	Dock Tech	(1,850.00)	-1500
Snow Removal	Abra Landscaping	(3,670.15)	-5000
Pest Control	Godfather's	(1,041.54)	-1000
Pool Maintenance, Chemicals	CommPool, Mag, etc	(16,287.53)	-10000
Pool Cleaning	Dixie Sogge	(6,250.00)	-6250
Pool CPO Fee	TWR Pools	(9,000.00)	-9000
Beach Maintenance	Abra Landscaping	(390.00)	-400
Water/Sewer Services	City of Crosslake	(810.00)	-1000
Electric Service-Rec Bldg	Crow Wing Power	(13,676.00)	-15000
Electric Svc-Marina	Crow Wing Power	(525.00)	-500
Gas Service-Rec Bldg	Xcel Energy	(5,104.85)	-5000
Television	DirecTV	(2,595.55)	-2400
Communications	GrossComm, ATT	(437.58)	-1000
Repairs & Maintenance	SUNCOM REDCM	(2,722.25)	-3000
Association Accounting & Yearly Audit	MWH, CPA	(950.00)	-1000
Emergency Line of Credit	SUNCOM REDCM	0.00	0
Total Annual Association Expenses		(\$87,990.04)	(\$85,500.00)
Assoc. Dues & DirecTV \$375 & \$48/m	Completed	\$60,912.00	\$60,912.00
End of Year Budget Variance	Declarant	(\$27,078.04)	(\$24,588.00)
Assoc. Dues & DirecTV \$375 & \$48/m	To Be Built	\$30,456.00	\$30,456.00

Sundance Ridge Condominium Owners Association, Inc.

Balance Sheet

30-Dec-18

ASSETS

Current Assets

Checking Account Balance, Liberty Savings \$50.00

Fixed Assets

Pool Building \$575,000.00

Common Land \$185,912.00

Marina Dock system \$20,000.00

Rainbow Playset \$15,000.00

Other Assets

Reserve Line of Credit \$50,000.00

Accumulated Depreciation-Pool (30yrs) (\$230,000.00)

Accumulated Depreciation-Other (7 yrs) (\$35,000.00)

TOTAL ASSETS

\$580,962.00

LIABILITIES & EQUITY

Liabilities

Deferred Maintenance \$0.00

Equity

Opening Balance Equity \$500,000.00

Retained Earnings \$20,050.00

Net Income \$60,912.00

TOTAL LIABILITES & EQUITY

\$580,962.00

EXHIBIT G TO DISCLOSURE STATEMENT

MINNESOTA STATUTES SECTIONS 515B.4-112 THROUGH 4-115

2014 Minnesota Statutes

Authenticate

Found 1 matches for 515B.4-112

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.

History: 1993 c 222 art 4 s 12

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

[Authenticate](#)

2014 Minnesota Statutes

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.

History: [1993 c 222 art 4 s 13](#)

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

515B.4-114 EXCLUSION OR CHANGE 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.

History: 1993 c 222 art 4 s 14

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

515B.4-115 STATUTE OF LIMITATIONS FOR WARRANTIES; CIC CREATED BEFORE AUGUST 1, 2010.

(a) A judicial proceeding for breach of an obligation arising under section 515B.4-101(e) or 515B.4-106(d), shall be commenced within six months after the conveyance of the unit or other parcel of real estate.

(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. An agreement reducing the period of limitation shall be binding on the purchaser's assigns. 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 515B.4-113, regardless of the purchasers' 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 common interest community 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.

(e) This section applies only to common interest communities created before August 1, 2010.

History: 1993 c 222 art 4 s 15; 1999 c 11 art 2 s 31; 2005 c 121 s 42; 2010 c 267 art 4 s 10; 2011 c 116 art 2 s 20

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

EXHIBIT H TO DISCLOSURE STATEMENT

MINNESOTA STATUTES CHAPTER 327A

2014 Minnesota Statutes

Authenticate

327A.01 DEFINITIONS.

Subdivision 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 materials and installation standards of the State Building Code, adopted by the commissioner of labor and industry pursuant to sections 326B.101 to 326B.194, 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 that constructs dwellings, including the construction of dwellings on land owned by vendees. Vendor does not include a subcontractor or material supplier involved in the construction of a dwelling.

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.

Subd. 12. **Inspection.** "Inspection" means a visual or invasive examination of the alleged property damage.

History: 1977 c 65 s 1; 1981 c 119 s 1-5; 1986 c 444; 2001 c 207 s 8; 1Sp2003 c 8 art 1 s 12; 2007 c 140 art 4 s 61; art 12 s 12; art 13 s 4; 2010 c 343 s 4,5

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

Authenticate

2014 Minnesota Statutes

327A.02 STATUTORY WARRANTIES.

Subdivision 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. 2a. **Remedies unaffected by corporate dissolution.** The statutory warranties provided in this section are not affected by the dissolution of a vendor or home improvement contractor that is a corporation or limited liability company.

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.

Subd. 4. **Response from vendor or home improvement contractor to notice of claim; right to inspect.** (a) The vendee or owner must allow an inspection for purposes of the preparation of an offer to repair the alleged loss or damage under subdivision 5. The inspection must be performed by the vendor or home improvement contractor within 30 days of the notification under section 327A.03, clause (a). Any damage to property caused as a result of an inspection must be promptly repaired by the inspecting party to restore the property to its preinspected condition.

(b) The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising

out of the alleged loss or damage, is tolled from the date the written notice provided by the vendee or owner is postmarked, or if not sent through the mail, received by the vendor or home improvement contractor until the latest of the following:

(1) the date of completion of the home warranty dispute resolution process under section 327A.051; or

(2) 180 days.

(c) Upon completion of repairs as described in an offer to repair, the vendor must provide the vendee with a list of the repairs made and a notice that the vendee may have a right to pursue a warranty claim under this chapter. Provision of this statement is not an admission of liability. Compliance with this subdivision does not affect any rights of the vendee under this chapter.

Subd. 5. Right to repair; agreement. (a) Within 15 days of completion of the inspection required by subdivision 4, the vendor or home improvement contractor must provide to the vendee or owner a written offer to repair. The offer to repair must include, at a minimum:

(1) the scope of the proposed repair work; and

(2) the proposed date on which the repair work would begin and the estimated date of completion.

(b) This subdivision does not prevent the vendee or owner from obtaining the information in paragraph (a) from another contractor or from negotiating with the vendor or home improvement contractor for a different scope of work.

(c) If the parties agree to a scope of work, the vendor or home improvement contractor must perform the repair work in accordance with the offer to repair. If the parties do not agree to a scope of work, the vendee or owner must submit the matter to the homeowner warranty dispute resolution process under section 327A.051.

(d) Upon completion of repairs described in an offer to repair, the vendor or home improvement contractor must provide the vendee or owner with a written notice that the scope of the work agreed upon has been completed.

Subd. 6. Failure to perform inspection or repair. If the vendor or home improvement contractor fails to perform an inspection under subdivision 4 or fails to make an offer to repair or perform agreed upon repairs under subdivision 5, the vendee or owner may commence an action.

Subd. 7. Processes required before commencement of action. Except as provided in subdivision 6, a cause of action for which the statute of limitations or statute of repose is tolled under subdivision 4, paragraph (b), must not be commenced in district court until the earlier of:

(1) the completion of the home warranty dispute resolution process under section 327A.051; or

(2) 60 days after the written offer of repair is provided to the vendee or owner.

History: 1977 c 65 s 2; 1981 c 119 s 6; 2001 c 207 s 9,10; 2006 c 202 s 5,6; 2010 c 343 s 6-9

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

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; unless the vendee or owner establishes that the vendor or home improvement contractor had actual notice of 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 or owner 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.

History: 1977 c 65 s 3; 1981 c 119 s 7; 1986 c 444; 2010 c 343 s 10

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

327A.04 WAIVER AND MODIFICATION LIMITED.

Subdivision 1. **Waiver.** Except as provided in subdivisions 2 and 3, the provisions of sections 327A.01 to 327A.08 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.08, except as provided in subdivisions 2 and 3 of this section, shall be void.

Subd. 2. **Modification.** 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 warranties provided for in section 327A.02 may be excluded or modified only by a written instrument, printed in boldface 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 labor and industry pursuant to section 327A.07.

Subd. 3. **Exception.** If a major construction defect is discovered prior to the sale of a dwelling, the 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 recorded with the county recorder or registrar of titles who shall file the waiver for record.

History: 1977 c 65 s 4; 1981 c 119 s 8; 2005 c 4 s 61; 2008 c 337 s 59; 2009 c 91 s

1

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

327A.05 REMEDIES.

Subdivision 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.

History: 1977 c 65 s 5; 1981 c 119 s 9

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

Authenticate

2014 Minnesota Statutes

327A.051 HOME WARRANTY DISPUTE RESOLUTION.

Subdivision 1. **Panel of neutrals.** (a) The commissioner of labor and industry shall maintain a list of persons who consent to serve as qualified neutrals for purposes of this section. The commissioner shall establish application requirements and qualifications for qualified neutrals, taking into consideration the education, experience, and training of the applicant, potential conflicts of interest, and that the purpose of the process is to assist parties in determining an agreeable scope of repair or other resolution of their dispute.

(b) As a condition of being included on the panel of neutrals identified in this section, the commissioner of labor and industry may charge each qualified neutral a fee of \$200 per year for the administration of the home warranty dispute resolution process.

Subd. 2. **Dispute resolution process.** (a) The home warranty dispute resolution process required by this section is commenced by written application to the commissioner. A request must include the complete current address and full name of the contact person for each participating party.

(b) Within ten days of receiving a written request, the commissioner shall provide each party with a written list of three qualified neutrals randomly selected from the panel of neutrals established under subdivision 1. The commissioner shall also provide complete contact information for each qualified neutral.

(c) Within five business days after receipt of the list from the commissioner, the parties shall mutually select one of the three qualified neutrals identified by the commissioner to serve as the qualified neutral for their dispute. If the parties cannot mutually agree on a neutral, the vendor or home improvement contractor shall strike one of the neutrals from the list, the vendee or owner shall subsequently strike one of the remaining neutrals from the list, and the remaining neutral shall serve as the qualified neutral for the dispute resolution process. The parties shall notify the selected qualified neutral and the commissioner of the selection.

Subd. 3. **Neutral evaluation; fee.** (a) The qualified neutral selected by the parties shall convene, and each party shall attend, an in-person conference of the parties. The qualified neutral shall select the date for the conference after consulting the parties. The conference must occur no later than 30 days after the neutral's selection, except by mutual agreement of the parties. In addition, the neutral shall collect from each party an administrative fee of \$25 and shall submit those fees to the commissioner no later than ten days after the completion of the conference.

(b) At least seven days before the conference, each party must provide the qualified neutral and the other party with all information and documentation necessary to understanding the dispute, or the alleged loss or damages.

(c) After reviewing the information and documentation provided by the parties and after consulting with the parties at the conference, the neutral shall issue to the parties a nonbinding, written determination, which must include, to the extent possible, findings and recommendations on the scope and amount of repairs necessary, if any. The qualified neutral shall mail the determination to each party within ten days after the conference.

(d) The parties shall share the expense of the qualified neutral's billed time equally, unless otherwise agreed. The neutral's billed time for evaluation of documents, meeting with the parties, and issuing a written determination must not exceed six hours, unless agreed to in writing by both parties. The neutral must identify the neutral's hourly rate to the parties.

Subd. 4. **Alternative process.** If both parties agree, the parties may designate an alternative dispute resolution process in lieu of participating in the home warranty dispute resolution process established by this section. If the parties agree to an alternative dispute resolution process, they shall provide written notice of the agreement and a description of the selected process to the commissioner as soon as practicable, but no later than the date the parties are required to select a neutral under subdivision 2.

Subd. 5. **Effect on future proceedings.** (a) The written determination issued by the qualified neutral and all communications relating to the home warranty dispute resolution process, except those between any party and the commissioner, are deemed confidential settlement communications pursuant to Rule 408 of the Minnesota Rules of Evidence.

(b) No party may use the written offer of repair provided by a vendor or home improvement contractor, a counteroffer to repair, or a written determination issued by the qualified neutral as evidence of liability in subsequent litigation between the parties. The qualified neutral may not be called to testify regarding the dispute resolution proceedings.

(c) Any amount paid by a party for the services of a qualified neutral under this section is deemed a taxable cost of the prevailing party in a subsequent litigation involving the same subject matter.

Subd. 6. **Noncompliance with timelines; effect.** Failure to strictly comply with the timelines in this section shall not be grounds for dismissal of any claim brought under section 327A.05, provided that the parties establish good faith effort in complying with this section.

History: 2010 c 343 s 11

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

327A.06 OTHER WARRANTIES.

The 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.

History: 1977 c 65 s 6; 2009 c 91 s 2

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

2014 Minnesota Statutes

Authenticate

327A.07 VARIATIONS.

The commissioner of labor and industry 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 warranties set forth in section 327A.02.

History: 1977 c 65 s 7; 1981 c 119 s 10; 1982 c 424 s 130; 1995 c 233 art 2 s 56; 2008 c 337 s 60; 2009 c 91 s 3

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

Authenticate

2014 Minnesota Statutes

327A.08 LIMITATIONS.

Notwithstanding any other provision of sections 327A.01 to 327A.08:

(a) the terms of the home improvement warranties required by sections 327A.01 to 327A.08 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.08 shall not include products or materials installed that are already covered by implied or written warranty; and

(c) the warranties required by sections 327A.01 to 327A.08 must be set forth as written warranty instruments and must be included as part of the construction contract. The warranties and the exclusions under section 327A.03, the right to inspect and offer to repair under section 327A.02, subdivisions 4 and 5, and the home warranty dispute resolution process under section 327A.051 must be conveyed in writing to the owner. Failure to comply with this paragraph is a violation of section 326B.84.

(d) If the warranties required by sections 327A.01 to 327A.08 are not provided to the owner in writing as required by paragraph (c), they are implied statutory warranties that have the same effect as if the vendor or home improvement contractor had complied with paragraph (c).

(e) The owner's right under this section to receive the written warranty required under this section may not be waived or modified by contract or otherwise. Any agreement that purports to waive or modify the right to the written warranty required under this section is void.

(f) This section does not limit the ability of the vendor or home improvement contractor and the owner to enter into the agreements permitted under section 327A.04, subdivisions 2 and 3.

History: 1981 c 119 s 11; 1997 c 7 art 1 s 126; 2009 c 91 s 4; 2010 c 343 s 12

Copyright © 2014 by the Revisor of Statutes, State of Minnesota. All rights reserved.

515B.3-113 INSURANCE.

(a) Commencing not later than the time of the first conveyance of a unit to a unit owner other than a declarant, the association shall maintain, to the extent reasonably available:

(1) subject to subsection (b), property insurance (i) on the common elements and, in a planned community, also on property that must become common elements, (ii) for broad form covered causes of loss, and (iii) in a total amount of not less than the full insurable replacement cost of the insured property, less deductibles, at the time the insurance is purchased and at each renewal date, exclusive of items normally excluded from property policies; and

(2) commercial general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of the property in an amount, if any, specified by the common interest community instruments or otherwise deemed sufficient in the judgment of the board, insuring the board, the association, the management agent, and their respective employees, agents and all persons acting as agents. The declarant shall be included as an additional insured in its capacity as a unit owner or board member. The unit owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the common elements. The insurance shall cover claims of one or more insured parties against other insured parties.

(b) In the case of a common interest community that contains units, or structures within units, sharing or having contiguous walls, siding or roofs, the insurance maintained under subsection (a)(1) shall include those units, or structures within those units, and the common elements. The insurance need not cover the following items within the units: (i) ceiling or wall finishing materials, (ii) finished flooring, (iii) cabinetry, (iv) finished millwork, (v) electrical, heating, ventilating, and air conditioning equipment, and plumbing fixtures serving a single unit, (vi) built-in appliances, or (vii) other improvements and betterments, regardless of when installed. If any improvements and betterments are covered, any increased cost may be assessed by the association against the units affected. The association may, in the case of a claim for damage to a unit or units, (i) pay the deductible amount as a common expense, (ii) assess the deductible amount against one or more of the units affected in any reasonable manner, or (iii) require the unit owners of one or more of the units affected to pay the deductible amount directly.

(c) If the insurance described in subsections (a) and (b) is not reasonably available, the association shall promptly cause notice of that fact to be hand delivered or sent prepaid by United States mail to all unit owners. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance it considers appropriate to protect the association, the unit owners or officers, directors or agents of the association.

(d) Insurance policies carried pursuant to subsections (a) and (b) shall provide that:

(1) each unit owner and secured party is an insured person under the policy with respect to liability arising out of the unit owner's interest in the common elements or membership in the association;

(2) the insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of the unit owner's household and against the association and members of the board of directors;

(3) no act or omission by any unit owner 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

(4) if at the time of a loss under the policy there is other insurance in the name of a unit owner covering the same property covered by the policy, the association's policy is primary insurance.

(e) Any loss covered by the property policy under subsection (a)(1) shall be adjusted by and with the association. The insurance proceeds for that loss shall be payable to the association, or to an insurance trustee designated by the association for that purpose. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and secured parties as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units. If there is a surplus of proceeds after the common elements and units have been completely repaired or restored or the common interest community is terminated, the board of directors may retain the surplus for use by the association or distribute the surplus among the owners on an equitable basis as determined by the board.

(f) Unit owners may obtain insurance for personal benefit in addition to insurance carried by the association.

(g) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance, upon request, to any unit owner or secured party. The insurance may not be canceled until 60 days after notice of the proposed cancellation has been mailed to the association, each unit owner and each secured party for an obligation to whom certificates of insurance have been issued.

(h) Any portion of the common interest community which is damaged or destroyed as the result of a loss covered by the association's insurance shall be promptly repaired or replaced by the association unless (i) the common interest community is terminated and the association votes not to repair or replace all or part thereof, (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (iii) 80 percent of the unit owners, including every unit owner and holder of a first mortgage on a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. Subject to subsection (b), the cost of repair or replacement of the common elements 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.

(i) If less than the entire common interest community is repaired or replaced, (i) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the common interest community, (ii) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units, including units to which the limited common elements were assigned, and the secured parties of those units, as their interests may appear, and (iii) the remainder of the proceeds shall be distributed to all the unit owners and secured parties as their interests may appear in proportion to their common element interest in the case of a condominium or in proportion to their common expense liability in the case of a planned community or cooperative.

(j) If the unit owners and holders of first mortgages vote not to rebuild a unit, that unit's entire common element interest, votes in the association, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under section 515B.1-107. The association shall have the power to, and shall, promptly prepare, execute and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, if the common interest community is terminated, insurance proceeds not used for repair or replacement shall be distributed in the same manner as sales proceeds pursuant to section 515B.2-119(e).

(k) The provisions of this section may be varied or waived in the case of a common interest community in which all units are restricted to nonresidential use.

History: 1993 c 222 art 3 s 13; 1994 c 388 art 4 s 10; 1995 c 258 s 65; 1999 c 11 art 2 s 21; 2005 c 121 s 28; 2010 c 267 art 3 s 10

**EXHIBIT I TO DISCLOSURE STATEMENT
INSURANCE COVERAGE**

Insurance Coverage Carrier: American Family Insurance

Agent: Phil, Peichel, Sartell, MN 320 202 – 9069 ppeichel@amfam.com

Type of Policy: Business Owners Property & Liability

Binder or Policy Coverage: Attached.

A copy of Section 515B.3-113 of the Minnesota Uniform Common Interest Ownership Act is attached

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
POLICY CHANGES

POLICY NUMBER 22XD749402 EFFECTIVE DATE 02-10-2020 ADD'L PREMIUM \$731.00 RETURN PREMIUM POLICY CHANGE NO.
 ISSUED TO SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION INC
 AGENT 043-077 PHILIP E PEICHEL AGENCY INC CUSTOMER BILLING ACCOUNT 019-060-811 67

The following item(s):

- Additional Interested Parties
- Covered Property/Location Description
- Insured's Name
- Insured's Mailing Address
- Insured's Legal Status/Business of Insured
- Underlying Insurance
- Policy Number
- Classification/Class Codes
- Coverage Forms and Endorsements
- Deductibles
- Limits/Exposures
- Premium Determination
- Rates

is (are) changed as follows:

BUSINESSOWNERS POLICY

PREMIUM CHANGE SUMMARY		MID-TERM PREMIUM CHANGE	ANNUAL PREMIUM FOR CHANGE ONLY
PREM 5	36957 COUNTY ROAD 66 BLDG 5 CROSSLAKE, MN 56442-2527	\$731	\$1,819

CHANGES APPLY TO THE FOLLOWING PREMISE:
 PREMISE NO. 5 BUILDING NO. 1
 36957 COUNTY ROAD 66 BLDG 5
 CROSSLAKE, MN 56442-2527
 TOWNHOUSE ASSOCIATION

SECTION I PROPERTY

DESCRIPTION OF PREMISES
 PREMISES NO. 5 BUILDING NO. 1

THE FOLLOWING IS ADDED:
 36957 COUNTY ROAD 66 BLDG 5
 CROSSLAKE, MN 56442-2527
 NUMBER OF UNITS 4

All other terms remain unchanged.

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
MADISON, WISCONSIN

AUTHORIZED REPRESENTATIVE

William B. West
President

Peck
Secretary

COUNTERSIGNED LICENSED RESIDENT AGENT

00000 002005 000440 0440 00000



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
POLICY CHANGES

POLICY NUMBER 22XD749402	EFFECTIVE DATE 02-10-2020	ADD'L PREMIUM \$731.00	RETURN PREMIUM	POLICY CHANGE NO.
ISSUED TO SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION INC				
AGENT 043-077 PHILIP E PEICHEL AGENCY INC		CUSTOMER BILLING ACCOUNT		019-060-811 67

The following item(s):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Additional Interested Parties | <input checked="" type="checkbox"/> Classification/Class Codes |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input checked="" type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Insured's Name | <input checked="" type="checkbox"/> Deductibles |
| <input type="checkbox"/> Insured's Mailing Address | <input type="checkbox"/> Limits/Exposures |
| <input type="checkbox"/> Insured's Legal Status/Business of Insured | <input checked="" type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Underlying Insurance | <input type="checkbox"/> Rates |
| <input type="checkbox"/> Policy Number | |

is (are) changed as follows:

PROPERTY FORMS AND ENDORSEMENTS APPLYING TO THIS PREMISE:

THE FOLLOWING IS ADDED:

BP 85 11 12 08	BUILDING AND BUSINESS PERSONAL PROPERTY LIMITATION(TEXT)
BP 03 18 01 06	MINNESOTA WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
BP 84 11 07 98	BUILDING LIMIT INFLATION PROTECTION COVERAGE
BP 85 17 09 15	UNMATCHED PROPERTY DAMAGE EXCL END & APPRAISAL CHGS

SECTION I PROPERTY

BP 04 30 01 06	PROTECTIVE SAFEGUARDS
PREM NO. 5	BLDG. NO. 1
PROTECTIVE SAFEGUARDS SYMBOLS APPLICABLE P-1	

MORTGAGEHOLDER
AMERICAN HERITAGE NATIONAL BANK
ITS SUCCESSORS AND/OR ASSIGNS
PO BOX 160
ST CLOUD, MN 56302-0160

CHANGES APPLY TO THE FOLLOWING PREMISE:

PREMISE NO. 5 BUILDING NO. 1
36957 COUNTY ROAD 66 BLDG 5
CROSSLAKE, MN 56442-2527

All other terms remain unchanged.

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
MADISON, WISCONSIN

AUTHORIZED REPRESENTATIVE

William B. West
President

Peichel
Secretary

COUNTERSIGNED LICENSED RESIDENT AGENT

00000 003005 000440 0440 00000



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
POLICY CHANGES

POLICY NUMBER 22XD749402	EFFECTIVE DATE 02-10-2020	ADD'L PREMIUM \$731.00	RETURN PREMIUM	POLICY CHANGE NO.
ISSUED TO SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION INC				
AGENT 043-077 PHILIP E PEICHEL AGENCY INC		CUSTOMER BILLING ACCOUNT		019-060-811 67

The following item(s):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Additional Interested Parties | <input checked="" type="checkbox"/> Classification/Class Codes |
| <input checked="" type="checkbox"/> Covered Property/Location Description | <input checked="" type="checkbox"/> Coverage Forms and Endorsements |
| <input type="checkbox"/> Insured's Name | <input checked="" type="checkbox"/> Deductibles |
| <input type="checkbox"/> Insured's Mailing Address | <input type="checkbox"/> Limits/Exposures |
| <input type="checkbox"/> Insured's Legal Status/Business of Insured | <input checked="" type="checkbox"/> Premium Determination |
| <input type="checkbox"/> Underlying Insurance | <input type="checkbox"/> Rates |
| <input type="checkbox"/> Policy Number | |

is (are) changed as follows:

PREMISE:
BP 05 24 01 15 EXCL CERT ACTS TERRORISM

00000 004005 000440 0440 00000

All other terms remain unchanged.

AMERICAN FAMILY MUTUAL INSURANCE COMPANY, S.I.
MADISON, WISCONSIN

AUTHORIZED REPRESENTATIVE

William B. West
President

Peck
Secretary

COUNTERSIGNED LICENSED RESIDENT AGENT

POLICY NUMBER: 22XD749402

BUSINESSOWNERS
BP 85 11 12 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUILDING AND BUSINESS PERSONAL PROPERTY CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Premises No.	Building No.	Auxiliary Building/Structure Description	Auxiliary Building/ Structure Limit	Auxiliary Buildings Business Personal Property Limit
-------------------------	-------------------------	---	--	---

30000 005005 000440 0440 00000



* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.



AMERICAN FAMILY INSURANCE COMPANY
 1121 2ND ST S STE 103
 SARTELL MN 56377-2190

AmFam.com

1-800-MY AMFAM (692-6326)

July 19, 2021



000215EC124DAA1012000507 001797 001
 SUNDANCE RIDGE CONDOMINIUM
 OWNERS ASSOCIATION, INC.
 1090 2ND ST S STE 2A
 SARTELL MN 56377-1948

Regarding your Businessowners Policy

A change has been made to your policy

For a full explanation of your coverage, please review your policy and endorsements

Policy number

91001-02992-57

Thank you for choosing American Family Insurance. We truly value you as our customer.

We have made a change to your Businessowners Policy. Enclosed you'll find a Policy Change document which summarizes the changes made to your policy. Please read it carefully and keep it with your policy.

This is not a bill. If a refund or additional payment is due because of this change, you will soon receive a separate notice.

If you have questions about this notice or the changes made to your policy, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial - Farm/Ranch Division
 1-800-MY AMFAM (1-800-692-6326)

AMERICAN FAMILY INSURANCE COMPANY

Your American Family Agent is:

Peichel & Associates Inc

ppeichel@amfam.com

1121 2nd St S Ste 103
 Sartell MN 56377-2190
 320-202-9069

330 Main St W Ste B
 Rice MN 56367-8866
 320-202-9069

A000 00010004 000215 0000



Policy Change - Businessowners Policy



Please read your policy

Named Insured(s)

Sundance Ridge Condominium Owners
Association, Inc.
36957 County Road 66
Crosslake MN 56442-2527

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

A Policy Change provides a summary of a change to the policy that occurs during the policy period. This Policy Change is effective the date shown and forms a part of this policy.

Policy Information

Policy number	Policy period	Billing account number
91001-02992-57	7/6/2021 to 7/6/2022	625-451-117-89

Change(s) made to your policy effective: 7/6/2021 12:01 a.m.

Description of Changes	Policy Information Prior to Change	Policy Information After Change
PolicyInfo		
Primary Named Insured: Suncom LLC	Exists on Policy	Removed from Policy
Primary Named Insured: Sundance Ridge Condominium Owners Association, Inc.		Added to Policy
Total Premium Adjustment		\$0.00

Your American Family Agent is:

Peichel & Associates Inc

ppeichel@amfam.com

1121 2nd St S Ste 103
Sartell MN 56377-2190
320-202-9069

330 Main St W Ste B
Rice MN 56367-8866
320-202-9069

AUTHORIZED REPRESENTATIVE

William B. Westrate
President

PEC
Secretary

5000 00020002 000150 0000



Policy Change - Businessowners Policy



Please read your policy

Named Insured(s)

Sundance Ridge Condominium Owners
Association, Inc.
36957 County Road 66
Crosslake MN 56442-2527

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week
1-800-MY AMFAM (1-800-692-6326)
amfam.com

A Policy Change provides a summary of a change to the policy that occurs during the policy period. This Policy Change is effective the date shown and forms a part of this policy.

Policy Information

Policy number	Policy period	Billing account number
91001-02992-57	7/6/2021 to 7/6/2022	625-451-117-89

Change(s) made to your policy effective: 7/17/2021 12:01 a.m.

Description of Changes	Policy Information Prior to Change	Policy Information After Change
Locations		
Location 1: 36957 COUNTY ROAD 66, CROSSLAKE, MN		
Buildings		
7: Units 821, 822, 830, 831: 36957 COUNTY ROAD 66 CROSSLAKE, MN 56442-2527		Added to Policy
Details		
TPI : Building 7 : AMERICAN HERITAGE NATIONAL BANK ITS SUCCESSORS AND/OR ASSIGNS : PO BOX 160, ST CLOUD, MN 56302-0160		Added to Policy
Interest Type		First Mortgagee
Coverages		
Building		Added to Policy
Building Limit Inflation Protection Coverage		Added to Policy
Business Income Options		Added to Policy
Deductible		Added to Policy
Standard Building Additional Coverages		Added to Policy
Standard Building Coverage Extensions		Added to Policy
Standard Building Coverages		Added to Policy
Standard Building Limits of Insurance		Added to Policy
Total Premium Adjustment		\$764.62

0000 00020004 000215 0000



EXHIBIT J TO DISCLOSURE STATEMENT

**RULES AND REGULATIONS OF
SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.**

**RULES AND REGULATIONS
OF
SUNDANCE RIDGE CONDOMINIUM OWNERS ASSOCIATION, INC.**

The following rules and regulations have been adopted by the Board of Directors of Sundance Ridge Condominium Owners Association, Inc. All terms used herein are defined in the Declaration, the Bylaws or the Minnesota Common Interest Ownership Act. EACH RULE AND REGULATION APPLIES TO ALL OWNERS AND OCCUPANTS AND THEIR GUESTS OF COMMON INTEREST COMMUNITY NUMBER 1058, SUNDANCE RIDGE CONDOMINIUM, CROW WING COUNTY, MINNESOTA. EACH OWNER IS RESPONSIBLE FOR VIOLATIONS OF THE RULES AND REGULATIONS BY THE OCCUPANTS OF THE OWNER'S UNIT AND BY THE OCCUPANT'S AND OWNER'S GUESTS. The Rules and Regulations are in addition to and in certain instances supplement the use restrictions provided for in the Declaration.

1. USE OF UNITS.

1.1 Occupancy Restrictions. The Units must be used exclusively as private, single-family dwellings, except as provided in the Declaration.

1.2 Commercial Use. No business, trade, occupation or profession of any kind, whether carried on for profit or otherwise, may be conducted, maintained or permitted in any Unit or the Common Elements; except

- a. An Owner or Occupant residing in or a guest temporarily occupying a Unit may keep and maintain his or her business or professional records in such Unit and handle matters relating to such business by telephone, computer, or correspondence therefrom, provided that such uses are incidental to the residential use, do not involve physical alteration of the Unit visible from the exterior, are in compliance with all government laws, regulations and ordinances, and do not involve any observable business activity such as signs, advertising displays, bulk mailings, deliveries, or visitation to or use of the Unit by customers or employees.

- b. The Association may, maintain offices on the Property for management, marketing and development, and related purposes.
- c. The Declarant may maintain offices, sales facilities and other business facilities in connection with the exercise of its special Declarant rights as set forth in the Declaration.
- d. The Declaration requires a minimum of five (5) rentals/leases per lease year of any one Unit. All Units shall be placed in a rental pool, which will be managed by SUNCON Real Estate, the designated leasing agent ("Leasing Agent").

1.3 Access by Board of Directors and Secured Space. The Board of Directors, or its designated agent, may retain a pass key to each Unit. No Owner or Occupant may alter any lock or install a new lock or any attachments on any door of a Unit without the written consent of the Board of Directors. In case such consent is given, the Owner must provide the Board of Directors or its agent with an additional key for the new or altered lock or attachment. Other than this, if keys are given by Owner or Occupant to any employee or agent of the Board of Directors whether for such Unit or an automobile, trunk or other item of personal property, the acceptance of the key will be at the sole risk of such Owner or Occupant, and the Board of Directors will not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

1.4 Electrical Devices or Mechanical/Plumbing Fixtures. No electrical device creating electrical overloading of standard circuits may be used without permission from the Board of Directors. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse will be the responsibility of the Owner from whose Unit it has been caused. No mechanical, plumbing, electrical or other utility service system may be abused or misused. In the event of such abuse or misuse, the Board of Directors may charge the responsible Owner for any damage so caused.

1.5 Displays Outside of Units. Nothing other than mini-blinds, curtains and conventional draperies may be hung, displayed or exposed at or on the outside of windows without the prior consent of the Board of Directors. Each Owner must maintain window coverings to maintain uniformity of exterior appearance. Blankets, sheets or printed or unstructured materials are not acceptable.

1.6 Cleanliness. Each Owner must keep his or her Unit and its Limited Common Elements clean and orderly.

1.7 Electrical Usage. Total electrical usage in any Unit may not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

1.8 Leasing of Units. Leasing of units shall be allowed and are required by the Declaration subject to the following conditions:

- a. That no unit may be subleased;
- b. That no garage may be leased separately from the attendant living unit;
- c. That all leases shall be in writing;
- d. No unit shall be leased for transient or hotel purposes;
- e. That all leases shall provide that they are subordinate and subject to the provisions of the Governing Documents, the Rules and Regulations and the Act and that any failure of the lessee to comply with the terms of such documents shall be in default under the lease;
- f. A copy of the prospective lease shall be provided to the Association or to the Leasing Agent in accordance with their customary practices.
- g. That all leases shall be in compliance with all state, federal and local laws.

The above requirements must be fulfilled by any Owner wishing to lease their Unit and all information must be provided to the Association or the Leasing Agent and approval must be obtained of the tenancy prior to the effectiveness of the lease and occupancy by the prospective tenant.

2. USE OF COMMON ELEMENTS.

2.1 Obstructions. Use of the Common Elements may not be obstructed, nor may anything be stored outside of the Units without the prior consent of the Board of Directors except as hereinafter expressly provided.

2.2 Snow. Owners must comply with the reasonable directions of the Board of Directors to facilitate snow removal operations.

2.3 Storage. Storage, if any, of materials in Common Elements or other areas designated by the Board of Directors, will be at the risk of the person storing the materials.

2.4 Proper Use. Common Elements may be used only for the purposes for which they were designated. No person may, commit waste on the Common Elements or interfere with their proper use by others, or commit any nuisances, vandalism, boisterous or improper behavior on the Common Elements which interferes with, or limits the enjoyment of the Common Elements by others. No articles of personal property may be left unattended in the Common Elements except in those areas, if any, specifically designated by the Board of Directors.

2.5 Garages. Garages are restricted to use as parking space for vehicles and for noncommercial storage. Operation of vehicle engines within garages is limited to the duration of time necessary to start, remove and/or park the vehicle. Garage doors must be

open at all times during such engine operation. All other times garage doors must be kept closed.

2.6 Alterations, Additions or Improvements to Common Elements. No alterations, additions or improvements may be made to the Common Elements without the prior consent of the Board of Directors or such committee, if any, established by the Board of Directors having jurisdiction over such matters. No clothes, sheets, blankets, laundry or any other kind of articles may be on the outside walls, or doors of a building or exposed or placed on the outside walls, or doors of a building or on trees, and no sign, awning, canopy, shutter or antenna may be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window.

2.7 Trees in Common Areas. No trees located in the area of the Common Elements shall be cut, except as follows: (i) by the Association, as necessary for the creation, repair or maintenance of improvements in the area of the Common Elements; (ii) by the Association, in furtherance of and consistently with a policy, adopted by the Board of Directors of the Association, to remove certain species, sizes or types of trees or other vegetation to promote and sustain the proliferation of other species, sizes or types of trees; or (iii) by a Unit Owner, as necessary to prevent the Owner's Unit from potentially damaging or encroaching vegetation and following approval by the Board of Directors, which such approved cutting, where reasonably practicable, shall be in furtherance of and compliance with the Association's policy regarding cutting of trees referenced in the preceding subpart (ii), if any.

3. ACTION OF OWNERS AND OCCUPANTS.

3.1 Annoyance or Nuisance. No obnoxious, offensive, dangerous or unsafe activity may be carried on in any Unit. No Owner or Occupant may make or permit any disturbing noises, nor do or permit anything that will interfere with the rights, comfort or convenience of other residents, or will in any unreasonable way be offensive to such residents. The volume of televisions, radios, phonographs, musical instruments, and the like must be turned down between 11:00 o'clock p.m. and 8:00 a.m. and must, at all times, be kept at a sound level which will not annoy the residents of neighboring Units.

3.2 Pets. No animals, birds or reptiles of any kind may be raised or bred, or kept on the Property, except that two dogs or two cats, or other household pets, approved by the Board of Directors provided that it is properly licensed and has an animal health permit (if applicable) may be brought on the Property and suitably housed in Units, provided that it is not kept, maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property subject to these restrictions upon five (5) days' written notice from the Board of Directors. In no event may any dog be permitted in any portion of the Common Elements unless carried or on a leash, and no dog may be curbed in any courtyard

or close to any patio, or deck, except in special areas, if any, designated by the Board of Directors. Each Owner or Occupant must clean up after his or her pet(s) and shall be responsible for replacement of any damage to sod, trees, shrubs or other areas of the Property. The Association may cause such damage or condition to be repaired or corrected and may enter upon any unit to do so, and the cost thereof may be assessed (unless otherwise paid) against the Unit of the Owner responsible for the damage. The Owner or Occupant must hold the Association harmless from any claim resulting from any action of the pet whatsoever. Seeing eye dogs and hearing dogs will be permitted for those persons holding certificates of necessity.

3.3 Indemnification for Acts of Others. Owners and Occupants must hold the Association and other Owners and Occupants harmless for the actions of their guests and pets.

3.4 Deliveries. The Board of Directors will not be responsible for the loss of or damage to any package or other item which may be delivered other than directly to an Owner or Occupant.

4. RUBBISH REMOVAL.

4.1 Trash. No storage of trash will be permitted in or outside any Unit in such manner as to permit the spread of fire or encouragement of vermin. No garbage cans or trash barrels may be placed outside the Units. No accumulation of rubbish, debris or unsightly materials will be permitted in the Common Elements, except in designated trash storage containers, nor may any rugs or mops be shaken or hung from or on any windows, doors, balconies, patios or terraces.

Rubbish container locations will be designated by the Board of Directors. Pickup will be from those locations only. Owners and Occupants are responsible for removal of rubbish from their Units to the pickup locations. Rubbish is to be deposited within that location and the area is to be kept neat, clean and free of debris. Long term storage of rubbish in the Units is forbidden. Owner and Occupant are responsible to dispose of any trash articles too large to be disposed of by normal residential trash pickup (e.g. mattresses, box springs, furniture).

Owners and Occupants are responsible for compliance with the municipal's and other governmental entities' rules and regulations concerning the proper disposal of garbage and rubbish.

5. MOTOR VEHICLES.

5.1 Commercial Vehicles. Commercial vehicles are prohibited in the parking areas and driveways, except for temporary loading and unloading, or as may be designated by

the Board of Directors. Parking spaces may not be used for any purpose other than to park automobiles, excluding, specifically, heavy trucks (e.g. trucks larger than pickup trucks), commercial vehicles, trailers or boats without the express approval of the Board of Directors.

5.2 Compliance with Law. All persons must comply with Minnesota State Laws, Department of Motor Vehicles regulations, and applicable local ordinances on the roads, and drives on the Property.

5.3 Snowmobiles, Recreational Off-Road Vehicles, etc. Use of snowmobiles, all-terrain vehicles, recreational vehicles, off-road vehicles and trail bikes, is prohibited in the Common Elements, except such areas as may be designated by the Board of Directors. Other four-wheel drive vehicles are prohibited, except where licensed and equipped for passage on public highways, and actually used by licensed drivers on the paved portions of the Property. Except for motor assisted bicycles and wheelchairs as permitted by state law, all motor vehicles used or parked on the Common Elements must be licensed, properly equipped and in operating condition for safe travel on the public highways of the state.

5.4 Limited Use of Trucks, Vans, Trailers and Commercial Vehicles. The following types of vehicles are prohibited in the parking areas and drives in excess of eight (8) hours in any thirty (30) day period except for temporary loading or unloading: commercial vehicles carrying a sign advertising business; trucks, vans and vehicles having capacity of more than one ton; trailers of any kind; and vehicles with more than four single-tire wheels. Construction equipment used in the actual repair, construction or maintenance of the Property will not be so restricted during such use. Parking spaces, if any, are intended to be used solely for the parking of automobiles or trucks having a gross weight of less than 10,000 lbs. Without express written consent of the Board of Directors, no buses, trucks having a gross weight in excess of 10,000 lbs., trailers, recreational vehicles or boats may be parked in any parking space or anywhere else visible on the Property, except boats and trailers may be parked in designated areas (if any).

5.5 Vehicle Liability. Neither the Board of Directors nor the Association will be liable for loss, destruction, theft, or damage to any vehicle parked in the Common Elements.

5.6 Traffic Regulations. All Owners, Occupants and their guests must observe and abide by all the parking and traffic regulations as posted by the Board of Directors or by municipal authorities. Vehicles parked in violation of any such posted regulations may be towed away at the violator's sole risk and expense.

5.7 Municipal Regulations. All Owners and Occupants and their guests must observe and abide by the rules and regulations of the City of Cross Lake and all other governmental units, notwithstanding any other provisions contained herein.

5.8 Storage. Outside storage of any items, including, but without limitation,

sporting equipment, toys, outdoor cooking equipment, yard and garden tools and equipment and trash and garbage containers shall not be allowed. No water craft, inoperable automobiles, snowmobiles, fish houses, trailers, camping vehicles, recreational vehicles, tractor/trailers, buses or trucks in excess of 10,000 pounds gross weight, shall at any time be stored anywhere on the property outside of a garage, except that water craft, snowmobiles, and trailers in regular use may be temporarily parked in the owners driveway for a period not to exceed 48 hours.

5.9 Boat and Watercraft. Boats and watercraft of the owners and occupants may only be stored or moored in designated dock or slip areas. There are a limited number of slips which are assigned to certain Units. The Units that are assigned slips or dock space are Units 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 4C, and 4D. The Association shall govern, manage and maintain the slips. The costs of such management and maintenance shall be borne by the Units that are assigned that slip. The Unit assigned a slip may rent out that slip to the Occupant of that Owner's Unit or to another Unit's Owner. No slip may be used, leased or subleased to anyone other than Unit Owners, their guests, or Unit occupants. The Association shall not be responsible in any way for any liability or damage that may occur as a result of the use by the Unit Owners, their guests, occupants or tenants of the slips and docks as to damage to personal property or personal injury. Each user of slip or dock is responsible for proper mooring of their watercraft and to maintain proper insurance for personal property or personal injury.

Each user of slip or dock agree to indemnify, defend and hold harmless the Association and the other Unit Owners from all liability and claims associated with the use of the slip or dock.

6. USE OF EMPLOYEES. No Owner or Occupant may use, employ or direct any employees of the Board of Directors or its managing agent for any private business during the hours of their employment.

7. GENERAL RECREATIONAL RULES.

7.1 Limited to Owners, Occupants and Guests. Any recreational area or open space within the Common Elements is limited to use of Owners, Occupants, and their guests. All Common Elements are used at the risk and responsibility of the user, and the user will hold the Association harmless from damage or claims by virtue of such use.

7.2 Boisterous Behavior Prohibited. Boisterous, rough or dangerous activities or behavior, which unreasonably interferes with the permitted use of Common Elements, is prohibited.

7.3 Household Members. All household members will be deemed guests. The Owner or Occupant must direct all household members and other guests to conform to these

rules and regulations and the Owner and Occupant will be responsible for such conformance.

7.4 Recreational Facilities. Rules (including rules imposing use charges) relating to use of any recreational facilities which may now or hereafter be located on the Property may be promulgated by the Board of Directors, and all Owners, Occupants and their guests must abide by such rules.

8. GENERAL ADMINISTRATIVE RULES.

8.1 Consent in Writing. Any Consent or approval required by these rules must be obtained in writing prior to undertaking the action to which it refers.

8.2 Complaints. Any formal complaint regarding the management of the Property or regarding actions of other Owners must be made in writing to the Board of Directors, or any appropriate committee.

8.3 Amending Rules and Regulations. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Directors.

Certified to be the Rules and Regulations
adopted by the Board of Directors.

4/22/2015
Date

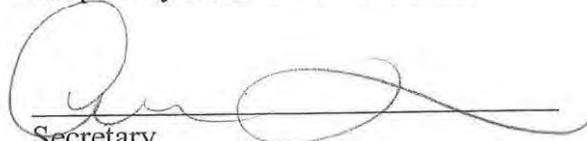

Secretary

EXHIBIT K TO DISCLOSURE STATEMENT
FINANCING OFFERED BY DECLARANT

None at this time.

EXHIBIT L TO DISCLOSURE STATEMENT

DEPARTMENT OF THE ARMY LICENSE

**DEPARTMENT OF THE ARMY LICENSE
MISSISSIPPI RIVER AT HEADWATERS PROJECT
PINE RIVER RESERVOIR
PORTION OF TRACT 61, CROW WING COUNTY, MN**

THE SECRETARY OF THE ARMY, acting by and through the Chief, Real Estate Division, U.S. Army Corps of Engineers, Saint Paul District, hereinafter referred to as the "Grantor", under authority of his general administrative authority, hereby grants to **Stuart N. Swenson, 230 Pinecone Road South, Sartell, Minnesota 56377**, hereinafter referred to as the Grantee, a license for **continued use, occupation and maintenance of a paving stone walking trail totaling 400 square feet**, over, across, in and upon lands of the United States, as identified in **Exhibit A**, attached hereto and made a part hereof, hereinafter referred to as the premises.

THIS LICENSE is granted subject to the following conditions.

1. TERM

This license is granted for a term of **five (5) years**, beginning **2 March 2019**, and ending **1 March 2024**, but revocable at will by the Grantor.

2. CONSIDERATION

a. The Grantee shall pay to the United States the amount of **Eight Hundred and NO/100 DOLLARS (\$800.00)**, in full for the term hereof, payable to the order of the **USACE, St. Paul District**, and mailed or delivered to the **U.S. Army Corps of Engineers, Attn: RE-M, 180 Fifth Street East, Suite 700, Saint Paul MN 55101-1678**.

b. All consideration and other payments due under the terms of this license must be paid on or before the date they are due in order to avoid the mandatory sanctions imposed by the Debt Collection Act of 1982 (31 U.S.C. Section 3717). This statute requires the imposition of an interest charge for the late payment of debts owed to the United States; an administrative charge to cover the costs of processing and handling delinquent debts; and the assessment of an additional penalty charge on any portion of a debt that is more than ninety (90) days past due. The provisions of the statute will be implemented as follows:

(1) The United States will impose an interest charge, the amount to be determined by law or regulation, on late payments of debts. Interest will accrue from the due date. An administrative charge to cover the cost of processing and handling each payment will also be imposed.

(2) In addition to the charges set forth above, the United States will impose a penalty charge of six percent (6%) per annum on any payment or portion thereof, more than ninety (90) days past due. The penalty shall accrue from the date of delinquency and will continue to accrue until the debt is paid in full.

(3) All payments received will be applied first to any accumulated interest, administrative and penalty charges and then to any unpaid rental or other payment balance. Interest will not accrue on any administrative or late payment penalty charge.

3. FEES TO COVER ONGOING ADMINISTRATIVE AND MONITORING COSTS

- a. Authority: Title 10 USC 2695
- b. The Grantee shall remit the amount of **\$325.00** for the term to cover the Government's expense to administer and monitor this contract. This will be a separate payment from that required under the Consideration clause herein.
- c. Any excess funds not expended by the Government for administration of this contract shall be returned to the Grantee.

4. NOTICES

All notices to be given pursuant to this license shall be addressed, if to the Grantee, to **Stuart N. Swenson, 230 Pinecone Road South, Sartell, Minnesota 56377**; and if to the Grantor, to the **U.S. Army Corps of Engineers, Attn: RE-M, 180 Fifth Street East, Suite 700, Saint Paul MN 55101-1678**, or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly sealed envelope addressed as aforesaid, and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

5. AUTHORIZED REPRESENTATIVES

Except as otherwise specifically provided, any reference herein to "Secretary", "Grantor", "Chief, Real Estate Division", or "said officer" shall include their duly authorized representatives. Any reference to "Grantee" shall include any duly authorized representatives.

6. SUPERVISION BY THE GRANTOR

The use and occupation of the premises shall be subject to the general supervision and approval of the Grantor, Saint Paul District, hereinafter referred to as said officer, and to such rules and regulations as may be prescribed from time to time by said officer.

7. APPLICABLE LAWS AND REGULATIONS

The Grantee shall comply with all applicable Federal, state, county, and municipal laws, ordinances and regulations wherein the premises are located.

8. CONDITIONAL USE BY GRANTEE

The exercise of the privileges herein granted shall be:

- a. without cost or expense to the United States;
- b. subject to the right of the United States to improve, use or maintain the premises;
- c. subject to other outgrants of the United States on the premises;
- d. personal to the Grantee; and this license, or any interest therein, may not be transferred or assigned.

9. CONDITION OF PREMISES

The Grantee acknowledges that it has inspected the premises, knows its condition, and understands that the same is granted without any representations or warranties whatsoever and without any obligation on the part of the United States.

10. COST OF UTILITIES

The Grantee shall pay the cost, as determined by the officer having immediate supervision over the premises, of producing and/or supplying any utilities and other services furnished by the Government or through Government-owned facilities for the use of the Grantee, including the Grantee's proportionate share of the cost of operation and maintenance of the Government-owned facilities by which such utilities or services are produced or supplied. The Government shall be under no obligation to furnish utilities or services. Payment shall be made in the manner prescribed by the officer having such jurisdiction.

11. PROTECTION OF PROPERTY

The Grantee shall keep the premises in good order and in a clean, safe condition by and at the expense of the Grantee. The Grantee shall be responsible for any damage that may be caused to property of the United States by the activities of the Grantee under this license, and shall exercise due diligence in the protection of all property located on the premises against fire or damage from any and all other causes. Any property of the United States damaged or destroyed by the Grantee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the Grantee to a condition satisfactory to said officer, or at the election of said officer, reimbursement made therefor by the Grantee in an amount necessary to restore or replace the property to a condition satisfactory to said officer.

12. INDEMNITY

The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the Grantee, or for damages to the property or injuries to the person of the Grantee's officers, agents, or employees or others who may be on the premises at their invitation or the invitation of any one of them, and the Grantee shall hold the United States harmless from any and all such claims not including damages due to the fault or negligence of the United States or its contractors.

13. RESTORATION

On or before the expiration of this license or its termination by the Grantee, the Grantee shall vacate the premises, remove the property of the Grantee, and restore the premises to a condition satisfactory to said officer. If, however, this license is revoked, the Grantee shall vacate the premises, remove said property and restore the premises to the aforesaid condition within such time as the Grantor may designate. In either event, if the Grantee shall fail or neglect to remove said property and restore the premises, then, at the option of said officer, the property shall either become the property of the United States without compensation therefor, or said officer may cause the property to be removed and no claim for damages against the United States or its officers or agents shall be created by or made on account of such removal and restoration work. The Grantee shall also pay the United States on demand any sum which may be expended by the United States after the expiration, revocation, or termination of this license in restoring the premises.

14. NON-DISCRIMINATION

The Grantee shall not discriminate against any person or persons or exclude them from participation in the Grantee's operations, programs or activities because of race, color, religion, sex, age, handicap or national origin in the conduct of operations on the premises. The Grantee will comply with the Americans with Disabilities Act and attendant Americans with Disabilities Act Accessibility Guidelines (ADAAG) published by the Architectural and Transportation Barriers Compliance Board.

15. TERMINATION

This license may be terminated by the Grantee at any time by giving the Grantor at least ten (10) days' notice in writing provided that no refund by the United States of any consideration previously paid shall be made and provided further, that in the event that said notice is not given at least ten (10) days prior to the rental due date, the Grantee shall be required to pay the consideration for the period shown in the Condition on **CONSIDERATION**.

16. ENVIRONMENTAL PROTECTION

a. Within the limits of their respective legal powers, the parties to this license shall protect the premises against pollution of its air, ground and water. The Grantee shall comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency, or any Federal, state, interstate or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the premises is specifically prohibited. Such regulations, conditions, or instructions in effect or prescribed by said Environmental Protection Agency, or any Federal, state, interstate or local governmental agency are hereby made a condition of this license. The Grantee shall not discharge waste or effluent from the premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

b. The Grantee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs from the Grantee's activities, the Grantee shall be liable to restore the damaged resources.

c. The Grantee must obtain approval in writing from said officer before any pesticides or herbicides are applied to the premises.

17. HISTORIC PRESERVATION

The Grantee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the premises, the Grantee shall immediately notify said officer and protect the site and the material from further disturbance until said officer gives clearance to proceed.

18. DISCLAIMER

This license is effective only insofar as the rights of the United States in the premises are concerned; and the Grantee shall obtain any permit or license which may be required by Federal, state, or local statute in connection with the use of the premises. It is understood that the granting of this license does not preclude the necessity of obtaining a Department of the Army permit for activities which involve

the discharge of dredge or fill material or the placement of fixed structures in the waters of the United States, pursuant to the provisions of Section 10 of the Rivers and Harbors Act of 3 March 1899 (33 U.S.C. 403), and Section 404 of the Clean Water Act (33 U.S.C. 1344).

19. MINIMUM WAGE REQUIREMENT (EXECUTIVE ORDER 13658)

a. It has been determined this contract is not subject to Executive Order 13658 or the regulations issued by the Secretary of Labor in 29 CFR part 10 pursuant to the Executive Order, and the following provision.

b. If a duly authorized representative of the United States discovers or determines, whether before or subsequent to executing this contract, that an erroneous determination regarding the applicability of Executive Order 13658 was made, contractor, to the extent permitted by law, agrees to indemnify and hold harmless the United States, its officers, agents, and employees, for and from any and all liabilities, losses, claims, expenses, suits, fines, penalties, judgments, demands or actions, costs, fees, and damages directly or indirectly arising out of, caused by, related to, resulting from or in any way predicated upon, in whole or in part, the erroneous Executive Order 13658 determination. This includes contractor releasing any claim or entitlement it would otherwise have to an equitable adjustment to the contract and indemnifying and holding harmless the United States from the claims of subcontractors and contractor employees.

20. EXECUTIVE ORDER 13706

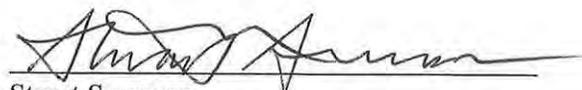
It has been determined this contract is not subject to Executive Order 13706 or the regulations issued by the Secretary of Labor in 29 CFR part 13 pursuant to the Executive Order.

THIS LICENSE is not subject to Title 10, United States Code, Section 2662, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the Secretary of the Army, this 16 day of February, 2020.

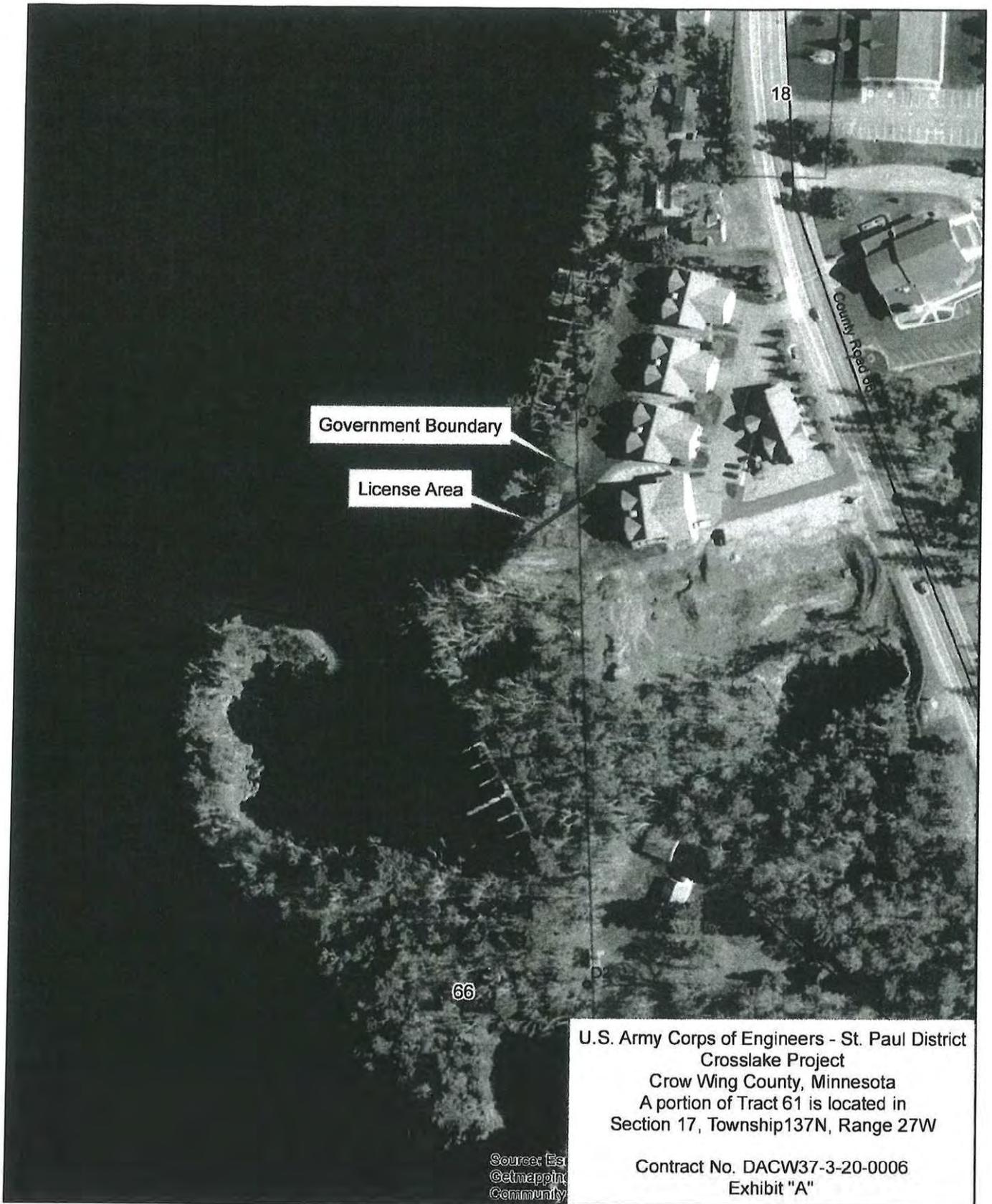

Kevin Sommerland
Real Estate Contracting Officer

THIS LICENSE is also executed by the Grantee this 11th day of February, 2020.


Stuart Swenson

320 230 6060
Phone Number

Exhibit "A"



The USACE Real Estate Tracts illustrated on this map are based on historic data sources. The data represents the results of data collection/processing for a specific activity and indicates the general existing conditions. As such, it is only valid for its intended use, content, and accuracy specifications. The user is responsible for the results of any application of the data other than its intended purpose.

100 50 0 100 Feet



EXHIBIT M TO DISCLOSURE STATEMENT
TRANSFER OF DECLARANT RIGHTS

(Above Space Reserved For Recording Data)

**COMMON INTEREST COMMUNITY NO. 1058
a Condominium**

SUNDANCE RIDGE CONDOMINIUMS

TRANSFER OF SPECIAL DECLARANT RIGHTS

This instrument is made and entered into as of April 22nd, 2015, by SUNDANCE II, LLC, a Minnesota limited liability company (the "Transferor"), and SUNDANCE RIDGE HOMES ON CROSSLAKE L.L.C., a Minnesota limited liability company (the "Transferee"), pursuant to Minnesota Statutes Chapter 515B, known as the Minnesota Common Interest Ownership Act (the "Act"). Transferor and Transferee shall be referred to together in this instrument as the "Parties."

WHEREAS, Transferor is the Declarant under the Declaration (the "Declaration") creating Sundance Ridge Condominiums, Common Interest Community No. 1058, Crow Wing County, Minnesota (the "CIC") recorded in the office of the County Recorder in and for Crow Wing County, Minnesota, as Document No. 0703910;

WHEREAS, the Units described in Exhibit A attached hereto (the "Subject Units") have been conveyed by Transferor to Transferee;

WHEREAS, Transferor desires to transfer, assign and convey to Transferee, pursuant to Section 515B.3-1041 of the Act, all special declarant rights and other development rights provided for in the Declaration, for the purpose of authorizing Transferee to exercise such rights with respect to the Subject Units; and

WHEREAS, Transferor desires to transfer all special declarant rights and other development rights provided for in the Declaration with respect to the Additional Real Estate described in Exhibit B (the "Additional Real Estate").

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Transferor and Transferee agree as follows:

1. Transfer of Declarant Rights. Pursuant to Section 515B.3-1041 of the Act, Transferor hereby transfers, assigns and conveys to Transferee, and Transferee hereby accepts and agrees to exercise in accordance with the Declaration and the Act, all Special Declarant Rights with respect to the Subject Units and with respect to the Additional Real Estate, and all other rights granted by the Declaration or the Act to a declarant. The foregoing rights shall be in addition to, and not in limitation of, any rights, privileges or obligations that Transferee has or acquires by reason of its status as an Owner or by law. Pursuant to the requirements of the Act, this instrument shall be recorded against the Property as defined and described in the Declaration, as amended or supplemented, and shall be effective upon recording.

2. Liabilities and Obligations. The liabilities and obligations of the Parties with respect to the CIC shall, upon the recording of this instrument, be governed by Section 515B.3-1041 of the Act. Neither of the Parties shall be liable for any obligations or liabilities with respect to the CIC arising out of the other Party's acts or omissions. Each Party shall hold harmless, indemnify and defend the other Party from and against all claims and liabilities arising out of the acts or omissions of such indemnifying Party.

3. Owner of Subject Units. The name and address of the owner of record of the Subject Units and Additional Real Estate are as follows: Sundance Ridge Homes on Crosslake L.L.C., 1090 – 2nd Street South, Suite 2A, Sartell, MN 56377.

4. Construction and Binding Effect. This instrument is made pursuant to, and shall be construed in accordance with, the provisions of the Act and other applicable laws of the State of Minnesota. This instrument shall be binding upon the Parties, and their heirs, personal representatives, successors and assigns. Terms used in this instrument that are not defined in this instrument shall have the meaning ascribed to them in the Declaration or in the Act, as applicable.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument on the date written above.

[Signature Page to Follow]

TRANSFEROR:

SUANDANCE II, LLC,
a Minnesota limited liability company

By: [Signature]
Title: President

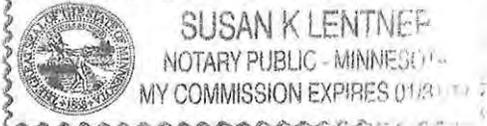
TRANSFeree:

**SUNDANCE RIDGE HOMES ON
CROSSLAKE L.L.C.,**
a Minnesota limited liability company

By: [Signature]
Title: Chief Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF Stearns)

The foregoing instrument was acknowledged before me this 22 day of April, 2015, by Stewart M Swenson as President of Sundance II, LLC, a Minnesota limited liability company, on behalf of the limited liability company.



[Signature]
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF Stearns)

The foregoing instrument was acknowledged before me this 22 day of April, 2015, by Stewart M Swenson as Chief Manager of Sundance Ridge Homes on Crosslake L.L.C., a Minnesota limited liability company, on behalf of the limited liability company.

[Signature]
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Robert J. Walter
Gray Plant Mooty Mooty & Bennett PA
1010 West St. Germain
Suite 500
St. Cloud, MN 56301



EXHIBIT A

**DESCRIPTION OF SUBJECT LAND
COMMON INTEREST COMMUNITY NUMBER 1058**

Unit 1A, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 1B, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 2A, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 3B, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 4A, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 4C, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

Unit 4D, Block 1, Common Interest Community Number 1058, Sundance Ridge Condominiums

As a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.

EXHIBIT B
DESCRIPTION OF ADDITIONAL REAL ESTATE

Lots 5 and 6, Block 1, Sundance Ridge, a duly recorded plat thereof on file and of record in the office of the County Recorder, Crow Wing County, Minnesota.