

## DISCLOSURE STATEMENT

### THE COTTAGES AT LEGACY CREEK HOMEOWNERS ASSOCIATION, INC.

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# The Cottages at Legacy Creek Blaine, Minnesota

## DISCLOSURE STATEMENT

The undersigned ("Seller") does hereby fully disclose and provide to \_\_\_\_\_ ("Purchaser", whether one or more) the following:

1. General Description of Project. The Cottages at Legacy Creek is a single-family residential community located in Blaine, Minnesota. The Community is not subject to the provisions of Minnesota Statutes, Chapter 515B, known as the Minnesota Common Interest Ownership Act. The Declarant of The Cottages at Legacy Creek is SCC Funding I, LLC, a Minnesota limited liability company (the "Declarant"). Seller is not the Declarant. The Declarant has indicated that the initial phase of the development will include twenty-five (25) single-family residential lots. The Declarant has further indicates that The Cottages at Legacy Creek has expanded to include twenty-five (25) additional single-family residential lots in the 2<sup>d</sup> phase known as Legacy Creek 2nd Addition.

2. Name of the Community.

The Cottages at Legacy Creek

3. Name and Principal Address of Seller.

Mattamy (Minneapolis) Partnership

4. General Description of The Villas at Legacy Creek/Number of Lots. As noted above, the Declarant has indicated that the initial phase of the development will consist of twenty-five (25) single-family residential lots (each, a "Lot"). The Declarant has further indicated that it has added twenty- five (25) additional Lots single family residential lots to the 2nd phase of the development, known as Legacy Creek 2nd Addition.

The Cottages at Legacy Creek Homeowners Association, Inc. (the "Association") has been created as a Minnesota nonprofit corporation to administer the Association's affairs. All Lot Owners will be members of the Association, and, after expiration of the Declarant Control Period, will elect a Board of Directors to administer the affairs of the Association.

The Association will provide certain services to its members, including: maintenance of landscaping; lighting, irrigation systems and mailboxes, if any, in the Maintenance Areas defined in the Declaration; architectural control; and the enforcement of covenants, conditions, and restrictions. Owners will be responsible for all exterior and interior maintenance of their respective Lots and all improvements on the Lots. The Declaration of Covenants, Conditions and Restrictions for The Cottages at Legacy Creek, a copy of which is attached hereto and incorporated herein as Exhibit D (the "Declaration"), which covers these maintenance, use and architectural matters, is or will be recorded against the Cottages at Legacy Creek properly.

5. Authority of The Cottages at Legacy Creek Homeowners Association. The Association has the authority to provide, and will provide for maintenance, repair and replacement of the Common Elements benefiting Cottages at Legacy Creek, including but not limited to landscaping; lighting and irrigation systems located in the Maintenance Areas defined in the Declaration; and, mailboxes, if any. The Association has the authority to levy Common Expense assessments on its members to fund the services provided by it. The annual assessments for the Association have been established in a projected budget, a copy of which is attached and incorporated as Exhibit G. The Association will have a lien against each Lot to secure payment of the assessments.

6. Assessment Payments Due From Purchaser at the Closing. The estimate of the annual Common Expenses assessable to the Lot that Purchaser is buying is based on the documentation in Exhibit G, attached.
7. Description of Insurance Coverage. The Association may carry insurance as determined to be appropriate by the Board or as required by law. The amounts of insurance coverage and the deductible amounts shall periodically be determined by the Board. The policies shall not cover owners' personal liability for accidents or damages occurring on their Lots. Owners are strongly advised to consult a qualified insurance agent and obtain their own liability insurance coverage for accidents and damage occurring on their Lots.
8. Other Fees or Charges. There are no current or expected fees, or charges, other than assessments as detailed above, to be paid by Lot Owners to the Association for the use of any improvements, facilities or amenities located on the Cottages at Legacy Creek property.
9. Expenses and Services not Reflected in Budget or Expenses That May Become Common Expenses at a Subsequent Time. Seller is presently unaware of any expenses or services that are not reflected in the Estimated Annual Operating Budget that the Declarant provides, or any expenses that it pays and which it expects may become payable at any subsequent time as a Common Expense of the Association. Accordingly, there is no projected Common Expense assessment of which Seller at this time is aware that would be attributable to any such supplies or services.
10. Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat(s) for the Community. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the utilities, which may obstruct or retard the flow of water through drainage channels, or which may change the direction of flow of drainage in the easements. The easement area of each Lot and all improvements on it shall be maintained continuously by the owner of the Lot, except for those improvements for which the Association, a public authority or utility company is responsible.
11. Financing Offered by Seller. The Seller does not offer financing in connection with the contemplated conveyance by Seller to Purchaser.
12. Earnest Money. The earnest money paid by Purchaser to Seller in connection with the purchase of a Lot in the Community will be held in a trust account by Mattamy (Minneapolis) Partnership until closing or until termination of the Purchase Agreement and will be returned to Purchaser if Purchaser cancels the Purchase Agreement, pursuant to the terms thereof.
13. Real Estate Taxes. The amount of real estate taxes on the property on which the Community will be constructed (including the amount of any special assessments certified for payment with real estate taxes) that is due and payable with respect to the Lot purchased will be as agreed upon in the Purchase Agreement between Seller and Purchaser.
14. Additional Property. The Declarant has reserved in the Declaration certain rights to add Additional Property. These rights allow a Declarant to add Lots or Common Elements to the Community, and to make other changes to the Community over a specified period of time. These changes may have a substantial effect upon the Lots or rights of Lot Owners, by changing the 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 Community and by making other changes which may affect the value or utility of the Lots. A purchaser of Lots in this Community should consider the possible effects of the Declarant's rights. The right to add Additional Property is reserved in Article VII of the Declaration.
15. Use Restrictions. The Declaration sets forth certain restrictions on use of the Lots including, but not limited to, the presence in the Community of state-licensed residential facilities or housing with

services registered under Minnesota Statutes, Chapter 144D. Architectural controls are set forth in Article III of the Declaration.

16. Declaration, Development Agreement and Resolutions. The Lots are subject to that certain Declaration of Restrictions and Covenants dated November 5, 2009, recorded November 5, 2009 as Document No.2011266.001 in the Office of the Anoka County Recorder.

The Lots are also subject to the Transfer of Declarant Rights agreement dated April 1, 2011, filed as document No. 2021441.008. The Lots are also subject to that certain First Amendment to Declaration of Covenants, Conditions and Restrictions dated April 20, 2012.

17. Definitions. Unless otherwise stated herein, all terms defined in the Declaration shall have the same meaning when used in this Disclosure Statement.

18. Documents. Attached hereto and incorporated herein are copies of the following documents related to the Lot and the Association:

Exhibits

Exhibit A - Consent by Owner to First Amendment to Declaration of The Cottages at Legacy Creek

Exhibit B - First Amendment to Declaration of The Cottages at Legacy Creek

Exhibit C -Transfer of Declarant Rights

Exhibit D - Declaration of Covenants, Conditions, and Restrictions of The Cottages at Legacy Creek

Exhibit E - Bylaws of The Cottages at Legacy Creek Homeowners Association

Exhibit F - Written Action of Managers-Written Action of Directors

Exhibit G - Proposed Budget for The Cottages at Legacy Creek Homeowners Association

Exhibit H- Articles of Incorporation of The Cottages at Legacy Creek Homeowners Association