

DISCLOSURE STATEMENT
Paul Bunyan Storage
A Common Interest Community Number 21
A Planned Community

DECLARANT, D. W. Jones, Inc., a Minnesota Corporation, hereby provides the following Disclosure Statement with regard to Paul Bunyan Storage, a Common Interest Community Number 21, a Planned Community.

1. **Name of the Planned Community:** Paul Bunyan Storage, a Common Interest Community Number 21, a Planned Community
2. **Name and principal address of the Declarant:** D. W. Jones, Inc., P.O. Box 340, 7539 Front St. NW, Walker, MN 56484.
3. **Number of units in the Common Interest Community and a statement that the Common Interest Community is either a Condominium, Cooperative, or Planned Community:** The Common Interest Community is a Planned Community rather than a Condominium or Cooperative and consists of 26 units.
4. **General description of the Common Interest Community, including, to the extent possible, the types and numbers of buildings and other improvements that the Declarant is obligated to build pursuant to Section 515B.4-117:** The Common Interest Community will consist of twenty-six (26) free standing storage garages contained upon Lots 1 through 26, Block 1, Paul Bunyan Storage, Itasca County, Minnesota.
5. **Declarant's schedule of commencement and completion of construction of any buildings and other improvements that the Declarant is obligated to build pursuant to Section 515B.4-117:** Declarant is not obligated to construct any buildings pursuant to Section 515B.4-117. Declarant does, however plan to construct storage garages after entering into a Purchase Agreement with Buyer.
6. **Any Expenses or Services, not reflected in the budget, that the Declarant pays or provides, which may become a common expense of the Association; the projected common expense attributable to each of those expenses or services for the Association; and a detailed explanation of any alternative assessment program established**

pursuant to Section 515B.3-115(b) and (d): Declarant does not pay or provide any expenses or services not reflected in the budget. The alternative assessment program established pursuant to Minnesota Statute Section 515B.3-115 is as set forth in Section 6.5 of the Declaration.

7. **Any initial or special fee due from the purchaser to the Declarant or the Association at closing, together with a description of the purpose and method of calculating the fee:** Purchaser is not required to pay an initial or special fee at closing other than the first annual assessment as provided in Section 6. of the Declaration.
8. **Identification of any liens, defects, or encumbrances which will continue to affect the title to a unit or to any real property owned by the Association after the contemplated conveyance.** Each Unit will be free and clear of all encumbrances after the contemplated conveyance to the Buyer. The Common Elements will also be free of all encumbrances, other than the following:
 - (i) Declaration of Paul Bunyan Storage
 - (ii) Applicable Local, State and Federal Ordinance, Statutes and Regulations.
 - (iii) By-laws of Paul Bunyan Storage Owner's Association
9. **Description of any financing offered or arranged by the Declarant:** Declarant is offering financing of a 30 year amortization, with 10% down at 7% interest or with 5% down at 8% interest on a 5 year balloon.
10. **Statement as to whether the Common Interest Community has received any final project approvals from 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):** Declarant has neither sought nor received final project approvals from FNMA, FHLMC, HUD, or VA.
11. **Terms of any warranties provided by the Declarant and a statement of any limitations on the enforcement of warranties or on damages:** Declarant provides the implied warranties to purchasers as set forth in Minnesota Statute Section 515B.4-113. The Statute of Limitations for enforcement of the implied warranties provided by Minnesota Statute Section 515B.4-113 shall be six years after the date of conveyance of the unit by Declarant to purchaser.

12. **You are provided with the following statement:** (i) within five (5) days after the receipt of a Disclosure Statement, a purchaser may cancel any contract for the purchase of a unit from the Declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the Declarant; (ii) if a purchaser receives a Disclosure Statement more than ten 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 this Chapter to a purchaser to whom a unit is conveyed, the Declarant shall be liable to the purchaser as provided in Section 515B.4-106 (d).
13. To the extent of the Declarant's or an affiliate of a Declarants actual knowledge, after reasonable inquiry, there are no unsatisfied judgments or lawsuits to which the Association is a party.
14. Any earnest money paid in connection with the purchase of a unit will be held in an escrow account until closing, or until the termination of the Purchase Agreement, and will be returned to the purchaser if the purchaser cancels the contract pursuant to Section 515B.4-106. The name and address of the escrow agent is as follows: D. W. Jones, Inc, Housing Trust Account, P.O. Box 340, Walker MN 56484, or the escrow account of the listing brokerage.
15. **A detailed description of the insurance coverage provided for the benefit of unit owners, including any fixtures, decorating items or construction items within a unit which are not required to be insured by the Association:** The Association shall provide comprehensive public liability insurance covering the use, operation, and maintenance of the Common Elements with minimum limits of \$300,000 per occurrence. Each owner of individual Units shall carry insurance for his/her own benefit insuring against personal liability and against all risks of physical loss.
16. **Any 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 or any other improvements or facilities:** Declarant does not presently anticipate that any fees or charges, other than assessments for common expenses, will be required for the use of the common elements or any other improvements or facilities.
17. **The financial arrangements, including any contingencies, which have been made to provide for completion of all improvements that the Declarant is obligated to build pursuant to Section 515B.40118, or a statement that no such arrangements have been made.** Declarant has

adequate financial reserves in order to make Class 5 improvements to the driveway.

18. The real estate taxes for the unit being purchased by purchaser and the real property owned by the Association are not delinquent. The real estate taxes, including the amount of any special assessment certified for payment with the real estate taxes, due and payable with respect to the unit for which this Disclosure Statement is given in the year in which the Disclosure Statement is given is as follows: The Itasca County Assessor has not yet determined the exact amount of real estate taxes which will be due and payable with respect to the unit for which this Disclosure Statement is given. The real estate taxes due and payable in the year of sale shall be prorated as of the actual date of closing.
19. The Unit will be substantially completed at the time of conveyance to the purchaser.
20. A copy of the Declaration, Articles of Incorporation, and By-Laws of the Association, and proposed Purchase Agreement are being provided by Declarant to Purchaser along with this Disclosure Statement.
21. A current Balance Sheet for the Association and a projected annual budget for the Association for the year in which the first unit is conveyed to a purchaser, or the current annual budget of the Association, (as the case may be), is being provided by Declarant to purchaser along with this Disclosure Statement. Declarant is responsible for the preparation of the initial projected annual budget for the Association and the Board of Directors is responsible for the preparation of any current annual budget thereafter.

Proposed Budget 2006
Paul Bunyan Storage Owners Association

Grounds Maintenance	\$1,370.00
Electrical Service	\$850.00
Security Line	\$390.00
Liability Insurance	<u>\$872.50</u>
Annual Estimated Expenses	\$3,482.50
Reserves	<u>\$650.00</u>
Total Estimated Assessments	\$4,132.50

ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE STATEMENT

**PAUL BUNYAN STORAGE OWNER'S ASSOCIATION
PAUL BUNYAN STORAGE**

I hereby acknowledge that I have received a copy of the Disclosure Statement, Articles of Incorporation, and By-Laws of Paul Bunyan Storage Owner's Association this _____ day of _____, 200____.
