

DISCLOSURE STATEMENT

Heritage Park Minneapolis Homeowners' Association
Common Interest Community Number 1823
Minneapolis, Minnesota
M.W. Johnson Construction, Inc.
(Seller and Developer)
17645 Juniper Path
Lakeville MN 55044

This information in this Disclosure Statement is accurate
as of May 23, 2007.

ATTACHMENTS

Master Declaration
Declaration
Bylaws
Articles of Incorporation
Balance Sheet and Projected Budget
Copy of M.S. 515B.4-112, 515B.4-113, 515B.4-114, 515B.4-115,
327A.01, 327A.02, 327A.03, 327A.04, 327A.05, 327A.06, 327A.07
and 327A.08

RECEIPT

I hereby acknowledge receipt of a copy of the booklet
containing the foregoing disclosure documents and information
for Heritage Park Minneapolis Homeowner's Association.

Dated: _____, 2006

This Disclosure Statement is furnished pursuant to the requirements of the Minnesota 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 his or her own counsel and tax adviser as to legal and tax matters and related matters concerning this purchase.

The following information is provided pursuant to the requirements of the Minnesota Common Interest Ownership Act, Minnesota Statutes Section 515B.4-102, and applicable provisions thereafter.

(a) Name and principal address of the Declarant (Seller):

M.W. Johnson Construction, Inc.
17645 Juniper Path
Lakeville MN 55044

Address, name and number of Common Interest Community ("CIC"):

Heritage Park Minneapolis Homeowners' Association
CIC No. 1823
17645 Juniper Path
Lakeville MN 55044

(b) General description of the Common Interest Community:

Initially, the planned community CIC will contain one (1) structure consisting of five(5) residential townhome units, for a total of five (5) units. It is contemplated by the Declarant and approved in principle by the City in which this CIC resides, that the total development will eventually consist of eighteen (18) units. The buildings will be two story construction. The exteriors are sheathed in hardy plank. Two garage units for each residential unit are built within the building. There is no common recreational facility, common rooms, or similar amenities.

It is contemplated, subject to construction delay, that the building comprising the initial structure will be completed by June 1, 2007. Each unit will be substantially completed at the time of conveyance to Purchaser. If each Unit were not so completed, Declarant would be responsible for completing and paying for the construction of the Unit. There is no further fixed schedule for construction of additional units at this

time. The project may be expanded on a phased basis to include all additional buildings as sales progress.

All of the garages, surfaced driveways, parking ways, and walkways which are shown on the Floor Plans as in existence or as "Must Be Built" (as part of each phase) will be completed substantially contemporaneously with the last completed unit (in that phase), subject to weather or seasonal restrictions. No units may be added to the CIC beyond those included in the Declaration, including the "flexible" provisions.

(c) As previously stated, the CIC will initially consist of one (1) buildings containing a total of five (5) units. As additional units are sold, the CIC may be expanded to include each new building or buildings as completed. If all presently planned buildings are incorporated, the CIC will consist of a total of eighteen (18) units.

The Declarant intends to rent or market blocks of units to investors.

(d) Copies of the Declaration, Bylaws of the Association and Articles of Incorporation for the Association are attached hereto. There are no additional rules and regulations, although the Directors of the Association have the right to promulgate the same. There are no contracts or leases to which the unit owners or Association will be subject and which may not be canceled upon 30 days notice by the Association except such as have been included with this package.

(e) A projected budget for the Association for the first full or partial year during which a unit is conveyed to a unit owner other than Declarant is attached hereto. No projected budget for future years has been adopted by the Association. The projected budget was prepared by Declarant.

(f) There are no supplies and services not reflected in the budget or projected budget referred to above 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.

(g) The Purchase Agreement does not require any lump sum payment of assessments at closing.

(h) The liens, defects or encumbrances on or affecting the title to the CIC after the contemplated conveyance shall be as follows:

- i) Existing roads and utilities;
- ii) Utility and drainage easements as shown on recorded plat;
- iii) The provisions of Minnesota Common Interest Ownership, Minnesota Statutes Sections 515B.1-101 to 515B.4-118.
- iv) The provisions of the Declaration and a Master Declaration (and any amendments thereto), Bylaws of the Association and Floor Plans of record as of the date of 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 interests created or suffered to be created due to act or omission of Purchaser;
- viii) Mineral rights of the State of Minnesota.

(i) There are no delinquent real estate taxes for the Unit or any real property owned by the Association, if any. The real estate taxes, including special assessments certified for payment with the real estate taxes due and payable in the most current year are paid current.

(j) To the best of Declarant's actual knowledge, after reasonable inquiry, there are no unsatisfied judgments or lawsuits to which the Association is a party.

(k) Financing for buyers is available through preferred lenders at terms and conditions currently available. Buyers may obtain financing through any lender of their choice.

(l) Any earnest money paid in connection with the purchase of a Unit will be held by Declarant in an escrow account until closing or until termination of the Purchase Agreement, and will be returned to the Purchaser, subject to the terms set forth in the Purchase Agreement, if the Purchaser cancels a Purchase Agreement pursuant to Minnesota Statutes Section 515B.4-106. If the Purchaser elects to cancel a Purchase Agreement pursuant to that section, he may do so by giving written notice to Declarant either in person or by first class mail in an envelope addressed to Declarant, postage prepaid. Cancellation is without penalty

and all payments made by the Purchaser before cancellation shall be refunded promptly.

Declarant shall act as escrow agent for all earnest money paid by Purchaser. Declarant's address is as follows:

M.W. Johnson Construction, Inc.
17645 Juniper Path
Lakeville MN 55044

(m) The insurance provided for the CIC is as set forth in Section 11 of the Declaration. The association does currently provide property insurance to insure the entire townhome community. If insurance becomes unavailable, owners must obtain property insurance and comply with the provisions of Section 11 (specifically 11.12) of the Declaration, which shall include naming the Association as an additional insured and depositing certificates of insurance with the Association. Owners should obtain personal property and liability insurance or any other insurances they deem appropriate. Owner should be aware of the fact that any blanket insurance in existence through the Association has a deductible. Depending upon the nature of damages incurred, that entire deductible may be assigned to any one unit. The amount of the Association deductible may be obtained by contacting the Declarant. Owner is advised to obtain insurance coverage that limits Owner's exposure of the Association deductible.

(n) 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 Common Elements or any other improvements or facilities.

(o) Declarant acknowledges that it is bound by the terms of Minnesota Common Interest Ownership Act, Section 515A.4-111 (express warranties) and 515B.4-113 (implied warranties) and Minnesota Statutes Chapter 327A (statutory warranties), copies of which are reproduced and attached hereto. Declarant hereby disclaims any express representation or warranty except with respect to description of the quantity or extent of the real estate comprising the CIC, subject to customary tolerances.

(p) The Declarant has or may apply for any necessary approvals from Federal National Mortgage Association (FNMA), Federal Home Loan Corporation (FHLMC), Department of Housing and Urban Development (HUD), and/or Department of Veterans Affairs (VA).

(q) No special financing arrangements have been made to provide for completion of all improvements that the Declarant is obligated to build pursuant to the Minnesota Common Interest Ownership Act.

(r) Please note the following:

1. Cancellation.

- i) Within 10 days after receipt of a Disclosure Statement, a Purchaser may, prior to conveyance, cancel any Purchase Agreement of a unit from Declarant (M.W. Johnson Construction, Inc.)
- ii) If a Declarant fails to provide a Disclosure Statement in substantial compliance with the Minnesota Statutes to a Purchaser before conveying a unit, that Purchaser may recover from the Declarant the amount of \$1,000.00 in addition to any damages or other amounts recoverable under the Minnesota Common Interest Ownership Act; and
- iii) If a Purchaser receives the Disclosure Statement more than 10 days before he signs a Purchase Agreement, he cannot cancel the agreement.

2. Alternative Assessment Program.

Pursuant to 515B.3-115 of the Act, Declarant is authorized to establish an alternative assessment program. Notwithstanding any other provisions to the contrary, any Unit owned by Declarant for initial sale shall be assessed at the rate of 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, as more particularly set forth in Section 6.5 of the Declaration.

(s) The property is subject to a Master Association, the Declaration and budget of which are attached hereto.