Minnesota Condo Statutes

Minn. Stat. § 515.01

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515.01 CITATION

Sections 515.01 to 515.29 shall be known and may be cited as the "Minnesota Condominium Act."

History

1963 c 457 s 1; 1971 c 580 s 1.
**Minn. Stat. § 515.02**

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**515.02 DEFINITIONS**

**Subdivision 1. Application.** — As used in sections 515.01 to 515.29, unless the context otherwise requires, the following words and terms have the meanings ascribed to them in this section.

**Subd. 2. Apartment.** — “Apartment” means a part of the property, including one or more rooms or enclosed spaces located on one or more floors, or part or parts thereof, in a building, or a part of a parcel of real estate situated in a manufactured home park upon which one or more manufactured homes may be erected, and with a direct exit to a public street or highway or to a common area leading to such street or highway, intended for any type of independent use, including, but not restricted to, commercial, industrial, or residential use.

**Subd. 3. Apartment owner.** — “Apartment owner” means the person or persons owning an apartment in fee simple absolute and an undivided interest in the fee simple estate or leasehold estate of the common areas and facilities in the percentage specified and established in the declaration.

**Subd. 4. Apartment number.** — “Apartment number” means the number, letter, or combinations thereof, designating the apartment in the declaration.

**Subd. 5. Association of apartment owners.** — “Association of apartment owners” means all of the apartment owners acting as a group in accordance with the bylaws and declaration.

**Subd. 6. Building.** — “Building” means a building containing one or more apartments, or two or more buildings, each containing one or more apartments, with a total of two or more apartments for all such buildings, and comprising a part of the property, and includes a parcel of real estate in a manufactured home park upon which one or more manufactured homes may be erected.

**Subd. 7. Common areas and facilities.** — “Common areas and facilities,” unless otherwise provided in the declaration or lawful amendments thereto, means and includes:

1. the land on which the building is located;
2. the foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;
3. the basements, yards, gardens, parking areas and storage spaces;
4. the premises for the lodging of janitors or persons in charge of the property;
5. installations of central services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
6. the elevators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
7. such community and commercial facilities as may be provided for in the declaration;
8. all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use; and
(9) such noncontiguous property as may be provided for in the declaration.

**Subd. 8. Common expenses.** — “Common expenses” means and includes:

(1) all sums lawfully assessed against the apartment owners by the association of apartment owners;

(2) expenses of administration, maintenance, repair or replacement of the common areas and facilities;

(3) expenses agreed upon as common expenses by the association of apartment owners;

(4) expenses declared common expenses by provisions of this chapter, or by the declaration or the bylaws.

**Subd. 9. Common profits.** — “Common profits” means the balance of all income, rents, profits and revenues from the common areas and facilities remaining after the deduction of the common expenses.

**Subd. 10. Declaration.** — “Declaration” means the instrument by which the property is submitted to the provisions of this chapter, as hereinafter provided, and such declaration as from time to time may be lawfully amended.

**Subd. 11. Limited common areas and facilities.** — “Limited common areas and facilities” means and include those common areas and facilities designated in the declaration as reserved for use of certain apartment or apartments to the exclusion of the other apartments.

**Subd. 12. Majority or majority of apartment owners.** — “Majority” or “majority of apartment owners” means the apartment owners with 51 percent or more of the votes in accordance with the percentages assigned in the declaration to the apartments for voting purposes.

**Subd. 13. Person.** — “Person” means individual, corporation, partnership, association, trustee or other legal entity.

**Subd. 14. Property.** — “Property” means and includes the land, the building, all improvements and structures thereon, all owned in fee simple absolute and land held under a lease or leases the original terms of which are not less than 50 years, and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been or are intended to be submitted to the provisions of this chapter.

**Subd. 15. Recording officer.** — “Recording officer” means the county recorder or the registrar of titles, as the case may be, of the county in which the property is situated.

**History**

1963 c 457 s 2; 1965 c 602 s 1; 1971 c 580 s 2-5; 1974 c 319 s 1,2; 1976 c 181 s 2; 1981 c 365 s 9.
515.03 APPLICATION

Sections 515.01 to 515.29 shall be applicable only to property, the sole owner or all of the owners of which submit the same to the provisions hereof by duly executing and recording a declaration as hereinafter provided.

History

1963 c 457 s 3.
515.04 STATUS OF THE APARTMENTS

Subdivision 1. Each apartment is a parcel. — Each apartment, together with its undivided interest in the common areas and facilities, shall for all purposes constitute a parcel of real property.

Subd. 2. Apartment can be homestead. — For the purposes of the Constitution and laws of the state of Minnesota, such parcel of real property is the homestead of the owner thereof, if otherwise qualified thereunder.

History

1963 c 457 s 4.
Minn. Stat. § 515.05

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515.05 OWNERSHIP OF APARTMENTS

Each apartment owner shall be entitled to the exclusive ownership and possession of the apartment.

History

1963 c 457 s 5; 1986 c 444.
**Minn. Stat. § 515.06**

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**515.06 COMMON AREAS AND FACILITIES**

(a) Each apartment owner shall be entitled to an undivided interest in the common areas and facilities in the percentage expressed in the declaration. Such percentage shall be computed by taking as a basis the value of the apartment in relation to the value of the property.

(b) The percentage of the undivided interest of each apartment owner in the common areas and facilities as expressed in the declaration shall have a permanent character and shall not be altered without the consent of all of the apartment owners expressed in an amended declaration duly recorded. The percentage of the undivided interest in the common areas and facilities shall not be separated from the apartment to which it appertains and shall be deemed to be conveyed or encumbered with the apartment even though such interest is not expressly mentioned or described in the conveyance or other instrument.

(c) The common areas and facilities shall remain undivided and no apartment owner or any other person shall bring any action for partition or division of any part thereof, unless the property has been removed from the provisions of sections 515.01 to 515.29 as provided in sections 515.16 and 515.26. Any covenant to the contrary shall be null and void.

(d) Each apartment owner may use the common areas and facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners.

(e) The necessary work of maintenance, repair, and replacement of the common areas and facilities and the making of any additions or improvements thereto shall be carried out only as provided herein and in the bylaws.

(f) The association of apartment owners shall have the irrevocable right, to be exercised by the manager or board of directors, to have access to each apartment from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the common areas and facilities therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the common areas and facilities or to another apartment or apartments.

**History**

1963 c 457 s 6.
515.07 COMPLIANCE WITH COVENANTS, BYLAWS, AND RULES

Each apartment owner shall comply strictly with the bylaws and with the administrative rules adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in the declaration or in the owner’s deed to the apartment. Failure to comply with any of the same shall be ground for an action to recover sums due, for damages or injunctive relief or both maintainable by the manager or board of directors on behalf of the association of apartment owners or, in a proper case, by an aggrieved apartment owner. This chapter is subject to section 500.215.

History

1963 c 457 s 7; 1985 c 248 s 70; 1986 c 444; 2005 c 168 s 2.
Minn. Stat. § 515.09

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515.09 LIENS AGAINST APARTMENTS; REMOVAL; PART PAYMENT

**Subdivision 1. Authorized work on common areas.** — Subsequent to recording the first conveyance of the first apartment which is conveyed, and while the property remains subject to sections 515.01 to 515.29, no lien shall thereafter arise or be effective against the property. During such period liens or encumbrances shall arise or be created only against each apartment and the percentage of undivided interest in the common areas and facilities, appurtenant to such apartment, in the same manner and under the same conditions in every respect as liens or encumbrances may arise or be created upon or against any other separate parcel of real property subject to individual ownership; provided that no labor performed or materials furnished with the consent or at the request of an apartment owner or an owner's agent, contractor or subcontractor shall be the basis for the filing of a lien pursuant to the lien law against the apartment or any other property of any other apartment owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the owner of any apartment in the case of emergency repairs thereto. Labor performed or materials furnished for the common areas and facilities, if duly authorized by the association of apartment owners, the manager or board of directors in accordance with sections 515.01 to 515.29, the declaration or bylaws, shall be deemed to be performed or furnished with the express consent of each apartment owner and shall be the basis for the filing of a lien pursuant to the lien law against each of the apartments and shall be subject to the provisions of subdivision 2 hereunder.

**Subd. 2. Removal by part payment.** — In the event a lien against two or more apartments becomes effective, the apartment owners of the separate apartments may remove their apartment and the percentage of undivided interest in the common areas and facilities appurtenant to such apartment from the lien by payment of the fractional or proportional amounts attributable to each of the apartments affected. Such individual payment shall be computed by reference to the percentages appearing on the declaration. Subsequent to any such payment, discharge or other satisfaction the apartment and the percentage of undivided interest in the common areas and facilities appurtenant thereto shall thereafter be free and clear of the lien so paid, satisfied or discharged. Such partial payment, satisfaction or discharge shall not prevent the lienor from proceeding to enforce rights against any apartment and the percentage of undivided interest in the common areas and facilities appurtenant thereto not so paid, satisfied or discharged.

**History**

1963 c 457 s 9; 1965 c 602 s 2; 1986 c 444.
Minn. Stat. § 515.08

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515.08 CERTAIN WORK PROHIBITED

No apartment owner shall do any work which would jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement or hereditament without in every such case the unanimous consent of all the other apartment owners being first obtained.

History

1963 c 457 s 8.

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515.10 COMMON PROFITS AND EXPENSES

The common profits of the property shall be distributed among, and the common expenses shall be charged to, the apartment owners according to the percentage of the undivided interest in the common areas and facilities.

History

1963 c 457 s 10.
515.11 CONTENTS OF DECLARATION

The declaration shall contain the following particulars:

(1) Description of the land on which the building and improvements are or are to be located.

(2) Description of the building, stating the number of stories and basements, the number of apartments and the principal materials of which it is or is to be constructed.

(3) The apartment number of each apartment, and a statement of its location, approximate area, number of rooms, and immediate common area to which it has access, and any other data necessary for its proper identification.

(4) Description of the common areas and facilities.

(5) Description of the limited common areas and facilities, if any, stating to which apartments their use is reserved.

(6) Value of the property and of each apartment, and the percentage of undivided interest in the common areas and facilities appertaining to each apartment and its owner for all purposes, including voting.

(7) Statement of the purposes for which the building and each of the apartments are intended and restricted as to use.

(8) The name of a person to receive service of process in the cases hereinafter provided, together with the residence or place of business of such person which shall be within the city or county in which the building is located.

(9) Provision as to the percentage of votes by the apartment owners which shall be determinative of whether to rebuild, repair, restore, or sell the property in the event of damage or destruction of all or part of the property.

(10) Any further details in connection with the property which the person executing the declaration may deem desirable to set forth consistent with sections 515.01 to 515.29.

(11) The method by which the declaration may be amended, consistent with the provisions of sections 515.01 to 515.29.

History

1963 c 457 s 11.
Minn. Stat. § 515.12

Deeds of apartments shall include the following particulars:

(1) Description of the land as provided in section 515.11, and the post office address of the property, including the book, page and date of recording of the declaration.

(2) The apartment number of the apartment in the declaration and any other data necessary for its proper identification.

(3) Statement of the use for which the apartment is intended and restrictions on its use.

(4) The percentage of undivided interest appertaining to the apartment in the common areas and facilities.

(5) Any further details which the grantor and grantee may deem desirable to set forth consistent with the declaration and sections 515.01 to 515.29.

History

1963 c 457 s 12.
515.13 COPY OF THE FLOOR PLANS TO BE FILED

Simultaneously with the recording of the declaration there shall be filed in the office of the recording officer a set of the floor plans of the building showing the layout, location, apartment numbers and dimensions of the apartments, stating the name of the building or that it has no name, and bearing the verified statement of a registered architect, licensed professional engineer, or licensed land surveyor certifying that it is an accurate copy of portions of the plans of the building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings. If such plans do not include a verified statement by such architect, engineer, or licensed land surveyor that such plans fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built, there shall be recorded prior to the first conveyance of any apartment an amendment to the declaration to which shall be attached a verified statement of a registered architect, licensed professional engineer, or licensed land surveyor certifying that the plans theretofore filed, or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built. Such plans shall be kept by the recording officer in a separate file for each building, indexed in the same manner as a conveyance entitled to record, numbered serially in the order of receipt, each designated “apartment ownership,” with the name of the building, if any, and each containing a reference to the book, page and date of recording of the declaration. Correspondingly, the record of the declaration shall contain a reference to the file number of the floor plans of the building affected thereby.

History

1963 c 457 s 13; 1965 c 602 s 3; 1998 c 324 s 9.
515.14 BLANKET MORTGAGE LIEN ON APARTMENT WHEN FIRST CONVEYED

At the time of the first conveyance of each apartment, every mortgage and other lien affecting such apartment, including the percentage of undivided interest of the apartment in the common areas and facilities, shall be paid and satisfied of record, or the apartment being conveyed and its percentage of undivided interest in the common areas and facilities shall be released therefrom by partial release duly recorded.

History

1963 c 457 s 14.
Minn. Stat. § 515.15

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515.15 RECORDING

(a) The declaration, any amendment or amendments thereof, any instrument by which the provisions of sections 515.01 to 515.29 may be waived, and every instrument affecting the property or any apartment shall be entitled to be recorded. The declaration and any amendment or amendments thereto shall be submitted to the platting authority of the governing municipality or other governmental subdivision having jurisdiction for review. Neither the declaration nor any amendment thereof shall be valid unless duly recorded in the office of the county recorder or the registrar of titles, as the case may be.

(b) In addition to the records and indexes required to be maintained by the recording officer, the recording officer shall maintain an index or indexes whereby the record of each declaration contains a reference to the record of each conveyance of an apartment affected by such declaration, and the record of each conveyance of an apartment contains a reference to the declaration of the building of which such apartment is a part.

History

1963 c 457 s 15; 1974 c 319 s 3; 1976 c 181 s 2.
Minn. Stat. § 515.16

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515.16 REMOVAL FROM PROVISIONS OF SECTIONS 515.01 TO 515.29

(a) All of the apartment owners may remove a property from the provisions of sections 515.01 to 515.29 by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the apartments consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the percentage of the undivided interest of the apartment owner in the property as hereinafter provided.

(b) Upon removal of the property from the provisions of sections 515.01 to 515.29, the property shall be deemed to be owned in common by the apartment owners. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities.

History

1963 c 457 s 16.
Minn. Stat. § 515.17

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515.17 REMOVAL NO BAR TO SUBSEQUENT RESUBMISSION

The removal provided for in section 515.16 shall in no way bar the subsequent resubmission of the property to the provisions of sections 515.01 to 515.29.

History

1963 c 457 s 17.
515.175 INCORPORATION OF ASSOCIATION

Subsequent to July 1, 1976, an association of apartment owners shall be incorporated under chapter 317A before the declaration is recorded.

History

1976 c 244 s 1; 1989 c 304 s 137.
Minn. Stat. § 515.18

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515.18 BYLAWS

The administration of every property shall be governed by bylaws, a true copy of which shall be annexed to the declaration and made a part thereof. No modification of or amendment to the bylaws shall be valid unless set forth in an amendment to the declaration and such amendment is duly recorded.

History

1963 c 457 s 18.
Minn. Stat. § 515.19

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515.19 CONTENTS OF BYLAWS; ANNUAL MEETING, REPORT

Subdivision 1. What may be included. — The bylaws may provide for the following:

(a) The election from among the apartment owners of a board of directors, the number of persons constituting the same, and that the terms of at least one-third of the directors shall expire annually; the powers and duties of the board; the compensation, if any, of the directors; the method of removal from office of directors; and whether or not the board may engage the services of a manager or managing agent.

(b) Method of calling meetings of the apartment owners; what percentage, if other than a majority of apartment owners, shall constitute a quorum.

(c) Election of a president from among the board of directors who shall preside over the meetings of the board of directors and of the association of apartment owners.

(d) Election of a secretary who shall keep the minute book wherein resolutions shall be recorded.

(e) Election of a treasurer who shall keep the financial records and books of account.

(f) Maintenance, repair and replacement of the common areas and facilities and payments therefor, including the method of approving payment vouchers.

(g) Manner of collecting from the apartment owners their share of the common expenses.

(h) Designation and removal of personnel necessary for the maintenance, repair and replacement of the common areas and facilities.

(i) Method of adopting and of amending administrative rules and rules governing the details of the operation and use of the common areas and facilities.

(j) Such restrictions on and requirements respecting the use and maintenance of the apartments and the use of the common areas and facilities, not set forth in the declaration, as are designed to prevent unreasonable interference with the use of their respective apartments and of the common areas and facilities by the several apartment owners.

(k) The percentage of votes required to amend the bylaws.

(l) Other provisions as may be deemed necessary for the administration of the property consistent with sections 515.01 to 515.29.

Subd. 2. Annual meeting, notifier; agenda. — The bylaws shall provide that the association of apartment owners shall meet at least once each year. The bylaws shall specify an officer who shall, at least 21 days in advance of any annual or regularly scheduled meeting and at least seven days in advance of any other meeting, send to each apartment owner notice of the time, place and complete agenda of the meeting. The notice shall be sent by United States mail to all apartment owners of record at the address of their respective apartments and to other addresses as any of them may have designated to the officer.
Subd. 3. **Vote when association is owner.** — The bylaws shall provide that no vote in the association of apartment owners shall be deemed to inure to any apartment during the time when the apartment owner thereof is the association of apartment owners.

Subd. 4. **Annual report; contents.** — The bylaws shall provide that an annual report be prepared by the association of apartment owners, that a copy of the report be provided to each apartment owner, and that the report contains at a minimum the following:

(a) a statement of any capital expenditures in excess of $1,000 anticipated by the association of apartment owners during the current year or succeeding two fiscal years;

(b) a statement of the status and amount of any reserve for replacement fund and any portion of the fund designated for any specified project by the board of directors;

(c) a copy of the statement of financial condition for the association of apartment owners for the last fiscal year;

(d) a statement of the status of any pending suits or judgments in which the association of apartment owners is a party;

(e) a statement of the insurance coverage provided by the association of apartment owners; and

(f) a statement of any unpaid assessments by the association of apartment owners on individual apartments, identifying the apartment number and the amount of the unpaid assessment.

**History**

1963 c 457 s 19; 1976 c 244 s 2; 1985 c 248 s 70.
Minn. Stat. § 515.195
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515.195 WHEN FIRST OFFICERS’ TERMS END; CONTRACT RESTRICTIONS

Subdivision 1. At annual meeting. — At the first annual meeting subsequent to the earlier of (a) five years from the date of recording the declaration or (b) when three-fifths of the apartment owners are other than the owner who submits the property to the provisions of this chapter, the terms of office of all then existing officers and directors shall terminate.

Subd. 2. Two-year limit on deals. — No contract, lease, management contract, employment contract, or lease of recreational areas or facilities, which is directly or indirectly made by or on behalf of the association of apartment owners shall be entered into for a period exceeding two years.

History

1976 c 244 s 3.

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515.20 RECORD OF RECEIPTS AND EXPENSES AVAILABLE TO OWNERS

The manager or board of directors, as the case may be, shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the apartment owners at convenient hours of weekdays.

History

1963 c 457 s 20.
**515.21 OWNER ABANDONMENT, WAIVER OF USE, DOES NOT AVERT LIABILITY**

No apartment owner is exempt from liability for that owner’s contribution towards the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by abandonment of that owner’s apartment.

**History**

1963 c 457 s 21; 1986 c 444.
Subdivision 1. **At first conveyance.** — Not later than 15 days prior to the closing of the first conveyance of each apartment, the vendor shall furnish to the purchaser the following:

1. the purchase agreement for the apartment;
2. a copy of the declaration and bylaws;
3. a copy of the articles of incorporation of the association of apartment owners;
4. a copy of any management contract, employment contract, or other contract affecting the use, maintenance, or access of all or part of the condominium;
5. a copy of the annual operating budget for the condominium including reasonable details concerning the monthly payments by the purchaser for assessments, and monthly charges for the use, rental, or lease of any facilities;
6. a copy of any lease to which it is anticipated the apartment owners or the association of apartment owners will be a party following closing;
7. a copy of the floor plan of the apartment;
8. a description of any recreational or other facilities which are to be used by the apartment owners and maintained by them or by the association of apartment owners and a statement as to whether or not they are to be part of the common areas and facilities;
9. a statement as to whether streets within the condominium are to be dedicated to public use or maintained by the association of apartment owners; and
10. in the case of condominiums containing buildings substantially completed more than five years prior to the recording of the declaration, a statement of the physical condition and state of repair of the major structural, mechanical, electrical, and plumbing components of the improvements to the extent reasonably ascertainable. The vendor is entitled to rely on the reports of architects or engineers authorized to practice their profession in this state;
11. a statement of the total number of apartments in the association of apartment owners, and the number of apartments sold which shall be updated at least monthly;
12. a statement concerning any plans for future development or expansion of the project, including any buildings, apartments or common areas and facilities that may be added, if the plans are used in the promotion of the project, or the plats and plans or blueprints of the future development have been prepared;
13. a statement of the terms of any financing being offered by the vendor in connection with the sale of apartments;
14. a statement of the provisions of any warranties offered by the vendor in connection with the sale of apartments;
Minn. Stat. § 515.215

(15) a statement of the insurance coverage that will be provided by the association of apartment owners.

Subd. 2. Amendments. — Any material furnished pursuant to subdivision 1 may not be changed or amended following delivery to the purchaser, if the change or amendment would affect materially the rights of the purchaser, without first obtaining approval of the purchaser. A copy of any amendments shall be delivered promptly to the purchaser.

Subd. 3. Vendor liability; time limit. — Any vendor referred to in subdivision 1 who, in disclosing the information required pursuant to subdivisions 1 and 2, makes any untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made, in the light of circumstances under which they were made, not misleading, shall be liable to any person purchasing an apartment from that vendor. However, no action may be maintained to enforce any liability created under this section unless brought within three years after the date of closing.

Subd. 4. No waiver; closing ends rescission right. — The rights of purchasers under this section may not be waived in the purchase agreement and any attempted waiver is void. However, any purchaser who proceeds to closing terminates any right under this section to rescind.

Subd. 5. Nonresidential use; rights limited. — The requirements of this section do not apply to the sale of any unit which is to be occupied and used for nonresidential purposes.

Subd. 6. Rescission.

(a) A purchaser has an unconditional right to rescind a purchase agreement at any time within five days after the date the purchaser receives all the information contained in subdivision 1.

(b) Each purchase agreement shall prominently contain upon its face the following notice printed in bold type, stating:

"Notice to Purchaser

You are entitled to rescind this agreement at anytime within five days from the day you actually receive the information required by law. Such rescission must be in writing and mailed to the vendor or the vendor’s agent or lender at the address stated in this document. Upon rescission, you will receive a refund of all moneys paid."

(c) Rescission occurs when the purchaser gives written notice of rescission to the vendor, or agent of the vendor or the lender at the address stated in the purchase agreement. Notice of rescission, if given by mail, is effective when it is deposited in a mailbox properly addressed and postage prepaid.

Subd. 7. Proposed forms. — When the purchase agreement relates to a condominium not yet formed, the applicable information required by subdivision 1, may be a proposed form.

History

1976 c 244 s 4; 1986 c 444.
**Minn. Stat. § 515.22**

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**515.22 SEPARATE TAXATION**

Each apartment and its percentage of undivided interest in the common areas and facilities shall be deemed to be a parcel of real property and shall be subject to separate assessment and taxation by the state of Minnesota or any taxing subdivision thereof for all types of taxes authorized by law including but not limited to special ad valorem levies and special assessments. Neither the building, the property nor any of the common areas and facilities shall be deemed to be a separate parcel of real property.

**History**

1963 c 457 s 22.
**515.23 PRIORITY OF LIEN**

All sums assessed by the association of apartment owners but unpaid for the share of the common expenses chargeable to any apartment shall constitute a lien on such apartment prior to all other liens except only (i) tax liens on the apartment, including assessments for sewers, grading or paving of streets and other improvements thereof, in favor of the state of Minnesota or any taxing subdivision thereof, and (ii) all sums unpaid on the first mortgage of record. Such lien may be foreclosed by suit by the manager or board of directors, acting on behalf of the apartment owners, in like manner as a mortgage of real property. In any such foreclosure the apartment owner shall be required to pay a reasonable rental for the apartment, if so provided in the bylaws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager or board of directors, acting on behalf of the apartment owners, shall have power, unless prohibited by the declaration, to bid in the apartment at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

**History**

1963 c 457 s 23; 1965 c 602 s 4.
515.24 Joint, Several Liability of Buyer, Seller; Common Expense

In a voluntary conveyance the grantee of an apartment shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the grantor’s share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee’s right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or board of directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the apartment conveyed be subject to a lien for any unpaid assessments against the grantor in excess of the amount therein set forth.

History

1963 c 457 s 24; 1986 c 444.
Minn. Stat. § 515.25
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515.25 INSURANCE

The manager or the board of directors shall have the authority to and shall obtain insurance for the property against loss or damage by fire and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement costs of the common areas and facilities and the apartments. Such insurance coverage shall be written on the property in the name of, and the proceeds thereof shall be payable to, such manager or the board of directors of the association of apartment owners, as trustee for each of the apartment owners in the percentages established in the declaration. Premiums shall be common expenses. Provision for such insurance shall be without prejudice to the right of each apartment owner to insure that owner’s own apartment for that owner’s benefit.

History

1963 c 457 s 25; 1965 c 602 s 5; 1986 c 444.

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Minn. Stat. § 515.26

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515.26 DISPOSITION OF PROPERTY WHERE IT IS DAMAGED BY FIRE OR OTHER DISASTER

In case of fire or other disaster, if a majority of the apartment owners and all other parties in interest do not voluntarily make provision for reconstruction of the building within 180 days from the date of damage or destruction, the manager or the board of directors of the association of apartment owners shall file for record with the recording officer a notice setting forth such facts and upon the recording of such notice:

(1) The property shall be deemed to be owned in common by the apartment owners;

(2) The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common areas and facilities;

(3) Any liens affecting any of the apartments shall be deemed to be transferred in accordance with the existing priorities to the percentage of the undivided interest of the apartment owner in the property as provided herein; and

(4) The property shall be subject to an action for partition at the suit of any apartment owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the apartment owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the apartment owners, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each apartment owner.

History

1963 c 457 s 26; 1965 c 602 s 6.
**Minn. Stat. § 515.27**
This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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### 515.27 ACTIONS

Without limiting the rights of any apartment owner, actions may be brought by the manager or board of directors, in either case in the discretion of the board of directors, on behalf of two or more of the apartment owners, as their respective interest may appear, with respect to any cause of action relating to the common areas and facilities or more than one apartment. Service of process on two or more apartment owners in any action relating to the common areas and facilities or more than one apartment may be made on the person designated in the declaration to receive service of process.

**History**

1963 c 457 s 27.
515.28 PERSONAL APPLICATION

(a) All apartment owners, tenants of such owners, employees of owners and tenants, or any other persons that may in any manner use property or any part thereof submitted to the provision of sections 515.01 to 515.29 shall be subject to sections 515.01 to 515.29 and to the declaration and bylaws of the association of apartment owners adopted pursuant to the provisions of sections 515.01 to 515.29.

(b) All agreements, decisions and determinations lawfully made by the association of apartment owners in accordance with the voting percentages established in sections 515.01 to 515.29, declaration or bylaws shall be deemed to be binding on all apartment owners.

History

1963 c 457 s 28.
Minn. Stat. § 515.29

If any provision of sections 515.01 to 515.29 or any section, sentence, clause, phrase or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of sections 515.01 to 515.29 and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

History

1963 c 457 s 29.
Minn. Stat. § 515A.1-100

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

LexisNexis® Minnesota Annotated Statutes  > Property Interests and Liens  > Chapter 515A. Uniform Condominium Act

515A.1-100 [Renumbered]

History

MS 2006 [Renumbered 15.001].
**Minn. Stat. § 515A.1-101**

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session.


**515A.1-101 SHORT TITLE**

Sections 515A.1-101 to 515A.4-117 shall be known and may be cited as the “Uniform Condominium Act.”

**History**

1980 c 582 art 1 s 515.1-101.
515A.1-102 APPLICABILITY

(a) Sections 515A.1-105 (Property Taxation), 515A.1-106 (Applicability of Local Ordinances, Regulations, and Building Codes), 515A.1-107 (Eminent Domain), 515A.2-103 (Construction and Validity of Declaration and Bylaws), 515A.2-104 (Description of Units), 515A.3-102 (a) (1) to (5) and (9) to (12) (Powers of Unit Owners’ Association), 515A.3-111 (Tort and Contract Liability), 515A.3-112 (Insurance), 515A.3-115 (Lien for Assessments), 515A.3-116 (Association Records), 515A.4-107 (Resales of Units), 515A.4-1075 (Purchaser’s Right to Cancel), and 515A.1-103 (Definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state prior to August 1, 1980; provided, however, that these sections apply only with respect to events and circumstances occurring after July 31, 1980, and do not invalidate existing provisions of the declaration, bylaws, or floor plans of those condominiums.

(b) Sections 515A.1-101 to 515A.4-117 apply to all condominiums created within this state after August 1, 1980. The provisions of sections 515.01 to 515.29 do not apply to condominiums created after August 1, 1980, and do not invalidate any amendment to the declaration, bylaws, or floor plans of any condominium created before August 1, 1980, or to a condominium plat of any condominium created before August 1, 1986, if the amendment would be permitted by sections 515A.1-101 to 515A.4-117. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by sections 515.01 to 515.29. If the amendment grants to any person any rights, powers or privileges permitted by sections 515A.1-101 to 515A.4-117, all correlative obligations, liabilities, and restrictions in sections 515A.1-101 to 515A.4-117 also apply to that person.
515A.1-103 DEFINITIONS

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in sections 515A.1-101 to 515A.4-117:

(1) "Additional real estate" means real estate that may be added to a flexible condominium.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant. A person "controls" a declarant if the person (i) is a general partner, officer, director, or employer of the declarant or (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, or (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant. A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employer of the person or (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, or (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person. Control does not exist if the powers described in this paragraph are held solely as security for an obligation and are not exercised.

(3) "Association" or "unit owners’ association" means the unit owners’ association organized under section 515A.3-101.

(4) "Common element" means all portions of a condominium other than the units.

(5) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, together with any allocations to reserves.

(6) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515A.2-108.

(7) "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(8) "Conversion condominium" means a condominium in which a building was at any time before the recording of the declaration wholly or partially occupied by persons other than purchasers and persons who occupied with the consent of the purchasers.

(9) "Declarant” means:

(a) if the condominium has been created, (1) any person who has executed a declaration or an amendment to a declaration to add additional real estate, other than persons holding interests in the real estate solely as security for an obligation, persons whose interests in the real estate will not be conveyed to unit owners, or, in the case of a leasehold condominium, a lessor who possesses no special declarant
rights and who is not an affiliate of a declarant who possesses special declarant rights, or (2) any person who succeeds under section 515A.3-104 to any special declarant rights; or

(b) any person who has offered prior to creation of a condominium to dispose of the person’s interest in a unit to be created and not previously disposed of.

(10) “Dispose” or “disposition” means a voluntary transfer of any legal or equitable interest in a unit, other than as security for an obligation.

(11) “Flexible condominium” means a condominium to which additional real estate may be added.

(12) “Leasehold condominium” means a condominium in which all of the real estate is subject to a lease, the expiration or termination of which will terminate the condominium.

(13) “Limited common element” means a portion of the common elements allocated by the declaration or by operation of section 515A.2-102(2) or (4) for the exclusive use of one or more but fewer than all of the units.

(14) “Person” means a natural person, corporation, partnership, trust, or other entity, or any combination thereof.

(15) “Purchaser” means any person, other than a declarant, who prior to creation of the condominium enters into a purchase agreement with a declarant or who by means of a voluntary transfer after creation of the condominium holds a legal or equitable interest in a unit, other than (i) a leasehold interest (including renewal options) of less than three years, or (ii) as security for an obligation.

(16) “Real estate” means any leasehold for three years or more or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. “Real estate” includes parcels with or without upper or lower boundaries.

(17) “Security for an obligation” means the vendor’s interest in a contract for deed, mortgagee’s interest in a mortgage, purchaser’s interest under a sheriff’s certificate of sale during the period of redemption, or the holder’s interest in a lien.

(18) “Special declarant rights” means rights reserved for the benefit of a declarant to complete improvements indicated on the condominium plat (section 515A.2-110); to add additional real estate to a flexible condominium (section 515A.2-111); to subdivide or convert a unit (section 515A.2-115); to maintain sales offices, management offices, signs advertising the condominium, and models (section 515A.2-117); to use easements through the common elements for the purpose of making improvements within the condominium or any additional real estate (section 515A.2-118); or to appoint or remove any board member during any period of declarant control (section 515A.3-103(a)).

(19) “Unit” means a portion of the condominium, whether or not contained solely or partially within a building, designated for separate ownership, the boundaries of which are described pursuant to section 515A.2-110.

(20) “Unit owner” means a declarant who owns a unit, a person to whom ownership of a unit has been conveyed or transferred, or in a leasehold condominium a lessee of a unit whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the condominium, but does not include a holder of an interest as security for an obligation.
Minn. Stat. § 515A.1-103

History

1980 c 582 art 1 s 515.1-103; 1986 c 342 s 5; 1986 c 444.

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Minn. Stat. § 515A.1-105

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515A.1-105 PROPERTY TAXATION

Subdivision 1. Homestead.

(a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to 30 days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Subd. 2. Market valuation. — For purposes of property taxation, the residential units in a structure or building which are initially constructed as condominiums or are being converted into condominiums shall be valued as provided in section 273.11, subdivision 9.

History


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Minn. Stat. § 515A.1-106

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515A.1-106 APPLICABILITY OF LOCAL ORDINANCES, REGULATIONS, AND BUILDING CODES

(a) Except as provided in subsections (b) and (c), a zoning, subdivision, building code, or other real estate use law, ordinance, charter provision, or regulation may not directly or indirectly prohibit the condominium form of ownership or impose any requirement upon a condominium, upon the creation or disposition of a condominium or upon any part of the condominium conversion process which it would not impose upon a physically similar development under a different form of ownership. Otherwise, no provision of sections 515A.1-101 to 515A.4-117 invalidates or modifies any provision of any zoning, subdivision, building code, or other real estate use law, ordinance, charter provision, or regulation.

(b) Subsection (a) shall not apply to any ordinance, rule, regulation, charter provision or contract provision relating to the financing of housing construction, rehabilitation, or purchases provided by or through a housing finance program established and operated pursuant to state or federal law by a state or local agency or local unit of government.

(c) A statutory or home rule charter city, pursuant to an ordinance or charter provision establishing standards to be applied uniformly within its jurisdiction, may prohibit or impose reasonable conditions upon the conversion of buildings to the condominium form of ownership only if there exists within the city a significant shortage of suitable rental dwellings available to low and moderate income individuals or families or to establish or maintain the city’s eligibility for any federal or state program providing direct or indirect financial assistance for housing to the city. Prior to the adoption of an ordinance pursuant to the authority granted in this subsection, the city shall conduct a public hearing.

Any ordinance or charter provision adopted pursuant to this subsection shall not apply to any conversion condominium or proposed conversion condominium for which a bona fide loan commitment for a consideration has been issued by a lender and is in effect on the date of adoption of the ordinance or charter provision, or for which a notice of condominium conversion or intent to convert prescribed by section 515A.4-110(a), containing a termination of tenancy, has been given to at least 75 percent of the tenants and subtenants in possession prior to the date of adoption of the ordinance or charter provision.

(d) For purposes of providing marketable title, a statement in the declaration showing that the condominium is not subject to an ordinance or showing that any conditions required under an ordinance have been complied with shall be prima facie evidence that the condominium was not created in violation thereof.

(e) A violation of an ordinance or charter provision adopted pursuant to the provisions of subsections (b) or (c) shall not affect the validity of a condominium. This subsection shall not be construed to in any way limit the power of a city to enforce the provisions of an ordinance or charter provision adopted pursuant to subsections (b) or (c).

Any ordinance or charter provision enacted hereunder shall not be effective for a period exceeding 18 months.
History

1980 c 582 art 1 s 515.1-106.
515A.1-107 EMINENT DOMAIN

(a) If a unit is acquired by eminent domain, or if part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by the declaration, the award shall compensate the unit owner and holders of an interest as security for an obligation in the unit and its common element interest as their interests may appear, whether or not any common element interest is acquired. Upon acquisition, unless the decree otherwise provides, that unit’s entire common element interest, votes in the association, and common expense liability are automatically reallocated to the remaining units in proportion to the respective interests, votes, and liabilities of those units prior to the taking, and the association shall promptly prepare, execute, and record an amendment to the declaration reflecting the reallocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

(b) Except as provided in subsection (a), if part of a unit is acquired by eminent domain, the award shall compensate the unit owner and the holders of an interest as security for an obligation as their interests may appear for the reduction in value of the unit and its common element interest. Upon acquisition, unless the apportionment thereof pursuant to the declaration is based upon equality, (1) that unit’s common element interest, votes in the association, and common expense liability are reduced in proportion to the reduction in the size of the unit, and (2) the portion of common element interest, votes, and common expense liability divested from the partially acquired unit are automatically reallocated to that unit and the remaining units in proportion to the respective interests, votes, and liabilities of those units prior to the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced interests, votes, and liabilities.

(c) If part of the common elements is acquired by eminent domain, the award shall be paid to the association. The association shall divide any portion of the award not used for any restoration or repair of the remaining common elements among the unit owners and holders of an interest as security for an obligation as their interests may appear in proportion to their respective interests in the common elements before the taking, but the portion of the award attributable to the acquisition of a limited common element shall be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition and the respective holders of an interest as security for an obligation of the units as their interests may appear of the units to which that limited common element was allocated at the time of acquisition, or in such other manner as the declaration may provide.

(d) The court decree shall be recorded in every county in which any portion of the condominium is located.

History

1980 1 c 582 art 1 s 515.1-107.
**Minn. Stat. § 515A.1-108**

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**515A.1-108 SUPPLEMENTAL GENERAL PRINCIPLES OF LAW APPLICABLE**

The principles of law and equity, including the law of corporations, the law of real property and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of sections 515A.1-101 to 515A.4-117, except to the extent inconsistent with sections 515A.1-101 to 515A.4-117. Documents required by sections 515A.1-101 to 515A.4-117 to be recorded shall in the case of registered land be filed.

**History**

1980 c 582 art 1 s 515.1-108.
**515A.1-109 CONSTRUCTION AGAINST IMPLICIT REPEAL**

Sections 515A.1-101 to 515A.4-117 being a general act intended as a unified coverage of its subject matter, no part of it shall be construed to be impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

**History**

1980 c 582 art 1 s 515.1-109.
515A.1-110 UNIFORMITY OF APPLICATION AND CONSTRUCTION

Sections 515A.1-101 to 515A.4-117 shall be applied and construed so as to effectuate its general purpose to make uniform the law with respect to the subject of sections 515A.1-101 to 515A.4-117 among states enacting it.

History

1980 c 582 art 1 s 515.1-110.
Minn. Stat. § 515A.1-111

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515A.1-111 SEVERABILITY
If any provision of sections 515A.1-101 to 515A.4-117 or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of sections 515A.1-101 to 515A.4-117 which can be given effect without the invalid provisions or application, and to this end the provisions of sections 515A.1-101 to 515A.4-117 are severable.

History

1980 c 582 art 1 s 515.1-111.
Minn. Stat. § 515A.1-112

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515A.1-112 UNCONSCIONABLE AGREEMENT OR TERM OF CONTRACT

(a) The court, upon finding as a matter of law that a contract or contract clause to which the declarant or the affiliate of a declarant is a party was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause in order to avoid an unconscionable result.

(b) Whenever it is claimed, or appears to the court that such a contract or contract clause is or may be unconscionable, the parties, in order to aid the court in making the determination, shall be afforded a reasonable opportunity to present evidence as to:

1. the commercial setting of the negotiations;
2. whether a party has knowingly taken advantage of the inability of the other party reasonably to protect the other party's interests by reason of physical or mental infirmity, illiteracy, or inability to understand the language of the agreement or similar factors;
3. the effect and purpose of the contract or clause; and
4. if a sale, any gross disparity, at the time of contracting, between the amount charged for the real estate and the value of the real estate measured by the price at which similar real estate was readily obtainable in similar transactions, but a disparity between the contract price and the value of the real estate measured by the price at which similar real estate was readily obtainable in similar transactions does not, of itself, render the contract unconscionable.

History

1980 c 582 art 1 s 515.1-112; 1986 c 444.

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Minn. Stat. § 515A.1-113

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515A.1-113 OBLIGATION OF GOOD FAITH

Every contract or duty governed by sections 515A.1-101 to 515A.4-117 imposes an obligation of good faith in its performance or enforcement.

History

1980 c 582 art 1 s 515.1-113.
Minn. Stat. § 515A.1-114

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515A.1-114 REMEDIES TO BE LIBERALLY ADMINISTERED

(a) The remedies provided by sections 515A.1-101 to 515A.4-117 shall be liberally administered to the end that the aggrieved party is put in as good a position as though the other party had fully performed, provided that rights of bona fide purchasers shall be protected. However, consequential, special, or punitive damages may not be awarded except as specifically provided in sections 515A.1-101 to 515A.4-117 or by other rule of law.

(b) Any right or obligation declared by sections 515A.1-101 to 515A.4-117 is enforceable by judicial proceeding unless the provision declaring it provides otherwise.

History

1980 c 582 art 1 s 515.1-114.

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515A.1-115 NOTICE

Except as otherwise stated in sections 515A.1-101 to 515A.4-117 all notices required by sections 515A.1-101 to 515A.4-117 shall be in writing and shall be effective upon hand delivery or upon mailing if properly addressed with postage prepaid and deposited in the United States mail.

History

1980 c 582 art 1 s 515.1-115.
Section 515A.1-116 is effective April 17, 1980.

History

1980 c 582 art 1 s 515.1-116.
Minn. Stat. § 515A.2-101

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515A.2-101 CREATION OF CONDOMINIUM

(a) A condominium may be created pursuant to sections 515A.1-101 to 515A.4-117 only by recording a declaration executed, in the same manner as a deed, by all persons whose interests in the real estate will be conveyed to unit owners, except vendors under contracts for deed, and by every lessor of a lease the expiration or termination of which will terminate the condominium. The condominium shall not include real estate covered by a lease affecting less than all of the condominiums and the expiration or termination of which will reduce the size of the condominium. The declaration and bylaws shall be recorded in every county in which any portion of the condominium is located. Failure of any party to join in a declaration shall have no effect on the validity of a condominium provided that after the recording of the declaration the party acknowledges the condominium in a recorded instrument or the interest of the party is extinguished.

(b) A declaration, or an amendment to a declaration adding units to a condominium, may not be recorded unless all structural components and mechanical systems serving more than one unit of all buildings containing or comprising any units thereby created are substantially completed consistent with the floor plans, as evidenced by a certificate executed by a registered professional engineer or architect and recorded or attached to the floor plans.

(c) No possessory interest in a unit may be conveyed until the unit is substantially completed as evidenced by a recorded certificate of completion executed by a registered professional engineer or architect. For the purpose of this section “substantially completed” means entirely completed consistent with the floor plans. This subsection does not prevent the conveyance prior to substantial completion of all units owned by the declarant to a person who is a transferee of special declarant rights.

(d) The declaration, any amendment or amendments thereof, and every instrument affecting a condominium or any unit shall be entitled to be recorded.

(e) In addition to the records and indexes required to be maintained by the recording officer, the recording officer shall maintain an index or indexes whereby the record of each declaration contains a reference to the record of each conveyance of a unit affected by the declaration.

(f) The recording officer shall upon request assign a number to a condominium to be formed.

(g) The recording officer shall separate the floor plans from the declaration and the floor plans shall be kept by the recording officer in a separate file for each condominium indexed in the same manner as a conveyance entitled to record indicating the number of the condominium.

History

1980 c 582 art 2 s 515.2-101.

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UNIT BOUNDARIES

Except as otherwise provided by the declaration:

1. If walls, floors, or ceilings are designated as boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit, and all other portions of the walls, floors, or ceilings are a part of the common elements.

2. If any chute, flue, duct, pipe, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside of the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

3. Subject to the provisions of paragraph (2), all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

4. All exterior doors and windows and any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, or other fixtures designed to serve a single unit, but located outside the unit’s boundaries, are limited common elements allocated exclusively to that unit.

History

1980 c 582 art 2 s 515.2-102.
**Minn. Stat. § 515A.2-103**

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session.

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**515A.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS**

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or sections 515A.1-101 to 515A.4-117, or any instrument executed pursuant to the declaration or sections 515A.1-101 to 515A.4-117.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with sections 515A.1-101 to 515A.4-117.

**History**

1980 c 582 art 2 s 515.2-103.

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515A.2-104 DESCRIPTION OF UNITS

After the declaration is recorded, a description of a unit which sets forth the number of the condominium, the county in which the condominium is located, and the identifying number of the unit, is a sufficient legal description of that unit and its common element interest whether or not the common element interest is described or referred to therein.

History

1980 c 582 art 2 s 515.2-104.
The declaration for a condominium shall contain:

(1) the name and number of the condominium, which shall include the word “condominium” or be followed by the words “a condominium”;

(2) the name of every county in which any part of the condominium is situated;

(3) a legally sufficient description of the real estate included in the condominium;

(4) a description or delineation of the boundaries of a unit;

(5) the condominium plat as required by section 515A.2-110;

(6) an allocation to each unit of an undivided interest in the common elements, a portion of the votes in the association, and a percentage or fraction of the common expenses of the association (section 515A.2-108);

(7) a statement of the maximum number of any units which may be created by the subdivision or conversion of units owned by the declarant pursuant to section 515A.2-115(c);

(8) an allocation of any limited common elements, as provided in section 515A.2-109;

(9) any restrictions on use, occupancy, and alienation of the units;

(10) a statement showing that the condominium is not subject to an ordinance provided for in section 515A.1-106 or showing that any conditions required under an ordinance have been complied with;

(11) any other matters the declarant deems appropriate.
515A.2-106 CONTENTS OF DECLARATION; FLEXIBLE CONDOMINIUMS

The declaration for a flexible condominium shall include, in addition to the matters specified in section 515A.2-105:

(1) an explicit reservation of any options to add additional real estate;

(2) a statement of any time limit, not exceeding seven years after the recording of the declaration, upon which any option reserved under paragraph (1) will lapse, together with a statement of any circumstances that will terminate the option before the expiration of the time limit. If no time limit is set forth in the declaration, the time limit shall be seven years after the recording of the declaration;

(3) a statement of any limitations on any option reserved under paragraph (1), other than limitations created by or imposed pursuant to law;

(4) legally sufficient descriptions of each portion of additional real estate;

(5) if portions of any additional real estate may be added at different times, a statement to that effect together with a statement fixing the boundaries of those portions and regulating the order in which they may be added or a statement that no assurances are made in those regards;

(6) a statement of (i) the maximum number of units that may be created within any additional real estate and within any portion, the boundaries of which are fixed pursuant to paragraph (5), and (ii) how many of those units will be restricted exclusively to residential use;

(7) a statement that any buildings and units that may be erected upon the additional real estate or a portion thereof will be compatible with the other buildings and units in the condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size, or a statement of any differences with respect to the buildings or units, or a statement that no assurances are made respecting those matters;

(8) a statement that all restrictions in the declaration affecting use, occupancy, and alienation of units will apply to units created in the additional real estate, or a statement of any differentiations that may be made as to those units;

(9) general descriptions of all other improvements and common elements that may be made or created upon or within the additional real estate or each portion thereof;

(10) a statement of the extent to which any assurances made in the declaration regarding additional real estate pursuant to paragraphs (5) to (9) apply in the event any additional real estate is not added to the condominium, or a statement that those assurances do not apply if the real estate is not added to the condominium.
History

1980 c 582 art 2 s 515.2-106.

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515A.2-107 LEASEHOLD CONDOMINIUMS

(a) Any lease the expiration or termination of which may terminate the condominium shall be recorded and the declaration shall include, in addition to the matters specified in section 515A.2-105:

1. the county of recording and recorder’s document number for the lease;
2. the date on which the lease is scheduled to expire;
3. any right of the unit owners to purchase the lessor’s interest in the real estate and the manner whereby those rights may be exercised, or a statement that they do not have those rights;
4. any right of the unit owners to remove any improvements within a reasonable time after the expiration or termination of the lease, or a statement that they do not have those rights; and
5. any rights of the unit owners to renew the lease and the conditions of any renewal, or a statement that they do not have those rights.

(b) After the declaration for a leasehold condominium is recorded, neither the lessor nor a successor in interest may terminate the leasehold interest of a unit owner who makes timely payment of the unit owner’s share of the rent which shall be the same portion thereof as that of that unit owner’s common area expense and who otherwise complies so far as practicable with a share of all other covenants which, if violated, would entitle the lessor to terminate the lease. No unit owner’s leasehold interest is affected by failure of any other person to pay rent or fulfill any other covenant.

(c) Acquisition of the leasehold interest of any unit owner by the lessor does not merge the leasehold and fee simple interests and the lessor shall hold the title to the unit subject to the declaration unless the leasehold interests of all unit owners subject to the lease are so acquired.

History

1980 c 582 art 2 s 515.2-107; 1986 c 444.
515A.2-108 ALLOCATION OF COMMON ELEMENT INTERESTS, VOTES, AND COMMON EXPENSE LIABILITIES

(a) The declaration shall allocate a fraction or percentage of the undivided interests in the common elements, common expenses and votes in the association to each unit in such manner that each of the items is equally allocated or is allocated according to the proportion of the area or volume of each unit to the area or volume of all units, and the items need not be allocated the same for all purposes. The declaration may provide that a portion of each common expense assessment may be allocated on the basis of equality and the remainder on the basis of area or volume of each unit. The sum of the percentages or fractions shall equal 100 percent or 1.

(b) Except in the case of eminent domain (section 515A.1-107), expansion of a flexible condominium (section 515A.2-111), relocation of boundaries between adjoining units (section 515A.2-114), or subdivision of units (section 515A.2-115), the common element interest, votes and common expense liability allocated to any unit may not be altered, except as an amendment to the declaration which is signed by all unit owners and first mortgagees, and which complies with section 515A.2-119. The common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest or involuntary transfer of an undivided interest in the common elements without the unit to which the interest is allocated is void.

(c) The association may assess certain common expenses against fewer than all units pursuant to section 515A.3-114.

History

1980 c 582 art 2 s 515.2-108.
515A.2-109 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

Common elements other than limited common elements may be used in common with all unit owners. Except for the limited common elements described in section 515A.2-102(2) and (4), the declaration shall specify to which unit each limited common element is allocated.

History

1980 c 582 art 2 s 515.2-109.
515A.2-110 CONDOMINIUM PLATS

(a) Condominium plats are a part of the declaration. The condominium plat shall contain a certification by a registered professional land surveyor or registered professional architect, as to the parts of the plat prepared by each, that the condominium plat accurately depicts all information required by this section. The portions of the condominium plat depicting the dimensions of the portions of the condominium described in paragraphs (b)(3), (8), (9), (10), and (11), may be prepared by either a land surveyor or an architect. The other portions of the plat must be prepared only by a land surveyor. All measurements must be undertaken in accordance with good professional practice. The certification must indicate that the work was undertaken by or under the supervision of the certifying architect or land surveyor. Certification by the architect or land surveyor does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of the condominium.

(b) Each condominium plat shall show:

1. the number of the condominium and the boundaries and dimensions of the land included in the condominium;
2. the dimensions and location of all existing structural improvements and roadways;
3. the intended location and dimensions of any contemplated common element improvements to be constructed within the condominium labeled either “MUST BE BUILT” or “NEED NOT BE BUILT”;
4. the location and dimensions of any additional real estate, labeled as such;
5. the extent of any encroachments by or upon any portion of the condominium;
6. the location and dimensions of all recorded easements within the condominium serving or burdening any portion of the condominium;
7. the distance between noncontiguous parcels of real estate;
8. the location and dimensions of limited common elements, including porches, balconies and patios, other than limited common elements described in section 515A.2-102(2) and (4);
9. the location and dimensions of the vertical boundaries of each unit and that unit’s identifying number;
10. the location and dimensions of the horizontal unit boundaries with reference to established or assumed datum and that unit’s identifying number;
11. any units which may be converted by the declarant to create additional units or common elements (section 515A.2-115) identified separately.

(c) When adding additional real estate (section 515A.2-111), the declarant shall record supplemental condominium plats for that real estate conforming to the requirements of subsection (b). If less than all additional real estate is being added, the supplemental condominium plats shall also show the location and dimensions of the remaining portion.
(d) If a declarant subdivides or converts any unit into two or more units, common elements or limited common elements (section 515A.2-115), the declarant shall record an amendment to the condominium plat showing the location and dimensions of any new units, common elements and limited common elements thus created.

History

1980 c 582 art 2 s 515.2-110; 1986 c 342 s 7; 1986 c 444; 1987 c 387 s 5.
515A.2-111 EXPANSION OF FLEXIBLE CONDOMINIUMS

(a) To add additional real estate pursuant to an option reserved under section 515A.2-106(1), all persons having an interest in the additional real estate, excepting any holder of an easement or any holder of an interest to secure an obligation which interest was recorded or created subsequent to the recording of the declaration, shall prepare and execute and, after notice as provided in subsection (b), record an amendment to the declaration. The amendment to the declaration shall assign an identifying number to each unit formed in the additional real estate, and reallocate common element interests, votes in the association, and common expense liabilities according to section 515A.2-108. The amendment shall describe or delineate any limited common elements formed out of the additional real estate, showing or designating the unit to which each is allocated to the extent required by section 515A.2-109 (Limited Common Elements).

(b) The declarant shall serve notice of an intention to add additional real estate as follows:

(1) To the association in the same manner as service of summons in a civil action in district court at least 30 days prior to recording the amendment. The amendment shall be attached to the notice and shall not thereafter be changed so as to materially affect the rights of unit owners.

(2) To the occupants of each unit by notice given in the manner provided in section 515A.1-115 not less than 20 days prior to recording the amendment addressed to “Occupant Entitled to Legal Notice” at each unit. Attached to the notice shall be a statement that the amendment has been served on the association.

(3) Proof of service upon the association and the occupants shall be attached to the recorded amendment.

(c) A lien upon the additional real estate that is not also upon the existing condominium is a lien only upon the units and their percentage of the common elements that are created from the additional real estate. Units within the condominium as it existed prior to expansion are transferred free of liens that are liens only upon the additional real estate, notwithstanding the fact that the percentage of common elements for the units is a percentage of the entire condominium, including the additional real estate.

History

1980 c 582 art 2 s 515.2-111; 1986 c 444; 1989 c 98 s 2.
Subject to the provisions of the declaration and other provisions of law, a unit owner:

(1) may make any improvements or alterations to the unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium;

(2) after acquiring an adjoining unit or an adjoining part of an adjoining unit, may with consent of the association and first mortgagees of the affected units, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium. The adjoining unit owners shall have the exclusive license to use the space occupied by the common elements, but the use shall not create an easement or vested right. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries. The association may reasonably require that the owner or owners of units affected replace or restore any such partition.

History

1980 c 582 art 2 s 515.2-113; 1986 c 444.
Minn. Stat. § 515A.2-114

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.2-114 RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

(a) Subject to the provisions of the declaration and other provisions of law, the boundaries between adjoining units may be relocated by an amendment to the declaration upon application to the association by the owners of those units. The owners of the adjoining units shall specify the proposed reallocation between their units of their common element interests, votes in the association, and common expense liabilities in the application and in accord with section 515A.2-108. Unless the board of directors determines within 60 days after receipt of the application by the association that the proposed amendment is not in the best interests of the condominium, the unit owners shall prepare an amendment which shall identify the units involved, state the reallocation, be executed by those unit owners and by any holder of an interest as security for an obligation, contain words of conveyance between them, contain written consent of the association, and upon recordation be indexed in the name of the grantor and the grantee. The amendment shall include an amended floor plan or if amended after July 31, 1986, an amended condominium plat, to show the altered boundaries between the adjoining units and their dimensions and identifying numbers. If a holder of an interest as security for an obligation joins in the amendment pursuant to this section, the extent of the interest and the remedies shall be deemed to be modified as provided in the amendment. The association shall incur no liability to any party by reason of performing those acts enumerated in this section.

(b) The association may require the owners of the affected units to build a boundary wall and other common elements between the units.

(c) The applicant shall deliver a certified copy of the amendment to the association.

History

1980 c 582 art 2 s 515.2-114; 1986 c 342 s 8.

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515A.2-115 SUBDIVISION OR CONVERSION OF UNITS

(a) If the declaration expressly so permits, (i) a unit may be subdivided into two or more units, or, (ii) if owned by a declarant, a unit may be subdivided or converted into two or more units, limited common elements, common elements, or a combination of units, limited common elements and common elements. Subject to the provisions of the declaration and other provisions of law, the unit owner shall prepare and execute an amendment to the declaration, including the floor plans or if amended after July 31, 1986, the condominium plat, subdividing or converting that unit. The amendment to the declaration shall be executed by the unit owner and any holder of an interest as security for an obligation of the unit to be subdivided or converted, assign an identifying number to each unit created, and reallocate the common element interest, votes in the association, and common expense liability formerly allocated to the subdivided unit to the units in accord with section 515A.2-108.

(b) The unit owner shall deliver a certified copy of the recorded amendment to the association.

(c) In the case of a unit owned by a declarant, if a declarant converts part or all of a unit to common elements, the amendment to the declaration shall reallocate among the other units the common element interest, votes in the association, and common expense liability formerly allocated to the converted unit or portion thereof on the same basis used for the initial allocation thereof.

(d) If a holder of an interest as security for an obligation joins in the amendment pursuant to this section, the interest and remedies shall be deemed to apply to the units and the common element interests that result from the subdivision or conversion under this section. In the event of enforcement of any remedy, including foreclosure by advertisement, all instruments and notices shall describe the subject property in terms of the amended description.

History

1980 c 582 art 2 s 515.2-115; 1986 c 342 s 9.
MINOR VARIATION IN BOUNDARIES

The existing physical boundaries of a unit or of a unit reconstructed in substantial accordance with the condominium plat are conclusively presumed to be its boundaries regardless of settling or lateral movement of the building.

History

1980 c 582 art 2 s 515.2-116; 1986 c 342 s 10.
Minn. Stat. § 515A.2-117

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.2-117 USE FOR SALES PURPOSES

If the declaration so provides and specifies the rights of a declarant with regard to their number, size, location and relocation, a declarant may maintain sales offices, management offices, and models in the condominium. Any sales office, management office, or model not designated a unit by the declaration is a common element, and a declarant ceasing to be a unit owner, ceases to have any rights with regard thereto unless it is removed promptly from the condominium in accordance with a right to remove reserved in the declaration. Subject to any limitations in the declaration, a declarant may maintain signs on the common elements advertising the condominium.

History

1980 c 582 art 2 s 515.2-117; 1986 c 444.

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Subject to the provisions of the declaration, a declarant has an easement through the common elements as may be reasonably necessary for the purpose of discharging a declarant’s obligations or exercising special declarant rights, whether arising under sections 515A.1-101 to 515A.4-117 or reserved in the declaration.

History

1980 c 582 art 2 s 515.2-118.
Minn. Stat. § 515A.2-119

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.2-119 AMENDMENT OF DECLARATION

(a) Except in cases of amendments which may be executed by a declarant under sections 515A.2-110(c) and (d), 515A.2-111(a); the association under section 515A.1-107(a); or certain unit owners under sections 515A.2-114, 515A.2-115, or 515A.2-120(b), and except as limited by subsection (d), the declaration may be amended by the association only by a vote or written agreement of unit owners to which at least 67 percent of the votes in the association are allocated, and 67 percent of the first mortgagees of the units (each mortgagee having one vote per unit financed) or any larger or smaller majority the declaration specifies. The declaration may specify any percentage if all of the units are restricted exclusively to nonresidential use.

(b) Every amendment to the declaration shall be recorded in every county in which any portion of the condominium is located, and is effective only when recorded.

(c) Except to the extent expressly permitted or required by other provisions of sections 515A.1-101 to 515A.4-117, no amendment may create or increase special declarant rights, increase the number of units, convert common elements to limited common elements, or change the boundaries of any unit, the common element interest, common expense liability, or voting strength in the association allocated to a unit, or the uses to which any unit is restricted, in the absence of unanimous written agreement of the unit owners and holders of an interest as security for an obligation.

(d) Limited common elements shall not be altered without the written agreement of the unit owners and holders of an interest to secure an obligation of the units to which the limited common elements are allocated.

(e) An affidavit of the secretary of the association stating that the votes or agreements required by this section have occurred, shall be attached to the amendment and shall constitute prima facie evidence of the representations contained therein.

History

1980 c 582 art 2 s 515.2-119.
Minn. Stat. § 515A.2-120

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.2-120 TERMINATION OF CONDOMINIUM

(a) Except in the case of a taking of all the units by eminent domain (section 515A.1-107), a condominium may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of the units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units in the condominium are restricted exclusively to nonresidential uses.

(b) An agreement of unit owners and mortgagees to terminate a condominium must be evidenced by their execution of a termination agreement or ratification thereof. If, pursuant to a termination agreement, the real estate constituting the condominium is to be sold following termination, the termination agreement shall set forth the terms of the sale. A termination agreement and all ratifications thereof shall be effective upon recording in every county in which a portion of the condominium is situated.

(c) If the termination agreement provides that the real estate constituting the condominium is to be sold following termination, title to that real estate, upon termination, vests in the association as trustee for the holders of all interests in the units. The association as trustee thereafter has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers and responsibilities it had before termination whether under the declaration or otherwise. Unless the termination agreement otherwise provides, proceeds of the sale shall be paid to the association as trustee and shall be distributed to the unit owners and holders of an interest as security for an obligation as their interests may appear and according to the priority enjoyed prior to termination in proportion to the respective interests of unit owners as provided in subsection (f). Any interest as security for an obligation formerly affecting a unit shall constitute a claim against the proceeds in the amount existing at the time of termination plus interest and other amounts accrued until distribution. Except as otherwise specified in the termination agreement, as long as the association as trustee holds title to the real estate, each unit owner and successors in interest have the right to use the real estate that formerly constituted the common elements and have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit and limited common elements. During the period of such occupancy, each unit owner and successors in interest remain liable for all assessments and other obligations imposed on unit owners by sections 515A.1-101 to 515A.4-117, the declaration, or the termination agreement.

(d) If the real estate constituting the condominium is not to be sold following termination, title to the real estate, upon termination, vests in the unit owners as tenants in common in proportion to their respective interests as provided in subsection (f). Any interests held as security for an obligation and the respective instruments formerly affecting a unit shall be deemed to be an interest affecting the resulting undivided interest in the same manner as they formerly affected the unit. As long as the tenancy in common exists, each unit owner and successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted that unit owner’s unit and limited common elements. Unless the
termination agreement otherwise provides during the period of tenancy in common, the
cotenants and the association shall have the rights and obligations under sections 515A.1-101
to 515A.4-117, the declaration and bylaws and the termination agreement.

(e) Following termination of the condominium, and after payment of or provision for the claims of
the association’s creditors, the assets of the association shall be distributed to unit owners and
holders of an interest as security for an obligation in proportion to their respective interests as
provided in subsection (f). The proceeds of sale described in subsection (c) and held by the
association as trustee are not assets of the association.

(f) The respective interests of unit owners referred to in subsections (c), (d), and (e) are as
follows:

(1) except as provided in paragraph (2), the respective interests of unit owners are the fair
market values of their units, limited common elements, and common element interests
immediately before the termination, as determined by one or more independent appraisers
selected by the association. The decision of the independent appraisers shall be delivered in
the manner provided in section 515A.1-115 addressed to the “Occupant Entitled to Legal
Notice” at each unit and the first mortgagee of each unit at its last known address and
becomes final unless disapproved within 30 days after delivery by unit owners of units to
which 25 percent of the votes in the association are allocated or by 25 percent of the first
mortgagees, each mortgagee having one vote per unit financed. The proportion of any unit
owner’s interest to that of all unit owners is determined by dividing the fair market value of
that unit owner’s interest by the total fair market values of the interests of all unit owners.

(2) if any unit is destroyed to the extent that an appraisal of the fair market value thereof
prior to destruction cannot be made and there is not satisfactory evidence to afford such an
appraisal, the interests of all unit owners are their respective common element interests
immediately before the termination.

History

1980 c 582 art 2 s 515.2-120; 1986 c 444.
515A.2-121 RIGHTS OF HOLDERS OF AN INTEREST AS SECURITY FOR AN OBLIGATION

(a) Nothing in sections 515A.1-101 to 515A.4-117 unless expressly stated diminishes the rights of holders of an interest as security for an obligation or prevents the declaration from requiring that all or a specified number or percentage of holders of an interest as security for an obligation affecting the units approve specified actions of the unit owners or the association as a condition to the effectiveness of those actions, but no requirement for approval may operate to (1) deny or delegate control over the general administrative affairs of the association by the unit owners, or (2) prevent the association from commencing, intervening in or settling any litigation or proceeding, or receiving and distributing any insurance proceeds pursuant to section 515A.3-112.

(b) Foreclosure or enforcement of an interest as security for an obligation against the entire condominium does not of itself terminate the condominium. Foreclosure or enforcement of an interest as security for an obligation against a portion of the condominium without redemption withdraws that portion from the condominium unless (i) the interest is recorded subsequent to the recording of the declaration or is otherwise subordinate to the declaration, or (ii) the holder or the holder’s predecessor has issued a release or deed for a unit.

History

1980 c 582 art 2 s 515.2-121; 1986 c 444.
515A.3-101 ORGANIZATION OF UNIT OWNERS’ ASSOCIATION

A unit owners’ association shall be organized no later than the date the condominium is created. The membership of the association at all times shall consist exclusively of all the unit owners or, following termination of the condominium, of all former unit owners entitled to distributions of proceeds under section 515A.2-120, or their heirs, successors, or assigns. The association shall be organized as a profit or nonprofit corporation.

History

1980 c 582 art 3 s 515.3-101.
Minn. Stat. § 515A.3-102

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.3-102 POWERS OF UNIT OWNERS’ ASSOCIATION

(a) Unless limited by the provisions of the declaration, the association may:

1. adopt and amend rules and regulations;
2. adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
3. hire and terminate managing agents and other employees, agents, and independent contractors;
4. institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;
5. regulate the use, maintenance, repair, replacement and modification of common elements;
6. cause improvements to be made as a part of the common elements;
7. grant leases, licenses, and concessions not to exceed one year and utility easements through or over the common elements; provided, however, that after conveyance to owners other than the declarant or affiliate of a declarant of units to which more than 50 percent of the voting power is allocated, the association may by resolution of a meeting of the members duly called grant leases, licenses, and concessions in excess of one year and easements through or over the common elements;
8. impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements described in section 515A.2-102(2) and (4);
9. impose reasonable charges including reasonable costs and attorneys’ fees, for the evaluation, preparation and recordation of amendments to the declaration, resale certificates required by section 515A.4-107, or statements of unpaid assessments;
10. provide for the indemnification of its officers and board and maintain directors’ and officers’ liability insurance;
11. impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;
12. exercise any other powers conferred by state law, the declaration, or bylaws.

(b) Notwithstanding subsection (a), the declaration may not impose limitations on the power of the association to deal with the declarant that are more restrictive than the limitations imposed on the power of the association to deal with other persons.
History

1980 c 582 art 3 s 515.3-102.

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**Minn. Stat. § 515A.3-103**

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**515A.3-103 BOARD OF DIRECTORS, MEMBERS AND OFFICERS**

- **(a)** The declaration may provide for a period of declarant control of the association, during which period a declarant, or persons designated by the declarant, may elect the members of the board of directors. Any period of declarant control extends from the date of the first conveyance of a unit to a unit owner other than a declarant for a period not exceeding five years in the case of a flexible condominium or three years in the case of any other condominium. Regardless of the period provided in the declaration, a period of declarant control terminates upon surrender of control by the declarant or no later than 60 days after conveyance of 75 percent of the units to unit owners other than a declarant.

- **(b)** Not later than 60 days after conveyance of 50 percent of the units to unit owners other than a declarant not less than 33 1/3 percent of all of the members of the board of directors shall be elected by unit owners other than the declarant.

- **(c)** Not later than the termination of the period of declarant control and thereafter the unit owners shall elect a board of directors of at least three members, at least a majority of whom shall be unit owners or the individual nominees of unit owners other than individuals. The board of directors shall elect the officers. The persons elected shall take office upon election.

- **(d)** In determining whether the period of declarant control has terminated under subsection (a), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (b), the percentage of the units which has been conveyed is presumed to be that percentage which would have been conveyed if all the units which the declarant has built or reserved the right to build in the declaration were included in the condominium.

**History**

1980 c 582 art 3 s 515.3-103; 1986 c 444.
515A.3-104 TRANSFER OF SPECIAL DECLARANT RIGHTS

(a) No special declarant rights (section 515A.1-103(18)) created or reserved under sections 515A.1-101 to 515A.4-117 may be transferred except by an instrument evidencing the transfer recorded in every county where any portion of the condominium is located. The instrument shall be recordable and is not effective unless executed by the transferor and transferee. If additional real estate is transferred by the declarant, the transferee shall be deemed to receive all special declarant rights with respect thereto and shall be subject to any obligations imposed by the declaration respecting the additional real estate so transferred.

(b) Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

1. a transferor is not relieved of any obligation or liability which arose before the transfer, and remains liable for warranty obligations imposed by sections 515A.1-101 to 515A.4-117. Lack of privity does not deprive any unit owner of standing to bring an action to enforce any obligation of the transferor;

2. if a transferor retains any special declarant right, or if a successor to any special declarant right is an affiliate of a declarant (section 515A.1-103(2)), the transferor is subject to liability for all obligations and liabilities imposed on a declarant by sections 515A.1-101 to 515A.4-117 or by the declaration arising after the transfer and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the condominium; and

3. a transferor who retains no special declarant right has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an affiliate of the transferor.

(c) In case of foreclosure of a mortgage or cancellation of a contract for deed or sale under the bankruptcy act or receivership proceeding or the foreclosure of any other lien against any unit owned by a declarant in the condominium, a person first acquiring title to all the units being canceled, foreclosed or sold, succeeds to all then existing special declarant rights except the special declarant rights with respect to additional real estate, unless the mortgage or other instrument or proceeding also covers additional real estate.

(d) The liabilities and obligations of persons who succeed to special declarant rights are as follows:

1. A successor to any special declarant right who is an affiliate of a declarant is subject to all the obligations and liabilities imposed on any declarant by sections 515A.1-101 to 515A.4-117 or by the declaration.

2. A successor to any special declarant right, other than a successor described in paragraph (3) or (4), who is not an affiliate of a declarant, is subject to all obligations and liabilities imposed on a declarant by sections 515A.1-101 to 515A.4-117 or the declaration, except that the successor is not subject to liability for misrepresentations or warranty obligations
on improvements made by any previous declarant, or made before the condominium was
created, or for a breach of fiduciary obligation by any previous declarant.

(3) A successor to only a right reserved in the declaration to maintain models, sales offices,
and signs (section 515A.2-117), if the successor is not an affiliate of a declarant, may not
exercise any other special declarant right, and is not subject to any liability or obligation as
a declarant, except the obligation to provide a disclosure statement and any liability arising
as a result thereof.

(4) A successor to all special declarant rights, who is not an affiliate of a declarant and who
succeeded to those rights pursuant to a deed in lieu of foreclosure or by reason of
subsection (c), may declare an intention in a recorded instrument to hold those rights
solely for transfer to another person. Thereafter, until transferring all special declarant
rights to any person acquiring title to any unit owned by the successor, or until recording
an instrument permitting exercise of all those rights, that successor may not exercise any
of those rights other than the right to control the board of directors in accordance with the
provisions of section 515A.3-103 for the duration of any period of declarant control, and
any attempted exercise of those rights is void. So long as any successor declarant may not
exercise special declarant rights under this subsection, the successor declarant is not
subject to any liability or obligation as a declarant other than liability for acts and omissions
under section 515A.3-103.

(e) Nothing in this section subjects any successor to a special declarant right to any claims
against or other obligations of a transferor declarant, other than claims and obligations arising
under sections 515A.1-101 to 515A.4-117 or the declaration.

History

1980 c 582 art 3 s 515.3-104; 1986 c 444.
515A.3-105 TERMINATION OF CONTRACTS AND LEASES OF DECLARANT

If entered into prior to expiration of the period of declarant control pursuant to section 515A.3-103, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities, (2) any other contract or lease binding the association or any unit owner other than the declarant or an affiliate of the declarant to which a declarant or an affiliate of a declarant is a party, or (3) any contract or lease binding the association or 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 90 days' notice to the other party. This section does not apply to any lease the termination of which would terminate the condominium.

History

1980 c 582 art 3 s 515.3-105.
515A.3-106 BYLAWS

The bylaws and any amendments thereto must be recorded to be effective and shall provide:

(a) The meeting of the members shall be held at least once each year and shall specify an officer who shall, at least 21 days in advance of any annual or regularly scheduled meeting and at least seven days in advance of any other meeting, send to each unit owner notice of the time, place and complete agenda of the meeting. The notice shall be hand delivered or sent by United States mail to all unit owners of record at the address of the respective units and to other addresses as any of them may have designated to the officer.

(b) No vote in the association of unit owners shall be deemed to inure to any unit during the time when the unit owner is the association.

(c) For a mechanism to resolve disputes regarding voting among more than one unit owner of a unit in such a way that the vote allocated to the unit is not split or otherwise cast separately by the several unit owners.

(d) An annual report be prepared by the association and a copy of the report be provided to each unit owner and the report contain a minimum of the following:

(1) A statement of any capital expenditures in excess of two percent of the current budget or $ 5,000 whichever is the greater anticipated by the association during the current year or succeeding two fiscal years.

(2) A statement of the status and amount of any reserve or replacement fund and portion of the fund designated for any specified project by the board of directors.

(3) A copy of the statement of financial condition for the association for the last fiscal year.

(4) A statement of the status of any pending suits or judgments to which the association is a party.

(5) A statement of the insurance coverage provided by the association.

(6) A statement of any unpaid assessments by the association on individual units identifying the unit number and the amount of the unpaid assessment.

History

1980 c 582 art 3 s 515.3-106.
**Minn. Stat. § 515A.3-107**

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**515A.3-107 UPKEEP OF THE CONDOMINIUM**

Except to the extent otherwise provided by the declaration or section 515A.3-112(d), the association is responsible for maintenance, repair, and replacement of the common elements and each unit owner is responsible for maintenance, repair, and replacement of the owner's unit. Each unit owner shall afford to the association and the other unit owners, and to their agents or employees, access through the unit reasonably necessary for those purposes.

If damage is inflicted on the common elements or any unit through which access is taken, the unit owner responsible for the damage, or the association if it is responsible, is liable for the prompt repair thereof.

**History**

1980 c 582 art 3 s 515.3-107; 1986 c 444.

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515A.3-111 TORT AND CONTRACT LIABILITY

(a) If a tort or breach of contract occurred during any period of declarant control (section 515A.3-103), the declarant shall indemnify the association for all liability incurred by the association as a result of that tort or breach of contract, including legal fees. Any statute of limitation affecting the association’s right of action under this section is tolled until the period of declarant control terminates.

(b) No unit owner shall have tort liability arising out of ownership of the common elements provided that the association has liability insurance coverage on the occurrence in an amount not less than $1,000,000.

History

1980 c 582 art 3 s 515.3-111; 1986 c 444.
515A.3-112 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) Property insurance on the common elements and units, exclusive of land, excavations, foundations, and other items normally excluded from property policies, insuring against all risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than 80 percent of the full insurable replacement cost of the insured property. The association or its authorized agent may enter a unit at reasonable times upon reasonable notice for the purpose of making appraisals for insurance purposes.

(2) Comprehensive general liability insurance, in an amount determined by the board of directors but not less than any amount specified in the declaration, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(b) If the insurance described in subsection (a) is not maintained, the association shall immediately cause notice of that fact to be sent postage prepaid by United States mail to all unit owners at their respective units and other addresses provided to the association. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance it deems appropriate to protect the association or the unit owners.

(c) Insurance policies carried pursuant to subsection (a) shall provide that:

(1) Each unit owner and holder of a vendor’s interest in a contract for deed is an insured person under the policy with respect to liability arising out of ownership of an undivided interest in the common elements;

(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 holder of an interest as security for an obligation, 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 policy is primary insurance not contributing with the other insurance.

(d) Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the association. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and holders of an
interest as security for an obligation as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and holders of an interest as security for an obligation are not entitled to receive payment of 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.

(e) An insurance policy issued to the association does not prevent a unit owner from obtaining insurance for personal benefit.

(f) 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 holder of an interest as security for an obligation. The insurance may not be canceled until 60 days after notice of the proposed cancellation has been mailed to the association and to each unit owner and holder of an interest as security for an obligation to whom certificates of insurance have been issued.

(g) Any portion of the condominium damaged or destroyed shall be promptly repaired or replaced by the association unless (1) the condominium is terminated and the association votes not to repair or replace all or part thereof, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) 80 percent of the unit owners, including every owner and first mortgagee of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement of a unit or the common area in excess of insurance proceeds and reserves shall be a common expense. If less than the entire condominium is repaired or replaced, (1) 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 condominium, (2) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the holders of an interest as security for an obligation of those units and the owners and holders of an interest as security for an obligation of the units to which those limited common elements were assigned, as their interests may appear, and (3) the remainder of the proceeds shall be distributed to all the unit owners and holders of an interest as security for an obligation as their interests may appear in proportion to their common element interest. In the event the unit owners 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 515A.1-107(a), and the association shall promptly prepare, execute and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, if the condominium is terminated, insurance proceeds not used for repair or replacement shall be distributed in the same manner as sales proceeds pursuant to section 515A.2-120.

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

History

1980 c 582 art 3 s 515.3-112; 1986 c 444; 1995 c 258 s 64.

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515A.3-113 SURPLUS FUNDS

Unless otherwise provided in the declaration, any surplus funds of the association remaining after payment of or provision for common expenses and any prepayment of reserves shall be credited to the unit owners to reduce their future common expense assessments.

History

1980 c 582 art 3 s 515.3-113.
Minn. Stat. § 515A.3-114

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515A.3-114 ASSESSMENTS FOR COMMON EXPENSES

(a) Until the association levies a common expense assessment, the declarant shall pay all accrued expenses of the condominium. After any assessment has been levied by the association, assessments shall be levied at least annually and shall be based on a budget adopted at least annually by the association.

(b) Except for assessments under subsections (c) and (d), common expenses shall be assessed against all the units in accordance with the common expense liability allocated to each unit (section 515A.2-108). Any past due assessment or installment thereof shall bear interest at the rate established by the association not exceeding the rate of interest provided in section 549.09.

(c) Except as provided by the declaration any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the unit or in equal shares against the units to which that limited common element was assigned at the time the expense was incurred.

(d) If the declaration so provides, the association may assess any common expense benefiting less than all of the units against the units benefited. In that case the common expense shall be allocated among units benefited in proportion to their common expense liability.

History

1980 c 582 art 3 s 515.3-114.

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Minn. Stat. § 515A.3-115

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515A.3-115 LIEN FOR ASSESSMENTS

(a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes payable. The association’s lien may be foreclosed as provided by the laws of this state as if it were a lien under a mortgage containing a power of sale but the association shall give reasonable notice of its action to all lienholders of the unit whose interest would be affected. The rights of the parties shall be the same as those provided by law except that the period of redemption for unit owners shall be six months from the date of sale. Unless the declaration otherwise provides, fees, charges, late charges, and interest charges pursuant to section 515A.3-102(a), (9), and (11) are enforceable as assessments under this section.

(b) A lien under this section is prior to all other liens and encumbrances on a unit except (1) liens and encumbrances recorded before the recordation of the declaration, (2) any recorded mortgage on the unit securing a first mortgage holder, and (3) liens for real estate taxes and other governmental assessments or charges against the unit. This subsection does not affect the priority of mechanics’ or material suppliers’ liens.

(c) Recording of the declaration constitutes record notice and perfection of the lien, and no further recordation of any claim of lien for assessment under this section is required.

(d) Proceedings to enforce an assessment must be instituted within three years after the last installment of the assessment becomes payable.

(e) Unit owners at the time an assessment is payable are personally liable to the association for payment of the assessments.

(f) A foreclosure sale, judgment, or decree in any action, proceeding, or suit brought under this section shall include costs and reasonable attorney’s fees for the prevailing party.

(g) The association shall furnish to a unit owner or the owner’s authorized agent upon written request of the unit owner or the authorized agent a recordable statement setting forth the amount of unpaid assessments currently levied against the owner’s unit. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

History

1980 c 582 art 3 s 515.3-115; 1985 c 251 s 14; 1986 c 444; 1989 c 209 art 1 s 41.

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The association shall keep financial records sufficiently detailed to enable the association to comply with section 515A.4-107. All financial records shall be made reasonably available for examination by any unit owner and the unit owner’s authorized agents.

History

1980 c 582 art 3 s 515.3-116; 1986 c 444.
ASSOCIATION AS TRUSTEE

With respect to a third person dealing with the association in the association’s capacity as a trustee, the existence of trust powers and their proper exercise by the association may be assumed without inquiry. A third person is not bound to inquire whether the association has power to act as trustee or is properly exercising trust powers and a third person, without actual knowledge that the association is exceeding its powers or improperly exercising them, is fully protected in dealing with the association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the association in its capacity as trustee.

History

1980 c 582 art 3 s 515.3-117.
515A.4-101 APPLICABILITY; WAIVER

(a) Sections 515A.4-101 to 515A.4-118 apply to all units subject to sections 515A.1-101 to 515A.4-117 except as provided in subsection (b) and section 515A.4-113 or as modified or waived by agreement of purchasers of units in a condominium in which all units are restricted to nonresidential use.

(b) A disclosure statement need not be prepared in case of:

1. a gratuitous transfer of a unit;
2. a disposition pursuant to court order;
3. a disposition by a government or governmental agency;
4. a disposition by foreclosure or deed in lieu of foreclosure and subsequent disposition by the purchaser at mortgage foreclosure sale, or grantee in the deed in lieu of foreclosure;
5. a transfer to which section 515A.4-107 (Resales of Units) applies.

History

1980 c 582 art 4 s 515.4-101.
**Minn. Stat. § 515A.4-102**

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### 515A.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS

A disclosure statement shall fully disclose:

(a) the name and principal address of the declarant and the address and the name, if any, and number, if available, of the condominium;

(b) a general description of the condominium; including without limitation the types and number of all buildings, units and amenities, and declarant’s schedule of commencement and completion of construction thereof;

(c) the total number of additional units that may be included in the condominium and whether the declarant intends to rent or market blocks of units to investors;

(d) a copy of the declaration other than the condominium plat, condominium plat for the particular unit, bylaws, articles of incorporation, rules and regulations, and any contracts and leases to which the unit owners or association will be subject and which may not be canceled upon 30 days' notice by the association;

(e) any current balance sheet and 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 a declarant and any projected budget for future years which the association has adopted, and a statement of who prepared the balance sheet, projected budget or budget. The budget or projected budget shall include, without limitation:

1. a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

2. a statement of any other reserves;

3. the projected common expense assessment by category of expenditures for the association;

4. the projected monthly common expense assessment for each type of unit;

(f) any supplies and services not reflected in the budget or projected budget which the declarant provides, or expenses which the declarant pays, and which the declarant expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit;

(g) 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;

(h) a description of any liens, defects, or encumbrances on or affecting the title to the condominium after the contemplated conveyance;

(i) a description of any financing offered by the declarant;

(j) the terms of any warranties provided by the declarant, including the warranties set forth in sections 515A.4-111 and 515A.4-112, and limitations imposed by the declarant on the enforcement thereof;
Minn. Stat. § 515A.4-102

(k) a statement that:

(1) within 15 days after receipt of a disclosure statement, a purchaser may, prior to conveyance, cancel any purchase agreement of a unit from a declarant;

(2) if a declarant fails to provide a disclosure statement to a purchaser before conveying a unit, that purchaser may recover from the declarant an amount not to exceed five percent of the sales price of the unit; and

(3) if a purchaser received the disclosure statement more than 15 days before signing a purchase agreement, the purchaser cannot cancel the agreement;

(l) a statement disclosing, to the extent of the actual knowledge of the declarant or an affiliate of the declarant after reasonable inquiry, any judgments against the association, the status of any pending suits to which the association is a party, and the status of any pending suits material to the condominium;

(m) a statement that 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 515A.4-106;

(n) a description of the insurance coverage to be provided for the benefit of unit owners;

(o) any current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the condominium;

(p) whether financial arrangements have been provided for completion of all improvements labeled "MUST BE BUILT" pursuant to section 515A.4-117 (Declarant’s Obligation to Complete and Restore); and

(q) a statement (1) that there are no delinquent taxes on the property or, if there are delinquent taxes on the property, the amount of the delinquent taxes and the length of the delinquency, and (2) that discloses the amount, if known, of taxes due in the current year.

History

1980 c 582 art 4 s 515A.4-102; 1986 c 342 s 11; 1986 c 444; 1991 c 291 art 1 s 52.

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The disclosure statement of a conversion condominium the units of which may be used for residential purposes shall contain, in addition to the information required by section 515A.4-102:

(a) A professional opinion prepared by an architect licensed in this state or a registered professional engineer licensed in this state, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the condominium to the extent reasonably ascertainable without disturbing the improvements or dismantling the equipment;

(b) A statement by the declarant of the expected useful life of each item reported on in subsection (a) or a statement that no representations are made in this regard;

(c) A list of any outstanding notices of uncured violations of building code or other municipal regulations, which will be outstanding at the time of the first conveyance of a unit, together with the estimated cost of curing those violations.

History

1980 c 582 art 4 s 515.4-104.
**515A.4-106 PURCHASER’S RIGHT TO CANCEL**

(a) Unless delivery of a disclosure statement is not required under section 515A.4-101(b), a declarant shall provide at least one of the purchasers of a unit with a copy of a disclosure statement not later than the date of any purchase agreement. Unless a purchaser is given the disclosure statement more than 15 days prior to execution of a purchase agreement for the unit, the purchaser may, prior to the conveyance, cancel the agreement within 15 days after receiving the disclosure statement.

If the conveyance occurs within 15 days after the date of the execution of the purchase agreement by the purchaser, any purchaser may waive in writing all rights to receive a disclosure statement under this section.

(b) A purchaser who elects to cancel a purchase agreement pursuant to subsection (a), may do so by hand delivering notice thereof to the declarant or by mailing notice thereof by postage prepaid United States mail to the declarant or to the declarant’s agent for service of process. Cancellation is without penalty, and all payments made by the purchaser pursuant to the purchase agreement shall be refunded promptly.

(c) If a declarant fails to provide a purchaser to whom a unit is conveyed with a disclosure statement and all amendments thereto as required by subsections (a) and (d), that purchaser, in addition to any rights to damages or other relief, is entitled to receive from the declarant an amount not to exceed five percent of the sales price of the unit.

(d) The disclosure statement and any information furnished in connection therewith may be amended prior to conveyance if the amendment is delivered to the purchaser to whom the disclosure statement was delivered. If the amendment materially adversely affects a purchaser, then the purchaser shall have 15 days after delivery of the amendment to cancel the purchase agreement in accordance with this section.

**History**

1980 c 582 art 4 s 515.4-106; 1986 c 444.
Minn. Stat. § 515A.4-107

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.4-107 RESALES OF UNITS

(a) In the event of a resale of a unit by a unit owner other than a declarant, the unit owner shall furnish to a purchaser before execution of any purchase agreement for a unit, or otherwise before conveyance, a copy of the declaration, other than the condominium plat, the bylaws, the rules and regulations of the association, and any amendments thereto, and a certificate dated not more than 90 days prior to the date of the purchase agreement or otherwise before conveyance, containing:

(1) a statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration, bylaws, rules and regulations, or any amendment thereof;

(2) a statement setting forth the amount of periodic installments of common expense assessments and special assessments and any unpaid common expense or special assessment currently payable;

(3) a statement of any other fees payable by unit owners;

(4) a statement of any capital expenditures approved by the association for the current and next succeeding two fiscal years;

(5) a statement that a copy of the condominium plat and any amendments thereof are available in the office of the association for inspection;

(6) a statement of the amount of any reserves for capital expenditures and of any portions of those reserves designated by the association for any specified projects;

(7) the most recent regularly prepared balance sheet and income and expense statement, if any, of the association;

(8) the current budget of the association;

(9) a statement of any judgments against the association and the status of any pending suits to which the association is a party;

(10) a statement describing any insurance coverage provided for the benefit of unit owners.

(b) The association shall, within seven days after a request by a unit owner or the unit owner’s authorized agent, furnish a certificate containing the information necessary to enable the unit owner to comply with this section. A unit owner without actual knowledge providing a certificate pursuant to subsection (a) shall have no liability to the purchaser for any erroneous information provided by the association and included in the certificate.

(c) A purchaser is not liable for any unpaid assessment or fee existing as of the date of the certificate greater than the amount set forth in the certificate prepared by the association. A unit owner is not responsible to a purchaser for the failure or delay of the association to provide the certificate in a timely manner.
History

1980 c 582 art 4 s 515.4-107; 1986 c 342 s 12; 1986 c 444.
Minn. Stat. § 515A.4-1075

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515A.4-1075 PURCHASER’S RIGHT TO CANCEL

(a) The information required to be delivered by section 515A.4-107 shall be delivered to a purchaser not later than the date of any purchase agreement. Unless a purchaser is given the information more than 15 days prior to the execution of the purchase agreement for the unit the purchaser may, prior to the conveyance, cancel the agreement within 15 days after receiving the information.

(b) A purchaser who elects to cancel a purchase agreement pursuant to subsection (a), may do so by hand delivering notice thereof to the seller or the seller’s agent or by mailing notice thereof by postage prepaid United States mail to the seller or the agent. Cancellation is without penalty and all payments made by the purchaser shall be refunded promptly.

History

1980 c 582 art 4 s 515.4-1075; 1986 c 444.
Any earnest money paid in connection with the purchase or reservation of a unit from a declarant shall be escrowed and held in this state in an account, savings deposit or certificate of deposit designated solely for that purpose in an institution whose accounts are insured by a governmental agency or instrumentality until (1) delivered to the declarant at closing; (2) delivered to the declarant because of purchaser's default under the purchase agreement or reservation; or (3) delivered to the purchaser.

History

1980 c 582 art 4 s 515.4-108.
**Minn. Stat. § 515A.4-109**

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session.

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**515A.4-109 RELEASE OF INTERESTS AS SECURITY FOR AN OBLIGATION**

(a) Before conveying a unit to a purchaser other than a declarant, the seller shall furnish to the purchaser releases for that unit and its common element interest of all interests as security for an obligation affecting more real estate than that unit and its common element interest, or if the purchaser expressly agrees, a policy of title insurance insuring against loss or damage by reason of such interests. Failure to furnish the releases does not of itself invalidate the lien or the conveyance. This subsection does not apply to conveyance of all of the units in the condominium or to deeds in lieu of foreclosure.

(b) Whether perfected before or after creation of the condominium, if a lien other than a mortgage, including a lien attributable to work performed or materials supplied before creation of the condominium, becomes effective against two or more units, the unit owner of such a unit may pay to the lienholder the amount of the lien attributable to that owner's unit, and the lienholder, upon receipt of payment, shall promptly deliver a release of the lien covering that unit and its common element interest. The amount of the payment shall be proportionate to the ratio which that unit owner's common expense liability bears to the common expense liabilities of all unit owners whose units are subject to the lien. After payment, the association may not assess or have a lien against that unit owner's unit for any portion of the common expenses incurred in connection with that lien.

(c) Labor performed or materials furnished for the common elements, if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each unit owner and shall be the basis for the filing of a lien pursuant to the lien law against each of the units and shall be subject to the provisions of subsection (b).

**History**

1980 c 582 art 4 s 515.4-109; 1986 c 444.

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A declarant of a conversion condominium shall give each of the tenants and any subtenant in possession of buildings subject to sections 515A.1-101 to 515A.4-117 notice of the conversion or the intent to convert no later than 120 days before the declarant will require them to vacate. The notice shall set forth generally the rights conferred by this section and shall have attached thereto a form of purchase agreement setting forth the terms of sale contemplated by subsection (b) and a statement of any significant restrictions on the use and occupancy of the unit to be imposed by the declarant and shall be hand delivered or mailed by postage prepaid United States mail to the tenant and subtenant at the address of the unit. The notice shall further state that the tenants or subtenants in possession of a residential unit may demand to be given 60 additional days before being required to vacate, if any of them, or any person residing with them, is 62 years of age or older, disabled as defined in section 268A.01, or a minor child on the date the notice is given. This demand must be in writing, contain reasonable proof of qualification, and be given to the declarant within 30 days after the notice of condominium conversion is delivered or mailed. The notice shall be contained in an envelope upon which the following words shall be boldly printed: “Notice of Condominium Conversion.” No tenant or subtenant may be required by the declarant to vacate upon less than 120 days’ notice, except by reason of nonpayment of rent, waste, or conduct which disturbs other tenants’ peaceful enjoyment of the premises, and the terms of the tenancy may not be altered during that period, except that a tenant or subtenant in possession of a residential unit may vacate upon 30 days' written notice to the declarant. Nothing in this section prevents the declarant and the tenant or subtenant in possession of the unit from agreeing to an extension of the tenancy on a month to month basis beyond the 120-day notice period. No repair work or remodeling may be commenced or undertaken in the occupied units or common areas of the building during the notice period, unless reasonable precautions are taken to ensure the safety and security of the tenants or subtenants in possession of the premises. Failure of a declarant to give notice as required by this section constitutes a defense to an action for possession.

For 60 days after delivery or mailing of the notice described in subsection (a), the holder of the lessee's interest for each unit on the date the notice is delivered or mailed shall have an option to purchase that unit on the terms set forth in the purchase agreement attached to the notice. The purchase agreement shall contain no terms or conditions preventing the purchase of the unit by the holder because of the age of the holder or of persons residing with the holder. If the holder fails to exercise the option during that 60-day period, the declarant may not offer to dispose of an interest in that unit during the following 180 days at a price or on terms more favorable to the offeree than the price or terms offered to the holder. This subsection does not apply to any unit in a conversion condominium if that unit will be restricted exclusively to nonresidential use or if the boundaries of the converted unit do not substantially conform to the dimensions of the residential unit before conversion.

If a declarant, in violation of subsection (b), conveys a unit to a purchaser for value who has no knowledge of the violation, delivery of the deed conveying the unit extinguishes any right
Minn. Stat. § 515A.4-110

which a holder of a lessee’s interest not in possession may have under subsection (b) to purchase that unit, but does not affect the right of the holder to recover damages from the declarant for a violation of subsection (b).

(d) Nothing in this section permits termination of a lease by a declarant in violation of its terms.

History

1980 c 582 art 4 s 515.4-110; 2005 c 56 s 1.
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, its use, or rights appurtenant thereto, area improvements to the condominium that would directly benefit the unit, or the right to use or have the benefit of facilities not located in the condominium, 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 the condominium, including plans and specifications of or for improvements, creates an express warranty that the condominium will conform to the model or description. A notice prominently displayed on a model or description shall prevent a purchaser from reasonably relying upon the model or description to the extent of the disclaimer set forth on the notice;

(3) any description of the quantity or extent of the real estate comprising the condominium, including plats or surveys, creates an express warranty that the condominium will conform to the description, subject to customary tolerance; and

(4) a provision that a buyer may put a unit only to a specified use is an express warranty that the specified use is lawful.

(b) Neither formal words, such as “warranty” or “guarantee,” nor a specific intention to make a warranty, are necessary to create an express warranty. 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 made by a declarant or an affiliate of a declarant.

History

1980 c 582 art 4 s 515.4-111.
Minn. Stat. § 515A.4-112

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515A.4-112 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 a unit and the common elements in the condominium are structurally suitable for the ordinary uses of real estate of its type and that any improvements or repairs made or contracted for by the declarant or made by any person in contemplation of the creation of the condominium, will be:

   (1) free from defective materials; and
   
   (2) constructed in accordance with applicable law, according to sound engineering and construction standards, and in a workmanlike manner.

(c) A declarant warrants to a purchaser of a unit which may be used for residential use that the residential use does 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 as specified in section 515A.4-113.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant (section 515A.1-103(2)) are made or contracted for by the declarant.

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

History

1980 c 582 art 4 s 515.4-112; 1986 c 444.
515A.4-113 EXCLUSION OR MODIFICATION OF IMPLIED WARRANTIES

(a) Except as limited by subsection (b), 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 which in common understanding calls the buyer's attention to the exclusion of warranties.

(b) With respect to a purchaser of a unit which may be occupied for residential use, no general disclaimer of implied warranties is effective, but a declarant may disclaim liability in an instrument 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.

History

1980 c 582 art 4 s 515.4-113.
Minn. Stat. § 515A.4-114

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515A.4-114 STATUTE OF LIMITATIONS FOR WARRANTIES

(a) A judicial proceeding for breach of any obligation arising under section 515A.4-111 or 515A.4-112 must be commenced within six years after the cause of action accrues, but the parties may reduce the period of limitation to not less than two years. With respect to a unit which may be occupied for residential use, an agreement to reduce the period of limitation shall be evidenced by a separate instrument executed by the purchaser.

(b) Subject to subsection (c), a cause of action under section 515A.4-111 or 515A.4-112, regardless of the purchaser’s lack of knowledge of the breach, accrues:

(1) as to a unit, when the purchaser to whom the warranty is first made enters into possession after a conveyance of a possessory interest if a possessory interest is conveyed or otherwise at the time of acceptance of the instrument of conveyance if a nonpossessory interest was conveyed; and

(2) as to each common element, the later of (i) the time the common element is completed, (ii) the time the first unit in the condominium is conveyed to a bona fide purchaser, or (iii) as to a common element within any additional real estate or portion thereof the time the first unit therein is conveyed to a bona fide purchaser.

(c) If a warranty under section 515A.4-111 or 515A.4-112 explicitly extends to future performance or duration of any improvement or component of the condominium, 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.

History

1980 c 582 art 4 s 515.4-114.

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515A.4-115 EFFECT OF VIOLATIONS ON RIGHTS OF ACTION; ATTORNEY'S FEES

If a declarant or any other person subject to sections 515A.1-101 to 515A.4-117 violates any provision thereof or any provision of the declaration or bylaws, any person or class of persons adversely affected by the violation has a claim for appropriate relief. Punitive damages may be awarded in the case of a willful violation of sections 515A.1-101 to 515A.4-117. The court, in an appropriate case, may award reasonable attorneys' fees.

History

1980 c 582 art 4 s 515.4-115.
Minn. Stat. § 515A.4-116

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515A.4-116 LABELING OF PROMOTIONAL MATERIAL

If any improvement contemplated in a condominium is required by section 515A.2-110(b)(3) to be labeled "NEED NOT BE BUILT" on the condominium plat, no promotional material may be displayed or delivered to prospective purchasers which describes or depicts that improvement unless the description or depiction of the improvement is conspicuously labeled or identified as "NEED NOT BE BUILT."

History

1980 c 582 art 4 s 515.4-116; 1986 c 342 s 13.

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**Minn. Stat. § 515A.4-117**

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**515A.4-117 DECLARANT’S OBLIGATION TO COMPLETE AND RESTORE**

(a) The declarant shall complete all improvements labeled “MUST BE BUILT” on the condominium plat prepared pursuant to section 515A.2-110.

(b) The declarant is subject to liability for the prompt repair and restoration to a condition compatible with the remainder of the condominium of any portion of the condominium affected by the exercise of rights reserved pursuant to or created by sections 515A.2-111, 515A.2-117, and 515A.2-118.

**History**

1980 c 582 art 4 s 515.4-117; 1986 c 342 s 14.
**Minn. Stat. § 515A.4-118**

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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**515A.4-118 REFERENCES**

When used in sections 515A.1-101 to 515A.4-118, the term “this act” and similar terms refer to sections 515A.1-101 to 515A.4-118.

**History**

1980 c 582 art 4 s 515.4-118.
Minn. Stat. § 515B.1-100

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

LexisNexis® Minnesota Annotated Statutes > Property Interests and Liens
> Chapter 515B. Common Interest Ownership

515B.1-100 [Renumbered]

History

MS 2006 [Renumbered 15.001].

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Minn. Stat. § 515B.1-101

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515B.1-101 SHORT TITLE

Sections 515B.1-101 through 515B.4-118 may be cited as the Minnesota Common Interest Ownership Act.

History

1993 c 222 art 1 s 1.

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Minn. Stat. § 515B.1-102

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515B.1-102 APPLICABILITY

(a) Except as provided in this section, this chapter, and not chapters 515 and 515A, applies to all common interest communities created within this state on and after June 1, 1994.

(b) The applicability of this chapter to common interest communities created prior to June 1, 1994, shall be as follows:

(1) This chapter shall apply to condominiums created under chapter 515A with respect to events and circumstances occurring on and after June 1, 1994; provided (i) that this chapter shall not invalidate the declarations, bylaws or condominium plats of those condominiums, and (ii) that chapter 515A, and not this chapter, shall govern all rights and obligations of a declarant of a condominium created under chapter 515A, and the rights and claims of unit owners against that declarant.

(2) The following sections in this chapter apply to condominiums created under chapter 515: 515B.1-104 (Variation by Agreement); 515B.1-105 (Separate Titles and Taxation); 515B.1-106 (Applicability of Local Requirements); 515B.1-107 (Eminent Domain); 515B.1-108 (This Chapter Prevails; Supplemental Law); 515B.1-109 (Construction Against Implicit Repeal); 515B.1-112 (Unconscionable Agreement or Term of Contract); 515B.1-113 (Obligation of Good Faith); 515B.1-114 (Remedies to be Liberally Administered); 515B.1-115 (Notice); 515B.1-116 (Recording); 515B.2-103 (Construction and Validity of Declaration and Bylaws); 515B.2-104 (Description of Units); 515B.2-108(d)(Allocation of Interests); 515B.2-109(f)(Common Elements and Limited Common Elements); 515B.2-112 (Subdivision, Combination, or Conversion of Units); 515B.2-113 (Alteration of Units); 515B.2-114 (Relocation of Boundaries Between Adjoining Units); 515B.2-115 (Minor Variations in Boundaries); 515B.2-118 (Amendment of Declaration); 515B.2-119 (Termination of Common Interest Community); 515B.3-102 (Powers of Unit Owners’ Association); 515B.3-103(a), (b), and (g)(Board of Directors, Officers, and Declarant Control); 515B.3-107 (Upkeep of Common Interest Community); 515B.3-108 (Meetings); 515B.3-109 (Quorums); 515B.3-110 (Voting; Proxies); 515B.3-111 (Tort and Contract Liability); 515B.3-112 (Conveyance of, or Creation of Security Interests in, Common Elements); 515B.3-113 (Insurance); 515B.3-114 (Replacement Reserves); 515B.3-115 (c), (e), (f), (g), (h), and (i)(Assessments for Common Expenses); 515B.3-116 (Lien for Assessments); 515B.3-117 (Other Liens); 515B.3-118 (Association Records); 515B.3-119 (Association as Trustee); 515B.3-121 (Accounting Controls); 515B.4-107 (Resale of Units); 515B.4-108 (Purchaser’s Right to Cancel Resale); and 515B.4-116 (Rights of Action; Attorney’s Fees). Section 515B.1-103 (Definitions) shall apply to the extent necessary in construing any of the sections referenced in this section. Sections 515B.1-105, 515B.1-106, 515B.1-107, 515B.1-116, 515B.2-103, 515B.2-104, 515B.2-118, 515B.3-102, 515B.3-110, 515B.3-111, 515B.3-113, 515B.3-116, 515B.3-117, 515B.3-118, 515B.3-121, 515B.4-107, 515B.4-108, and 515B.4-116 apply only with respect to events and circumstances occurring on and after June 1, 1994. All other sections referenced in this section apply only with respect to events and circumstances occurring after July 31, 1999.
Minn. Stat. § 515B.1-102

referenced in this section does not invalidate the declarations, bylaws or condominium plats of condominiums created before August 1, 1999. But all sections referenced in this section prevail over the declarations, bylaws, CIC plats, rules and regulations under them, of condominiums created before August 1, 1999, except to the extent that this chapter defers to the declarations, bylaws, CIC plats, or rules and regulations issued under them.

(3) This chapter shall not apply to cooperatives and planned communities created prior to June 1, 1994, or to planned communities that were created on or after June 1, 1994, and before August 1, 2006, and that consist of more than two but fewer than 13 units; except by election pursuant to subsection (d), and except that sections 515B.1-116, subsections (a), (c), (d), and (e), 515B.4-107, and 515B.4-108, apply to all planned communities and cooperatives regardless of when they are created, unless they are exempt under subsection (e).

(c) This chapter shall not invalidate any amendment to the declaration, bylaws or condominium plat of any condominium created under chapter 515 or 515A if the amendment was recorded before June 1, 1994. Any amendment recorded on or after June 1, 1994, shall be adopted in conformity with the procedures and requirements specified by those instruments and by this chapter. If the amendment grants to any person any rights, powers or privileges permitted by this chapter, all correlative obligations, liabilities and restrictions contained in this chapter shall also apply to that person.

(d) Any condominium created under chapter 515, any planned community or cooperative which would be exempt from this chapter under subsection (e), or any planned community or cooperative created prior to June 1, 1994, or any planned community that was created on or after June 1, 1994, and prior to August 1, 2006, and that consists of more than two but fewer than 13 units, may elect to be subject to this chapter, as follows:

(1) The election shall be accomplished by recording a declaration or amended declaration, and a new or amended CIC plat where required, and by approving bylaws or amended bylaws, which conform to the requirements of this chapter, and which, in the case of amendments, are adopted in conformity with the procedures and requirements specified by the existing declaration and bylaws of the common interest community, and by any applicable statutes.

(2) In a condominium, the preexisting condominium plat shall be the CIC plat and an amended CIC plat shall be required only if the amended declaration or bylaws contain provisions inconsistent with the preexisting condominium plat. The condominium’s CIC number shall be the apartment ownership number or condominium number originally assigned to it by the recording officer. In a cooperative in which the unit owners’ interests are characterized as real estate, a CIC plat shall be required. In a planned community, the preexisting plat or registered land survey recorded pursuant to chapter 505, 508, or 508A, or the part of the plat or registered land survey upon which the common interest community is located, shall be the CIC plat.

(3) The amendment shall comply with section 515B.2-118(a)(3) and (c); except that the unanimous consent of the unit owners shall not be required for (i) a clarification of the unit boundary description if the clarified boundary description is substantially consistent with the preexisting CIC plat, or (ii) changes from common elements to limited common elements that occur by operation of section 515B.2-109(c) and (d).

(4) Except as permitted by paragraph (3), no declarant, affiliate of declarant, association, master association nor unit owner may acquire, increase, waive, reduce or revoke any previously existing warranty rights or causes of action that one of said persons has
Minn. Stat. § 515B.1-102

against any other of said persons by reason of exercising the right of election under this subsection.

(5) A common interest community which elects to be subject to this chapter may, as a part of the election process, change its form of ownership by complying with section 515B.2-123.

(e) Except as otherwise provided in this subsection, this chapter shall not apply, except by election pursuant to subsection (d), to the following:

(1) a planned community which consists of two units, which utilizes a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), which is not subject to any rights to subdivide or convert units or to add additional real estate, and which is not subject to a master association;

(2) a common interest community that consists solely of platted lots or other separate parcels of real estate designed or utilized for detached single family dwellings or agricultural purposes, with or without common property, where no association or master association has an obligation to maintain any building containing a dwelling or any agricultural building located or to be located on such platted lots or parcels; except that section 515B.4-101(e) shall apply to the sale of such platted lots or parcels of real estate if the common interest community is or will be subject to a master declaration;

(3) a cooperative where, at the time of creation of the cooperative, the unit owners’ interests in the dwellings as described in the declaration consist solely of proprietary leases having an unexpired term of fewer than 20 years, including renewal options;

(4) planned communities utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), or section 515B.2-1101(d)(1) and (2), and cooperatives, which are limited by the declaration to nonresidential uses alone or in combination with residential rental uses in which individual dwellings do not constitute units or other separate parcels of real estate; or

(5) real estate subject only to an instrument or instruments filed primarily for the purpose of creating or modifying rights with respect to access, utilities, parking, ditches, drainage, or irrigation.

(f) Section 515B.4-101(e) applies to any platted lot or other parcel of real estate that is subject to a master declaration and is not subject to or is exempt from this chapter.

(g) Section 515B.1-106 shall apply to all common interest communities.

(h) Sections 515B.1-103(33a), 515B.2-110, 515B.3-105, 515B.3-115, 515B.4-102, and 515B.4-115 apply only to common interest communities created before August 1, 2010. Sections 515B.1-103(33b), 515B.2-1101, 515B.3-1051, 515B.3-1151, 515B.4-1021, and 515B.4-1151 apply only to common interest communities created on or after August 1, 2010.

(i) Section 515B.3-114 applies to common interest communities only for the association’s fiscal years commencing before January 1, 2012. Section 515B.3-1141 applies to common interest communities only for the association’s fiscal years commencing on or after January 1, 2012.

(j) Section 515B.3-104 applies only to transfers of special declarant rights that are effective before August 1, 2010. Section 515B.3-1041, subsections (a) through (i), apply only to transfers of special declarant rights that are effective on or after August 1, 2010. Section 515B.3-1041, subsections (j) and (k), apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.
History

1993 c 222 art 1 s 2; 1994 c 388 art 4 s 1; 1995 c 92 s 4; 1999 c 11 art 2 s 1; 2000 c 260 s 72; 2000 c 320 s 3; 2001 c 7 s 82; 2005 c 121 s 1; 2006 c 221 s 7; 2010 c 267 art 1 s 1; 2010 c 382 s 78; 2011 c 76 art 1 s 59; 2011 c 116 art 2 s 1; 2012 c 187 art 1 s 68.
Minn. Stat. § 515B.1-103

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session


515B.1-103 DEFINITIONS

In the declaration and bylaws, unless specifically provided otherwise or the context otherwise requires, and in this chapter:

1. “Additional real estate” means real estate that may be added to a flexible common interest community.

2. “Affiliate of a declarant” means any person who controls, is controlled by, or is under common control with a declarant.

   A. A person “controls” a declarant if the person (i) is a general partner, officer, director, or employer of the declarant, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the declarant, (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant.

   B. A person “is controlled by” a declarant if the declarant (i) is a general partner, officer, director, or employer of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interest in the person, (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

   C. Control does not exist if the powers described in this subsection are held solely as a security interest and have not been exercised.

3. “Allocated interests” means the following interests allocated to each unit: (i) in a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association; (ii) in a cooperative, the common expense liability and the ownership interest and votes in the association; and (iii) in a planned community, the common expense liability and votes in the association.


5. “Board” means the body, regardless of name, designated in the articles of incorporation, bylaws or declaration to act on behalf of the association, or on behalf of a master association when so identified.

6. “CIC plat” means a common interest community plat described in section 515B.2-110.

7. “Common elements” means all portions of the common interest community other than the units.

8. “Common expenses” means expenditures made or liabilities incurred by or on behalf of the association, or master association when so identified, together with any allocations to reserves.
(9) “Common expense liability” means the liability for common expenses allocated to each unit pursuant to section 515B.2-108.

(10) “Common interest community” or “CIC” means contiguous or noncontiguous real estate within Minnesota that is subject to an instrument which obligates persons owning a separately described parcel of the real estate, or occupying a part of the real estate pursuant to a proprietary lease, by reason of their ownership or occupancy, to pay for (i) real estate taxes levied against; (ii) insurance premiums payable with respect to; (iii) maintenance of; or (iv) construction, maintenance, repair or replacement of improvements located on, one or more parcels or parts of the real estate other than the parcel or part that the person owns or occupies. Real estate which satisfies the definition of a common interest community is a common interest community whether or not it is subject to this chapter. Real estate subject to a master declaration, regardless of when the master declaration was recorded, shall not collectively constitute a separate common interest community unless so stated in the master declaration.

(11) “Condominium” means a common interest community in which (i) portions of the real estate are designated as units, (ii) the remainder of the real estate is designated for common ownership solely by the owners of the units, and (iii) undivided interests in the common elements are vested in the unit owners.

(12) “Conversion property” means real estate on which is located a building that at any time within two years before creation of the common interest community was occupied for residential use wholly or partially by persons other than purchasers and persons who occupy with the consent of purchasers.

(13) “Cooperative” means a common interest community in which the real estate is owned by an association, each of whose members is entitled to a proprietary lease by virtue of the member’s ownership interest in the association.

(14) “Dealer” means a person in the business of selling units for the person’s own account.

(15) “Declarant” means:

(i) if the common interest community has been created, (A) any person who has executed a declaration, or a supplemental declaration or amendment to a declaration adding additional real estate, except secured parties, a spouse holding only an inchoate interest, persons whose interests in the real estate will not be transferred to unit owners, or, in the case of a leasehold common interest community, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (B) any person who reserves, or succeeds under section 515B.3-104 to any special declarant rights; or

(ii) any person or persons acting in concert who have offered prior to creation of the common interest community to transfer their interest in a unit to be created and not previously transferred.

(16) “Declaration” means any instrument, however denominated, that creates a common interest community.

(17) “Dispose” or “disposition” means a voluntary transfer to a purchaser of any legal or equitable interest in the common interest community, but the term does not include the transfer or release of a security interest.

(18) “Flexible common interest community” means a common interest community to which additional real estate may be added.
“Leasehold common interest community” means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

“Limited common element” means a portion of the common elements allocated by the declaration or by operation of section 515B.2-109(c) or (d) for the exclusive use of one or more but fewer than all of the units.

“Master association” means an entity created on or after June 1, 1994, that directly or indirectly exercises any of the powers set forth in section 515B.3-102 on behalf of one or more members described in section 515B.2-121(b), (i), (ii) or (iii), whether or not it also exercises those powers on behalf of one or more property owners’ associations described in section 515B.2-121(b)(iv). A person (i) hired by an association to perform maintenance, repair, accounting, bookkeeping or management services, or (ii) granted authority under an instrument recorded primarily for the purpose of creating rights or obligations with respect to utilities, access, drainage, or recreational amenities, is not, solely by reason of that relationship, a master association.

“Master declaration” means a written instrument, however named, (i) recorded on or after June 1, 1994, and (ii) complying with section 515B.2-121, subsection (e).

“Master developer” means a person who is designated in the master declaration as a master developer or, in the absence of such a designation, the owner or owners of the real estate subject to the master declaration at the time the master declaration is recorded, except (i) secured parties and (ii) a spouse holding only an inchoate interest. A master developer is not a declarant unless the master declaration states that the real estate subject to the master declaration collectively is or collectively will be a separate common interest community.

“Period of declarant control” means the time period provided for in section 515B.3-103(c) during which the declarant may appoint and remove officers and directors of the association.

“Person” means an individual, corporation, limited liability company, partnership, trustee under a trust, personal representative, guardian, conservator, government, governmental subdivision or agency, or other legal or commercial entity capable of holding title to real estate.

“Planned community” means a common interest community that is not a condominium or a cooperative. A condominium or cooperative may be a part of a planned community.

“Proprietary lease” means an agreement with a cooperative association whereby a member of the association is entitled to exclusive possession of a unit in the cooperative.

“Purchaser” means a person, other than a declarant, who by means of a voluntary transfer acquires a legal or equitable interest in a unit other than (i) a leasehold interest of less than 20 years, including renewal options, or (ii) a security interest.

“Real estate” means any fee simple, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. “Real estate” may include spaces with or without upper or lower boundaries, or spaces without physical boundaries.

“Residential use” means use as a dwelling, whether primary, secondary or seasonal, but not transient use such as hotels or motels.

“Secured party” means the person owning a security interest as defined in paragraph (32).
“Security interest” means a perfected interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a mortgagee’s interest in a mortgage, a vendor’s interest in a contract for deed, a lessor’s interest in a lease intended as security, a holder’s interest in a sheriff’s certificate of sale during the period of redemption, an assignee’s interest in an assignment of leases or rents intended as security, in a cooperative, a lender’s interest in a member’s ownership interest in the association, a pledgee’s interest in the pledge of an ownership interest, or any other interest intended as security for an obligation under a written agreement.

This definition of special declarant rights applies only to common interest communities created before August 1, 2010. “Special declarant rights” means rights reserved in the declaration for the benefit of a declarant to:

(i) complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the CIC is located;

(ii) add additional real estate to a common interest community;

(iii) subdivide or combine units, or convert units into common elements, limited common elements, or units;

(iv) maintain sales offices, management offices, signs advertising the common interest community, and models;

(v) use easements through the common elements for the purpose of making improvements within the common interest community or any additional real estate;

(vi) create a master association and provide for the exercise of authority by the master association over the common interest community or its unit owners;

(vii) merge or consolidate a common interest community with another common interest community of the same form of ownership; or

(viii) appoint or remove any officer or director of the association, or the master association where applicable, during any period of declarant control.

This definition of special declarant rights applies only to common interest communities created on or after August 1, 2010. “Special declarant rights” means rights reserved in the declaration for the benefit of a declarant and expressly identified in the declaration as special declarant rights. Such special declarant rights may include but are not limited to the following:

(i) to complete improvements indicated on the CIC plat, planned by the declarant consistent with the disclosure statement or authorized by the municipality in which the common interest community is located, and to have and use easements for itself and its employees, agents, and contractors through the common elements for such purposes;

(ii) to add additional real estate to a common interest community;

(iii) to subdivide or combine units, or convert units into common elements, limited common elements and/or units, pursuant to section 515B.2-112;

(iv) to maintain and use sales offices, management offices, signs advertising the common interest community, and models, and to have and use easements for itself and its employees, agents, and invitees through the common elements for such purposes;
(v) to appoint or remove any officer or director of the association during any period of declarant control;

(vi) to utilize an alternate common expense plan as provided in section 515B.3-115(a)(2);

(vii) to grant common element licenses as provided in section 515B.2-109(e); or

(viii) to review, and approve or disapprove, the exterior design, materials, size, site location, and other exterior features of buildings and other structures, landscaping and other exterior improvements, located within the common interest community, and any modifications or alterations thereto.

Special declarant rights shall not be reserved or utilized for the purpose of evading any limitation or obligation imposed on declarants by this chapter.

(34) “Time share” means a right to occupy a unit or any of several units during three or more separate time periods over a period of at least three years, including renewal options, whether or not coupled with a fee title interest in the common interest community or a specified portion thereof.

(35) “Unit” means a portion of a common interest community the boundaries of which are described in the common interest community's declaration and which is intended for separate ownership, or separate occupancy pursuant to a proprietary lease.

(36) “Unit identifier” means English letters or Arabic numerals, or a combination thereof, which identify only one unit in a common interest community and which meet the requirements of section 515B.2-104.

(37) “Unit owner” means a declarant or other person who owns a unit, a lessee under a proprietary lease, or a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a secured party. In a common interest community, the declarant is the unit owner of a unit until that unit has been conveyed to another person.

History

1993 c 222 art 1 s 3; 1994 c 388 art 4 s 2; 1995 c 92 s 5; 1999 c 11 art 2 s 2; 2000 c 260 s 73; 2005 c 121 s 2; 2010 c 267 art 1 s 2; 2011 c 116 art 2 s 2.

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515B.1-104 VARIATION BY AGREEMENT

The provisions of this chapter may not be varied by agreement, and rights conferred by it may not be waived, except as expressly provided in this chapter. A declarant may not act under a power of attorney, or use any other device, to evade the limitations or prohibitions of this chapter or the declaration.

History

1993 c 222 art 1 s 4.
Minn. Stat. § 515B.1-105

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session


515B.1-105 SEPARATE TITLES AND TAXATION

(a) In a cooperative:

(1) The unit owners’ interests in units and their allocated interests are wholly personal property, unless the declaration provides that the interests are wholly real estate. The characterization of these interests as real or personal property shall not affect whether homestead exemptions or classifications apply.

(2) The ownership interest in a unit which may be sold, conveyed, voluntarily or involuntarily encumbered, or otherwise transferred by a unit owner, is the right to possession of that unit under a proprietary lease coupled with the allocated interests of that unit, and the association’s interest in that unit is not affected by the transaction.

(b) In a condominium or planned community:

(1) Each unit, and its allocated interest in the common elements, constitutes a separate parcel of real estate.

(2) If there is any unit owner other than a declarant, each unit shall be separately taxed and assessed, and no separate tax or assessment may be rendered against any common elements.

(c) A unit used for residential purposes together with not more than three units used for vehicular parking, and their common element interests, shall be treated as one parcel of real estate in determining whether homestead exemptions or classifications apply.

History

1993 c 222 art 1 s 5; 1994 c 388 art 4 s 3; 1997 c 84 art 1 s 5.

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515B.1-106 APPLICABILITY OF LOCAL REQUIREMENTS

(a) Except as provided in subsections (b) and (c), a zoning, subdivision, building code, or other real estate use law, ordinance, charter provision, or regulation may not directly or indirectly prohibit the common interest community form of ownership or impose any requirement upon a common interest community, upon the creation or disposition of a common interest community or upon any part of the common interest community conversion process which it would not impose upon a physically similar development under a different form of ownership. Otherwise, no provision of this chapter invalidates or modifies any provision of any zoning, subdivision, building code, or other real estate use law, ordinance, charter provision, or regulation.

(b) Subsection (a) shall not apply to any ordinance, rule, regulation, charter provision or contract provision relating to the financing of housing construction, rehabilitation, or purchases provided by or through a housing finance program established and operated pursuant to state or federal law by a state or local agency or local unit of government.

(c) A statutory or home rule charter city, pursuant to an ordinance or charter provision establishing standards to be applied uniformly within its jurisdiction, may prohibit or impose reasonable conditions upon the conversion of buildings occupied wholly or partially for residential use to the common interest community form of ownership only if there exists within the city a significant shortage of suitable rental dwellings available to low and moderate income individuals or families or to establish or maintain the city’s eligibility for any federal or state program providing direct or indirect financial assistance for housing to the city. Prior to the adoption of an ordinance pursuant to the authority granted in this subsection, the city shall conduct a public hearing. Any ordinance or charter provision adopted pursuant to this subsection shall not apply to any existing or proposed conversion common interest community (i) for which a bona fide loan commitment for a consideration has been issued by a lender and is in effect on the date of adoption of the ordinance or charter provision, or (ii) for which a notice of conversion or intent to convert required by section 515B.4-111, containing a termination of tenancy, has been given to at least 75 percent of the tenants and subtenants in possession prior to the date of adoption of the ordinance or charter provision.

(d) For purposes of providing marketable title, a statement in the declaration that the common interest community is not subject to an ordinance or that any conditions required under an ordinance have been complied with shall be prima facie evidence that the common interest community was not created in violation of the ordinance.

(e) A violation of an ordinance or charter provision adopted pursuant to the provisions of subsection (b) or (c) shall not affect the validity of a common interest community. This subsection shall not be construed to in any way limit the power of a city to enforce the provisions of an ordinance or charter provision adopted pursuant to subsection (b) or (c).

(f) Any ordinance or charter provision enacted hereunder that prohibits the conversion of buildings to the common interest community form of ownership shall not be effective for a period exceeding 18 months.
History

1993 c 222 art 1 s 6; 2005 c 121 s 3; 2006 c 221 s 8.

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Minn. Stat. § 515B.1-107

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515B.1-107 EMINENT DOMAIN

(a) If a unit is acquired by eminent domain, or if part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any material purpose permitted by the declaration, the award shall compensate the unit owner and secured party in the unit as their interests may appear, whether or not any common element interest is acquired. Upon acquisition, unless the order or final certificate otherwise provides, that unit’s allocated interests are automatically reallocated among the remaining units in proportion to their respective allocated interests prior to the taking, and the association shall promptly prepare, execute, and record an amendment to the declaration reflecting the reallocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

(b) Except as provided in subsection (a), if part of a unit is acquired by eminent domain, the award shall compensate the unit owner and secured party for the reduction in value of the unit and its interest in the common elements, whether or not any common elements are acquired. Upon acquisition, unless the order or final certificate otherwise provides, (i) that unit’s allocated interests are reduced in proportion to the reduction in the size of the unit, or on any other basis specified in the declaration and (ii) the portion of the allocated interests divested from the partially acquired unit are automatically reallocated to that unit and to the remaining units in proportion to the respective allocated interests of those units before the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced allocated interests.

(c) If part of the common elements is acquired by eminent domain, the portion of the award attributable to the common elements taken shall be paid to the association. In an eminent domain proceeding which seeks to acquire a part of the common elements, jurisdiction may be acquired by service of process upon the association. Unless the declaration provides otherwise, any portion of the award attributable to the acquisition of a limited common element shall be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition and their secured parties, as their interests may appear or as provided by the declaration.

(d) In any eminent domain proceeding the units shall be treated as separate parcels of real estate for valuation purposes, regardless of the number of units subject to the proceeding.

(e) Any distribution to a unit owner from the proceeds of an eminent domain award shall be subject to any limitations imposed by the declaration or bylaws.

(f) The court order or final certificate containing the final awards shall be recorded in every county in which any portion of the common interest community is located.
History

1993 c 222 art 1 s 7; 2005 c 121 s 4; 2010 c 267 art 1 s 3.
515B.1-108 THIS CHAPTER PREVAILS; SUPPLEMENTAL LAW

The principles of law and equity, including the law of corporations, the law of real property, the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of this chapter, except to the extent inconsistent with this chapter.

History

1993 c 222 art 1 s 8.
Minn. Stat. § 515B.1-109

This chapter being a general act intended as a unified coverage of its subject matter, no part of it shall be construed to be impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

History

1993 c 222 art 1 s 9.
515B.1-110 [Repealed, 1996 c 310 s 1]

History

Repealed, 1996 c 310 s 1.
Minn. Stat. § 515B.1-1105

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session


515B.1-1105 VACATION OF ABUTTING PUBLICLY DEDICATED PROPERTY

(a) When, by operation or presumption of law, all or any portion of vacated property, such as a street, alley, right-of-way, or other publicly dedicated area, accrues to property subject to a declaration, such portion of the vacated property shall, by operation of law and without any corresponding amendment to the declaration or the CIC plat, become subject to all of the terms and conditions of the declaration. Except as otherwise provided in an amendment to the declaration that is adopted in accordance with section 515B.2-118 and the declaration:

(1) if the vacated property accrues to one or more units in a condominium or a planned community, title to the vacated property shall vest in the owner or owners of the unit or the units, but the interests allocated to the units pursuant to section 515B.2-108 and the declaration shall not change as a result thereof;

(2) if the vacated property accrues to common elements in a condominium, title to the vacated property shall vest in the unit owners in accordance with their allocated interests and the vacated property shall be treated as a part of the common elements; and

(3) if the vacated property accrues to common elements in a cooperative or planned community, title to the vacated property shall vest in the association and the vacated property shall be treated as a part of the common elements.

(b) At any time after the vacation the association may, but is not obligated to, amend the declaration or CIC plat to confirm the inclusion of the vacated property in the common interest community in accordance with section 515B.2-118 and the declaration.

History

2010 c 267 art 1 s 4.
Minn. Stat. § 515B.1-111

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515B.1-111 [Repealed, 1996 c 310 s 1]

History

Repealed, 1996 c 310 s 1.

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515B.1-112 UNCONSCIONABLE AGREEMENT OR TERM OF CONTRACT

(a) The court, upon finding as a matter of law that a contract or contract clause was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause in order to avoid an unconscionable result. For purposes of this section, a contract includes a declaration, master declaration, the articles of incorporation and bylaws of an association or master association, and a proprietary lease.

(b) Whenever it is claimed, or appears to the court, that a contract or any contract clause is or may be unconscionable, the parties, in order to aid the court in making the determination, shall be afforded a reasonable opportunity to present evidence as to:

(1) the commercial setting of the negotiations;

(2) whether a party has knowingly taken advantage of the inability of the other party reasonably to protect the other party’s interests by reason of physical or mental infirmity, illiteracy, inability to understand the language of the agreement, or similar factors;

(3) the effect and purpose of the contract or clause; and

(4) if a sale, any gross disparity, at the time of contracting, between the amount charged for the property and the value of that property measured by the price at which similar property was readily obtainable in similar transaction, provided, that this factor shall not, of itself, render the contract unconscionable.
OBLIGATION OF GOOD FAITH

Every contract or duty governed by this chapter imposes an obligation of good faith in its performance or enforcement.

History

1993 c 222 art 1 s 13.
Remedies to Be Liberally Administered

(a) The remedies provided by this chapter shall be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. However, consequential, special, or punitive damages may not be awarded except as specifically provided in this chapter or by other rule of law.

(b) Any right or obligation declared by this chapter is enforceable by judicial proceeding, unless the provision declaring it provides otherwise.

History

1993 c 222 art 1 s 14.
**515B.1-115 NOTICE**

Except as otherwise stated in this chapter all notices required by this chapter shall be in writing and shall be effective (i) upon hand delivery, (ii) upon mailing if properly addressed with postage prepaid and deposited in the United States mail, or (iii) when given in compliance with section 515B.3-110(c), with respect to matters covered by that section.

**History**

1993 c 222 art 1 s 15; 2010 c 267 art 1 s 6.
Minn. Stat. § 515B.1-116

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session


515B.1-116 RECORDING

(a) A declaration, bylaws, a supplemental declaration, any amendment to a declaration, supplemental declaration, or bylaws, and any other instrument affecting a common interest community shall be entitled to be recorded. In those counties which have a tract index, the county recorder shall enter the declaration in the tract index for each unit or other tract affected. The county recorder shall not enter the declaration in the tract index for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111. The registrar of titles shall file the declaration in accordance with section 508.351 or 508A.351. The registrar of titles shall not file the declaration upon certificates of title for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111.

(b) The recording officer shall upon request promptly assign a number (CIC number) to a common interest community to be formed or to a common interest community resulting from the merger of two or more common interest communities.

(c) Documents recorded pursuant to this chapter shall in the case of registered land be filed, and references to the recording of documents shall mean filed in the case of registered land.

(d) Except as provided in section 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124, if a recorded document relating to a common interest community or a master association purports to require a certain vote or signatures approving any restatement or amendment of the document by a certain number or percentage of unit owners or secured parties, and if the amendment or restatement is to be recorded, an affidavit of the president or secretary of the association stating that the required vote or signatures have been obtained shall be attached to the document to be recorded and shall constitute prima facie evidence of the representations contained therein.

(e) Except as permitted under this subsection, a recording officer shall not file or record a declaration creating a new common interest community, unless the county treasurer has certified that the property taxes payable in the current year for the real estate included in the proposed common interest community have been paid. This certification is in addition to the certification for delinquent taxes required by section 272.12. In the case of preexisting common interest communities, the recording officer shall accept, file, and record the following instruments, without requiring a certification as to the current or delinquent taxes on any of the units in the common interest community: (i) a declaration or amended declaration subjecting the common interest community to this chapter; (ii) a declaration changing the form of a common interest community pursuant to section 515B.2-123; or (iii) an amendment to or restatement of the declaration, bylaws, or CIC plat; provided, that if the declaration, amendment, or restatement changes the boundaries of an existing tax parcel, then the recording officer shall require a certification as to the payment of current and delinquent taxes on any tax parcel the boundaries of which are changed.
History

1993 c 222 art 1 s 16; 1994 c 388 art 4 s 4; 1995 c 92 s 6; 1997 c 84 art 1 s 6; 1999 c 11 art 2 s 3; 2000 c 320 s 4; 2001 c 50 s 28; 2003 c 127 art 5 s 45; 2005 c 121 s 5; 2005 c 136 art 14 s 11; 1Sp2005 c 7 s 15; 2008 c 331 s 10; 2008 c 341 art 1 s 2; 2010 c 267 art 1 s 7; 2011 c 116 art 2 s 3.
Minn. Stat. § 515B.2-101

515B.2-101 CREATION OF COMMON INTEREST COMMUNITIES

(a) On and after June 1, 1994, a common interest community subject to this chapter may be created only as follows:

(1) A condominium may be created only by recording a declaration.

(2) A cooperative may be created only by recording a declaration and by immediately thereafter recording a conveyance of the real estate subject to that declaration to the association.

(3) A planned community which includes common elements may be created only by recording a declaration. The declarant shall, immediately thereafter, record a conveyance of the common elements subject to that declaration, other than common elements described in section 515B.2-109(c) and (d), to the association; provided, that a delay in or failure to record the conveyance shall have no effect on the validity of the common interest community.

(4) A planned community without common elements may be created only by recording a declaration.

(b) Except as otherwise provided in this chapter, the declaration shall be executed by the owner of the real estate subject to the declaration at the time the declaration is recorded, except vendors under contracts for deed, and by every lessor of a lease the expiration or termination of which will terminate the common interest community. The declaration shall be recorded in every county in which any portion of the common interest community is located. Failure of any party not required to execute a declaration, but having a recorded interest in the real estate subject to the declaration at the time the declaration is recorded, to join in the declaration shall have no effect on the validity of the common interest community; provided that the party is not bound by the declaration unless the party (i) executes a recorded instrument that utilizes a legal description of part or all of the common interest community complying with section 515B.2-104, or (ii) otherwise acknowledges the existence of the common interest community in a recorded instrument.

(c) In a condominium, a planned community utilizing a CIC plat complying with section 515B.2-110(c), or a cooperative, where the unit boundaries are delineated by a structure, a declaration, or an amendment to a declaration adding units, shall not be recorded unless the structural components of the structures containing the units and the mechanical systems serving more than one unit, but not the units, are substantially completed, as evidenced by a recorded certificate executed by a registered engineer or architect.

(d) A project which (i) meets the definition of a “common interest community” in section 515B.1-103(10), (ii) is created after May 31, 1994, and (iii) is not exempt under section 515B.1-102(e), is subject to this chapter even if this or other sections of the chapter have not been complied with, and the declarant and all unit owners are bound by all requirements and obligations of this chapter.

(e) The association shall be incorporated pursuant to section 515B.3-101 and the CIC plat shall be recorded as and if required by section 515B.2-110.
History

1993 c 222 art 2 s 1; 1999 c 11 art 2 s 4; 2005 c 121 s 6; 2006 c 221 s 9; 2010 c 267 art 2 s 1.

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**515B.2-102 UNIT BOUNDARIES**

(a) The declaration shall describe the boundaries of the units as provided in section 515B.2-105(5). The boundaries need not be delineated by a physical structure. The unit may consist of noncontiguous portions of the common interest community.

(b) In a condominium, a cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c):

(1) except as the declaration otherwise provides, if the walls, floors, or ceilings of a unit are designated as its boundaries, then the boundaries shall be the interior, unfinished surfaces of the perimeter walls, floors, ceilings, doors, windows, and door and window frames of the unit, all paneling, tiles, wallpaper, paint, floor covering, and any other finishing materials applied to the interior surfaces of the perimeter walls, floors or ceilings, are a part of the unit, and all other portions of the perimeter walls, floors, ceilings, doors, windows, and door and window frames, are a part of the common elements; and

(2) except in common interest communities created before August 1, 2010, and except in common interest communities in which all units are restricted to nonresidential use, if unit area or volume is used to allocate interests, the description of the unit boundaries for similar types of units, such as residential units, garage units, or storage units, shall be the same.

(c) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), except as the declaration otherwise provides, the unit boundaries shall be the lot lines designated on a plat recorded pursuant to chapter 505 or the tract boundaries designated on a registered land survey recorded pursuant to chapter 508 or 508A.

(d) Except as provided in section 515B.2-109(c), all spaces, fixtures, and improvements located wholly within the boundaries of a unit are a part of the unit.

**History**

1993 c 222 art 2 s 2; 2005 c 121 s 7; 2010 c 267 art 2 s 2.
Minn. Stat. § 515B.2-103

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515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with section 500.215.

History

1993 c 222 art 2 s 3; 2005 c 168 s 3.

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Minn. Stat. § 515B.2-104

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515B.2-104 DESCRIPTION OF UNITS

(a) A description of a unit is legally sufficient if it sets forth (i) the unit identifier of the unit, (ii) the number assigned to the common interest community by the recording officer, and (iii) the county in which the unit is located.

(b) If the CIC plat for a planned community complies with chapter 505, 508, or 508A, then a description of a unit in the planned community is legally sufficient if it is stated in terms of a plat or registered land survey. In planned communities whose CIC plats comply with section 515B.2-110(c), and in all condominiums and cooperatives created under this chapter, a unit identifier shall contain no more than six characters, only one of which may be a letter.

(c) A description which complies with this section shall be deemed to include all rights, obligations, and interests appurtenant to the unit which were created by the declaration or bylaws, by a master declaration, or by this chapter, whether or not those rights, obligations, or interests are expressly described.

(d) If the CIC plat for a planned community complies with section 515B.2-110(c) a description of the common elements is legally sufficient if it sets forth (i) the words “common elements,” (ii) the number assigned to the common interest community by the recording officer, and (iii) the county in which the common elements are located. The common elements may consist of separate parcels of real estate, in which case each parcel shall be separately identified on the CIC plat and in any recorded instrument referencing a separate parcel of the common elements.

History

1993 c 222 art 2 s 4; 1994 c 388 art 4 s 5; 1995 c 92 s 7; 1999 c 11 art 2 s 5; 2005 c 121 s 8.

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Minn. Stat. § 515B.2-105

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515B.2-105 DECLARATION CONTENTS; ALL COMMON INTEREST COMMUNITIES

(a) The declaration shall contain:

(1) the number of the common interest community, whether the common interest community is a condominium, planned community or cooperative, and the name of the common interest community, which shall appear at the top of the first page of the declaration in the following format:

Common Interest Community No............................................
(Type of Common Interest Community)
(Name of Common Interest Community)
DECLARATION

(2) a statement as to whether the common interest community is or is not subject to a master association;

(3) the name of the association, a statement that the association has been incorporated and a reference to the statute under which it was incorporated;

(4) a legally sufficient description of the real estate included in the common interest community, a statement identifying any appurtenant easement necessary for access to a public street or highway, and a general reference to any other appurtenant easements;

(5) a description of the boundaries of each unit created by the declaration and the unit’s unit identifier;

(6) in a planned community containing common elements, a legally sufficient description of the common elements;

(7) in a cooperative, a statement as to whether the unit owners’ interests in all units and their allocated interests are real estate or personal property;

(8) an allocation to each unit of the allocated interests in the manner described in section 515B.2-108;

(9) a statement (i) of the total number of units, and (ii) identifying any units that are restricted to residential use and any units that are restricted to nonresidential use;

(10) if applicable, a statement (i) of the maximum number of units that may be created by the subdivision or conversion of units owned by the declarant pursuant to section 515B.2-112, and (ii) in declarations recorded on or after August 1, 2010, identifying the units that a declarant may subdivide or convert or a statement that a declarant may subdivide or convert all units;

(11) any material restrictions on use, occupancy, or alienation of the units, or on the sale price of a unit or on the amount that may be received by an owner on sale, condemnation or casualty loss to the unit or to the common interest community, or on termination of the common interest community; provided, that these requirements shall not affect the
Minn. Stat. § 515B.2-105

power of the association to adopt, amend or revoke rules and regulations pursuant to
section 515B.3-102;

(12) a statement as to whether time shares are permitted;

(13) a statement as to whether the common interest community includes any shoreland, as
defined in section 103F.205, and, if the common interest community includes shoreland, a
statement that the common interest community may be subject to county, township, or
municipal ordinances or rules affecting the development and use of the shoreland area; and

(14) if applicable, matters required by sections 515B.1-103(33), Special Declarant Rights;
515B.2-107, Declaration of Leasehold Common Interest Communities; 515B.2-109,
Common Elements and Limited Common Elements; 515B.2-110, Common Interest
Community Plat (CIC Plat); 515B.3-115, Assessments for Common Expenses; and 515B.2-
121, Master Associations.

(b) The declaration may contain any other matters the declarant considers appropriate.

History

1993 c 222 art 2 s 5; 1994 c 388 art 4 s 6; 1995 c 92 s 8; 1999 c 11 art 2 s 6; 2000 c 260 s 74;
2001 c 7 s 83; 2005 c 121 s 9; 2010 c 267 art 2 s 3.

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Minn. Stat. § 515B.2-106

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515B.2-106 DECLARATION OF FLEXIBLE COMMON INTEREST COMMUNITIES

(a) The declaration for a flexible common interest community shall include, in addition to the matters specified in section 515B.2-105:

(1) a reservation of any rights to add additional real estate;

(2) a statement of any time limit, not exceeding ten years after the recording of the declaration, upon which any right reserved under paragraph (1) will lapse, together with a statement of any circumstances that will terminate the option before the expiration of the time limit. If no time limit is set forth in the declaration, the time limit shall be ten years after the recording of the declaration; provided, that the time limit may be extended by an amendment to the 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;

(3) a statement of any limitations on any rights reserved under paragraph (1), other than limitations created by or imposed pursuant to law;

(4) a legally sufficient description of the additional real estate;

(5) a statement as to whether portions of any additional real estate may be added at different times;

(6) a statement, based upon the declarant’s good faith estimate, of (i) the total number of units that may be created within any additional real estate, and (ii) how many of those units will be restricted to residential use;

(7) a statement that any buildings and units erected upon the additional real estate, when and if added, will be compatible with the other buildings and units in the common interest community in terms of architectural style, quality of construction, principal materials employed in construction, and size, or a statement of any differences with respect to the buildings or units, or a statement that no assurances are made in those regards;

(8) a statement that all restrictions in the declaration affecting use, occupancy, and alienation of units will apply to units created in the additional real estate, when and if added, or a statement of any differences with respect to the additional units;

(9) a statement as to whether any assurances made in the declaration regarding additional real estate pursuant to paragraphs (5) through (8) will apply if the real estate is not added to the common interest community.

(b) A declarant need not have an interest in the additional real estate in order to identify it as such in the declaration, and the recording officer shall index the declaration as provided in section 515B.1-116(a). Identification of additional real estate in the declaration does not encumber or otherwise affect the title to the additional real estate.
History

1993 c 222 art 2 s 6; 2005 c 121 s 10; 2010 c 267 art 2 s 4.
515B.2-107 DECLARATION OF LEASEHOLD COMMON INTEREST COMMUNITIES

(a) Any lease the expiration or termination of which may terminate the common interest community or reduce its size, or a memorandum thereof, shall be recorded. The declaration of a leasehold common interest community shall include:

(1) the recording data for the lease, or the memorandum of lease, and a statement of where the complete lease may be inspected if only a memorandum is recorded;

(2) the date on which the lease expires;

(3) a legally sufficient description of the real estate subject to the lease;

(4) any right of the unit owners to purchase the lessor’s interest in the lease and the procedure for exercise of those rights, or a statement that they do not have those rights;

(5) any right of the unit owners to remove any improvements within a reasonable time after the expiration or termination of the lease, or a statement that they do not have those rights; and

(6) any rights of the unit owners to renew the lease and the conditions of any renewal, or a statement that they do not have those rights.

(b) After the declaration of a leasehold condominium or leasehold planned community is recorded, neither the lessor who has joined in the declaration nor any successor in interest may terminate the leasehold interest of a unit owner who makes timely payment of the unit owner’s share of the rent and otherwise complies with all covenants which, if violated, would entitle the lessor to terminate the lease. A unit owner’s leasehold interest in a condominium or planned community is not affected by failure of any other person to pay rent or fulfill any other covenant.

(c) Acquisition of the leasehold interest of any unit owner by the owner of the reversion or remainder does not merge the leasehold and fee simple interest unless the leasehold interest of all unit owners subject to that reversion or remainder are acquired.

(d) If the expiration or termination of a lease decreases the number of units in a common interest community, the allocated interests shall be reallocated in accordance with section 515B.1-107 as if those units had been taken by eminent domain. Reallocations must be confirmed by an amendment to the declaration prepared, executed, and recorded by the association.

History

1993 c 222 art 2 s 7.
**Minn. Stat. § 515B.2-108**

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**515B.2-108 ALLOCATION OF INTERESTS**

(a) The declaration shall allocate to each unit:

(1) in a condominium, a fraction or percentage of undivided interests in the common elements and in the common expenses of the association and a portion of the votes in the association;

(2) in a cooperative, an ownership interest in the association, a fraction or percentage of the common expenses of the association and a portion of the votes in the association; and

(3) in a planned community, a fraction or percentage of the common expenses of the association and a portion of the votes in the association.

(b) The declaration shall state the formulas used to establish allocations of interests. If the fractions or percentages are all equal the declaration may so state in lieu of stating the fractions or percentages. The declaration need not allocate votes or a share of common expenses to units that are auxiliary to other units, such as garage units or storage units. The allocations shall not discriminate in favor of units owned by the declarant or an affiliate of the declarant, except as provided in sections 515B.2-121 and 515B.3-115.

(c) If units may be added to the common interest community, the formulas used to reallocate the allocated interests among all units included in the common interest community after the addition shall be the formulas stated in the declaration.

(d) The declaration may authorize special allocations: (i) of unit owner votes among certain units or classes of units on particular matters specified in the declaration, or (ii) of common expenses among certain units or classes of units on particular matters specified in the declaration. Special allocations may only be used to address operational, physical or administrative differences within the common interest community. A declarant may not utilize special allocations for the purpose of evading any limitation or obligation imposed on declarants by this chapter nor may units constitute a class because they are owned by a declarant.

(e) The sum of each category of allocated interests allocated at any time to all the units must equal one if stated as a fraction or 100 percent if stated as a percentage. In the event of a discrepancy between an allocated interest and the result derived from application of the pertinent formula, the allocated interest prevails.

(f) In a condominium or planned community, the common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the common elements made without the unit to which that interest is allocated is void. The granting of easements, licenses or leases pursuant to section 515B.2-109 or 515B.3-102 shall not constitute a partition.

(g) In a cooperative, any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an ownership interest in the association made without the possessory interest in the unit to which that interest is related is void.
Minn. Stat. § 515B.2-108

History

1993 c 222 art 2 s 8; 1999 c 11 art 2 s 7; 2005 c 121 s 11; 2010 c 267 art 2 s 5.

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Minn. Stat. § 515B.2-109

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515B.2-109 COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

(a) Except as limited by the declaration or this chapter, common elements other than limited common elements may be used in common by all unit owners. Limited common elements are designated for the exclusive use of the unit owners of the unit or units to which the limited common elements are allocated, subject to subsection (b) and the rights of the association as set forth in the declaration, the bylaws or this chapter.

(b) Except for the limited common elements described in subsections (c) and (d), the declaration shall specify to which unit or units each limited common element is allocated.

(c) Unless otherwise provided in the declaration, if any chute, flue, duct, wire, pipe, conduit, bearing wall, bearing column, or other fixture or improvement: (i) serves one or more but fewer than all units and is located wholly or partially outside the unit boundaries, it is a limited common element allocated solely to the unit or units served; (ii) serves all units or any portion of the common elements, it is a part of the common elements; or (iii) serves only the unit and is located wholly within the unit boundaries, it is a part of the unit.

(d) Unless otherwise provided in the declaration, improvements such as shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, perimeter doors and windows, and their frames, constructed as part of the original construction to serve a single unit or units, and authorized replacements and modifications thereof, if located wholly or partially outside the unit boundaries, are limited common elements allocated solely to the unit or units served.

(e) If the declaration so provides, and subject to any different licensing provisions in a declaration recorded before August 1, 2010, the declarant may grant to a unit owner an exclusive license for the use of a common element originally designed and constructed to serve as a garage stall, storage locker, or other similar common element space, in which case the common element license shall be deemed to be appurtenant to the unit owner’s unit, subject to transfer if so provided by the declaration. The declarant shall, at the time the license is granted, provide to the unit owner a common element license evidenced by a separate instrument signed by the declarant and provide a copy of the instrument to the association. The instrument shall, at a minimum, identify the licensed common element, the unit identifier of the unit to which it is appurtenant, and the section of the declaration governing common element licenses. If the declaration so provides, the declarant may require the onetime payment to the declarant of a consideration for the grant of a license.

(1) A common element license may be held only by a unit owner, and the purported transfer of a license to a person other than a unit owner shall be void. Except as provided in the declaration or this subsection, no interest in the common element license may be held or transferred separate from the unit.

(2) The right of any declarant to grant a common element license shall terminate at the earlier of (i) the conveyance of all units to persons other than a declarant or (ii) ten years after the recording of the declaration.
Minn. Stat. § 515B.2-109

(3) The document granting the common element license shall not be recorded. The association shall maintain records of all common element licenses including originals or copies of the common element licenses and transfers of common element licenses authorized by the declaration.

(4) A common element license granted pursuant to this subsection shall not be subject to the approval requirements set forth in section 515B.3-102(a)(9).

(f) An allocation of limited common elements may be changed by an amendment to the declaration executed by the unit owners between or among whose units the reallocation is made and the association. The amendment shall be approved by the board of directors of the association as to form, and compliance with the declaration and this chapter. The association shall establish fair and reasonable procedures and time frames for the submission and processing of the reallocations, and shall maintain records thereof. If approved, the association shall cause the amendment to be recorded promptly. The amendment shall be effective when recorded. The association may require the unit owners requesting the reallocation to pay all fees and costs for reviewing, preparing and recording the amendment and any amended CIC plat.

History

1993 c 222 art 2 s 9; 1995 c 92 s 9; 1999 c 11 art 2 s 8; 2010 c 267 art 2 s 6; 2011 c 116 art 2 s 4.
Minn. Stat. § 515B.2-110

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515B.2-110 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC CREATED BEFORE AUGUST 1, 2010

(a) A CIC plat is required for condominiums and planned communities, and cooperatives in which the unit owners’ interests are characterized as real estate. The CIC plat is a part of the declaration in condominiums, in planned communities utilizing a CIC plat complying with subsection (c), and in cooperatives in which the unit owners’ interests are characterized as real estate, but need not be physically attached to the declaration.

(1) In a condominium, or a cooperative in which the unit owners’ interests are characterized as real estate, the CIC plat shall comply with subsection (c).

(2) In a planned community, a CIC plat that does not comply with subsection (c) shall consist of all or part of a subdivision plat or registered land survey complying with subsection (d), or any combination thereof. The CIC plat or registered land survey need not contain the number of the common interest community and may be recorded at any time before the recording of the declaration; provided that if the CIC plat complies with subsection (c), the number of the common interest community shall be included and the CIC plat shall be recorded at the time of recording of the declaration.

(3) In a cooperative in which the unit owners’ interests are characterized as personal property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration or any amendment to it creating, converting, or subdividing units in a personal property cooperative shall include an exhibit containing a scale drawing of each building, identifying each building, and showing the perimeter walls of each unit created or changed by the declaration or any amendment to it, including the unit’s unit identifier, and its location within the building if the building contains more than one unit.

(b) The CIC plat, or supplemental or amended CIC plat, for condominiums, for planned communities using a plat complying with subsection (c), and for cooperatives in which the unit owners’ interests are characterized as real estate, shall contain certifications by a licensed professional land surveyor and licensed professional architect, as to the parts of the CIC plat prepared by each, that (i) the CIC plat accurately depicts all information required by this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying land surveyor or architect. The portions of the CIC plat depicting the dimensions of the portions of the common interest community described in subsection (c), clauses (8), (9), (10), and (12), may be prepared by either a land surveyor or an architect. The other portions of the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or supplemental CIC plat, or an amendment to it, under this subsection by an architect is not required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of any improvements located or to be located in the common interest community.

(c) A CIC plat for a condominium, or a cooperative in which the unit owners’ interests are characterized as real estate, shall show:
Minn. Stat. § 515B.2-110

(1) the number of the common interest community, and the boundaries, dimensions, and legally sufficient description of the land included therein;

(2) the dimensions and location of all existing material structural improvements and roadways;

(3) the intended location and dimensions of any contemplated common element improvements to be constructed within the common interest community after the filing of the CIC plat, labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

(4) the location and dimensions of any additional real estate, labeled as such, and a legally sufficient description of the additional real estate;

(5) the extent of any encroachments by or upon any portion of the common interest community;

(6) the location and dimensions of all recorded easements within the land included in the common interest community burdening any portion of the land;

(7) the distance and direction between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, except that with respect to limited common elements described in section 515B.2-102, subsections (d) and (f), only such material limited common elements as porches, balconies, decks, patios, and garages shall be shown;

(9) the location and dimensions of the front, rear, and side boundaries of each unit and that unit's unit identifier;

(10) the location and dimensions of the upper and lower boundaries of each unit with reference to an established or assumed datum and that unit's unit identifier;

(11) a legally sufficient description of any real estate in which the unit owners will own only an estate for years, labeled as "leasehold real estate"; and

(12) any units which may be converted by the declarant to create additional units or common elements identified separately.

(d) A CIC plat for a planned community either shall comply with subsection (c), or it shall:

(1) comply with chapter 505, 508, or 508A, as applicable; and

(2) comply with the applicable subdivision requirements of any governmental authority within whose jurisdiction the planned community is located, subject to the limitations set forth in section 515B.1-106.

(e) If a declarant adds additional real estate, the declarant shall record a supplemental CIC plat or plats for the real estate being added, conforming to the requirements of this section which apply to the type of common interest community in question. If less than all additional real estate is being added, the supplemental CIC plat for a condominium, a planned community whose CIC plat complies with subsection (c), or a cooperative in which the unit owners’ interests are characterized as real estate shall also show the location and dimensions of the remaining portion.

(f) If, pursuant to section 515B.2-112, a declarant subdivides or converts any unit into two or more units, common elements, or limited common elements, or combines two or more units, the declarant shall record an amendment to the CIC plat showing the location and dimensions of any new units, common elements, or limited common elements thus created.

(g) A CIC plat that complies with subsection (c) is not subject to chapter 505.

(h) This section applies only to common interest communities created before August 1, 2010.
Minn. Stat. § 515B.2-110

History

1993 c 222 art 2 s 10; 1994 c 388 art 4 s 7; 1995 c 92 s 10; 1999 c 11 art 2 s 9; 2005 c 121 s 12; 2006 c 221 s 10; 2010 c 267 art 2 s 7; 2011 c 116 art 2 s 5.

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Minn. Stat. § 515B.2-1101

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515B.2-1101 COMMON INTEREST COMMUNITY PLAT (CIC PLAT); CIC CREATED ON OR AFTER AUGUST 1, 2010

(a) A CIC plat is required for condominiums and planned communities, and cooperatives in which the unit owners’ interests are characterized as real estate. The CIC plat is a part of the declaration in condominiums, in planned communities utilizing a CIC plat complying with subsection (c), and in cooperatives in which the unit owners’ interests are characterized as real estate, but need not be physically attached to the declaration.

(1) In a condominium, a planned community not utilizing a subdivision plat or registered land survey under subsection (d), clause (1), or a cooperative in which the unit owners’ interests are characterized as real estate, the CIC plat shall comply with subsection (c).

(2) In a planned community, a CIC plat that does not comply with subsection (c) shall consist of all or part of a subdivision plat or registered land survey complying with subsection (d), or any combination thereof. The CIC subdivision plat or registered land survey need not contain the number of the common interest community and may be recorded at any time before the recording of the declaration; provided that if the CIC plat complies with subsection (c), the number of the common interest community shall be included and the CIC plat shall be recorded at the time of recording of the declaration.

(3) In a cooperative in which the unit owners’ interests are characterized as personal property, a CIC plat shall not be required. In lieu of a CIC plat, the declaration, or any amendment or supplemental declaration creating, converting, or subdividing units shall include an exhibit containing a dimensioned, scale drawing showing (i) the boundaries of the land constituting the cooperative property, (ii) the location and dimensions of the front, rear, and side boundaries of each unit, and (iii) the unit’s unit identifier and its location within the cooperative property.

(b) The CIC plat or supplemental or amended CIC plat for condominiums, for planned communities using a plat complying with subsection (c), and for cooperatives in which the unit owners’ interests are characterized as real estate shall contain certifications by a licensed professional land surveyor and licensed professional architect, as to the parts of the CIC plat prepared by each, that (i) the CIC plat accurately depicts all information required by this section, and (ii) the work was undertaken by, or reviewed and approved by, the certifying land surveyor or architect. The portions of the CIC plat depicting the dimensions of the portions of the common interest community described in subsection (c), clauses (8), (9), and (10), may be prepared by either a land surveyor or an architect. The other portions of the CIC plat shall be prepared only by a land surveyor. A certification of the CIC plat or supplemental CIC plat, or an amendment to it, under this subsection by an architect is not required if all parts of the CIC plat, supplemental CIC plat, or amendment are prepared by a land surveyor. Certification by the land surveyor or architect does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of any improvements located or to be located in the common interest community.
Minn. Stat. § 515B.2-1101

(c) A CIC plat for a condominium, a planned community not utilizing a subdivision plat or registered land survey under subsection (d), clause (1), or a cooperative in which the unit owners’ interests are characterized as real estate shall show:

(1) the number of the common interest community, and the boundaries, dimensions, and a legally sufficient description of the land included therein;

(2) the dimensions and location of all existing roadways and material structural improvements that are part of the common elements;

(3) the intended location and dimensions of all roadways and material structural improvements that may be constructed by the declarant within the common elements after the filing of the CIC plat, labeled either “MUST BE BUILT” or “NEED NOT BE BUILT”;

(4) the location and dimensions of any additional real estate, labeled as such, and a legally sufficient description of the additional real estate;

(5) the extent of any encroachments by or upon any portion of the common interest community;

(6) the location and dimensions of all recorded easements within the land included in the common interest community burdening any portion of the land;

(7) the distance and direction between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, except that with respect to limited common elements described in section 515B.2-109, subsections (c) and (d), only such material limited common elements as porches, balconies, decks, and patios shall be shown;

(9) the location and dimensions of the front, rear, and side boundaries of each unit and that unit’s unit identifier;

(10) the location and dimensions of the upper and lower boundaries of each unit with reference to an established or assumed datum and that unit’s unit identifier; and

(11) a legally sufficient description of any real estate in which the unit owners will own only an estate for years, labeled as “leasehold real estate.”

(d) A CIC plat for a planned community either shall comply with subsection (c), or it shall:

(1) comply with chapter 505, 508, or 508A, as applicable; and

(2) comply with the applicable subdivision requirements of any governmental authority within whose jurisdiction the planned community is located, subject to the limitations set forth in section 515B.1-106.

(e) If a declarant adds additional real estate, the declarant shall record a supplemental CIC plat or plats for the real estate being added, conforming to the requirements of this section which apply to the type of common interest community in question. If less than all additional real estate is being added, the supplemental CIC plat complies with subsection (c), or a cooperative in which the unit owners’ interests are characterized as real estate, shall also show the location and dimensions of the remaining portion.

(f) A CIC plat which complies with subsection (c) is not subject to chapter 505.

(g) This section applies only to common interest communities created on or after August 1, 2010.
History

2011 c 116 art 2 s 6.
EXPANSION OF FLEXIBLE COMMON INTEREST COMMUNITY

(a) To add additional real estate pursuant to a right reserved under section 515B.2-106(a)(1), the declarant and the owners of the additional real estate to be added, except vendors under a contract for deed, shall execute and record an instrument, titled a “supplemental declaration,” as provided in this section. The supplemental declaration shall be limited to matters authorized by this section, and shall include:

(1) a legally sufficient description of the real estate added by the supplemental declaration;

(2) a description of the boundaries of each unit created by the supplemental declaration, consistent with the declaration, and the unit’s unit identifier;

(3) in a planned community containing common elements, a legally sufficient description of the common elements;

(4) a reallocation of the common element interests, votes in the association, and common expense liabilities as applicable, in compliance with the declaration and section 515B.2-108;

(5) a description of any limited common elements formed out of the additional real estate, designating the unit to which each is allocated to the extent required by section 515B.2-109;

(6) a statement, based upon the declarant’s current good faith estimate, of the total number of units that may be created within any remaining additional real estate;

(7) a statement as to whether or not the period of declarant control has terminated, regardless of the reason for such termination; and

(8) an attached affidavit attesting to the giving of the notice required by subsection (b), if such notice is required.

(b) If the period of declarant control has terminated, a declarant shall give notice of its intention to add additional real estate to the association (Attention: president of the association) by a notice given in the manner provided in section 515B.1-115 not less than 15 days prior to recording the supplemental declaration which adds the additional real estate. A copy of the supplemental declaration shall be attached to the notice. The supplemental declaration may be in proposed form; however, following notice, the supplemental declaration shall not be changed so as to materially and adversely affect the rights of unit owners or the association unless a new 15-day notice is given in accordance with this section.

(c) A lien upon the additional real estate that is not also upon the existing common interest community is a lien only upon the units, and their respective interest in the common elements (if any), that are created from the additional real estate. Units within the common interest community as it existed prior to expansion are transferred free of liens that existed only upon the additional real estate, notwithstanding the fact that the interest in the common elements is a portion of the entire common interest community, including the additional real estate.
Minn. Stat. § 515B.2-111

(d) If a supplemental declaration in a planned community creates common elements, then a conveyance of the common elements to the association shall be recorded simultaneously with the supplemental declaration. If a supplemental declaration adds additional real estate to a cooperative, then a conveyance of the additional real estate to the association shall be recorded simultaneously with the supplemental declaration.

History

1993 c 222 art 2 s 11; 2005 c 121 s 13; 2010 c 267 art 2 s 8.

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515B.2-112 SUBDIVISION, COMBINATION, OR CONVERSION OF UNITS

(a) If the declaration so provides, (i) a unit or units that are not owned exclusively by a declarant or the association may be subdivided into two or more units or combined into a lesser number of units, or (ii) a unit or units owned exclusively by a declarant or the association may be subdivided, combined, or converted into one or more units, limited common elements, common elements, or a combination of units, limited common elements or common elements.

(b) If the unit or units are not owned exclusively by a declarant or the association, the unit owners of the units to be combined or subdivided shall cause to be prepared and submitted to the association for approval an application for an amendment to the declaration and amended CIC plat, for the purpose of subdividing or combining the unit or units. The application shall contain, at a minimum, a general description of the proposed subdivision or combination, and shall specify in detail the matters required by subsections (d)(2), (3), and (4). The basis for disapproval of the application by the association shall be limited to (i) health or safety considerations, (ii) liability considerations for the association and other unit owners, (iii) aesthetic changes to the common elements or another unit, (iv) any material and adverse impact on the common elements or another unit, or (v) a failure to comply with the declaration, this chapter, or governmental laws, ordinances, or regulations. The association shall give written notice of its decision and required changes to the unit owner or owners who made the application. The association shall establish fair and reasonable procedures and time frames for the submission and prompt processing of the applications. If an application under this subsection is approved, the unit owner shall cause an amendment, and an amended CIC plat if required, to be prepared based upon the approved application.

(c) If the unit or units are owned exclusively by a declarant or the association, the declarant or the association, as applicable, shall have the authority to unilaterally prepare, execute, and record, at its expense, an amendment to the declaration and an amended CIC plat subdividing, combining, or converting the unit or units. The amendment shall comply with subsection (d)(2), (3), (4), and (5), and shall be limited to those provisions necessary to accomplish the subdivision, combination, or conversion unless the consent of unit owners required to amend the declaration is obtained.

(d) An amendment approved under subsection (b) shall:

1. be executed by the association and each unit owner of each unit to be combined or subdivided, and consented to by each secured party with a security interest in a unit to be combined or subdivided;

2. assign a unit identifier to each unit resulting from the subdivision, conversion, or combination;

3. reallocate the common element interest, votes in the association, and common expense liability, as applicable, formerly allocated to the unit or units being combined, converted,
or subdivided (i) only among the resulting unit or units, or (ii) among all remaining units in
the case of a conversion of a unit or units entirely to common elements, as applicable, on
the basis of the formula described in the declaration;

(4) reallocate limited common elements formerly allocated to the unit or units being
combined, converted, or subdivided among the resulting unit or units, or designate part or
all of the limited common elements as common elements in the case of a conversion of a
unit or units; and

(5) conform to the requirements of the declaration and this chapter.

(e) If the association determines that the amendment and amended CIC plat conform to the
application approved under subsection (b), the declaration, and this chapter, the association
shall execute the amendment and cause the amendment and the amended CIC plat to be
recorded. The association may require the unit owners executing the amendment to pay all
fees and costs for reviewing, preparing, and recording the amendment and the amended CIC
plat, and any other fees or costs incurred by the association in connection therewith.

(f) The amended CIC plat shall show the resulting common elements, limited common elements
or units, as subdivided, combined, or converted.

(g) A secured party’s interest and remedies shall be deemed to apply to the unit or units that
result from the subdivision or combination of the unit or units in which the secured party held a
security interest. If the secured party enforces any remedy, including foreclosure of its lien,
against any of the resulting units, all instruments and notices relating to the foreclosure shall
describe the subject property as described in the amendment and the amended CIC plat which
created the resulting units.

History

1993 c 222 art 2 s 12; 2005 c 121 s 14; 2006 c 221 s 11; 2010 c 267 art 2 s 9.
Minn. Stat. § 515B.2-113

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515B.2-113 ALTERATION OF UNITS

(a) Subject to the provisions of the declaration and applicable law, a unit owner may, at the unit owner’s expense, make any improvements or alterations to the unit, provided: (i) that they do not impair the structural integrity or mechanical systems, affect the common elements, or impair the support of any portion of the common interest community; (ii) that prior arrangements are made with the association to ensure that other unit owners are not disturbed; (iii) that the common elements are not damaged; and (iv) that the common elements and other units are protected against mechanics’ liens.

(b) Subject to the provisions of applicable law, a unit owner of a unit in residential use may, at the unit owner’s expense, make improvements or alterations to the unit as necessary for the full enjoyment of the unit by any person residing in the unit who has a disability, as provided in the Fair Housing Amendments Act, United States Code, title 42, section 3601, et seq., and the Minnesota Human Rights Act, chapter 363A, and any amendments to those acts. This subsection applies to all common interest communities subject to this chapter, chapter 515, or 515A, notwithstanding any contrary provision of section 515B.1-102.

(c) The declaration, bylaws, rules, and regulations, or agreements with the association may not prohibit the improvements or alterations referred to in subsection (b), but may reasonably regulate the type, style, and quality of the improvements or alterations, as they relate to health, safety, and architectural standards. In addition, improvements or alterations made pursuant to subsection (b) must comply with subsection (a)(i), (ii), (iii), and (iv).

(d) The unit owner’s rights under this section may not be waived.

(e) Subsection (b) does not apply to restrictions on improvements or alterations imposed by statute, rule, or ordinance.

(f) Subject to the provisions of the declaration and applicable law, a unit owner may, at the unit owner’s expense, after acquiring title to an adjoining unit or an adjoining part of an adjoining unit, with the prior written approval of the association and first mortgagees of the affected units, remove or alter any intervening partition or create apertures therein, even if the partition is part of the common elements, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the common interest community. The adjoining unit owners shall have the exclusive license to use the space occupied by the removed partition, but the use shall not create an easement or vested right. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. The association may require that the owner or owners of units affected replace or restore any removed partition, that the unit owner comply with subsection (a)(i), (ii) and (iii), and that the unit owner pay all fees and costs incurred by the association in connection with the alteration.

History

1993 c 222 art 2 s 13; 1999 c 11 art 2 s 10; 2005 c 56 s 1; 2005 c 121 s 15; 2010 c 267 art 2 s 10.
515B.2-114 RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS

(a) Subject to the provisions of the declaration and applicable law, the boundaries between adjoining units may be relocated by an amendment to the declaration upon the submission of an application to the association by the owners of those units and approval by the association. The application shall contain, at a minimum, a general description of the proposed relocation, and shall specify in detail the matters required by subsection (b)(2) and (3).

(b) The association shall establish fair and reasonable procedures and time frames for the submission and prompt processing of the applications. The basis for disapproval shall be limited to structural or safety considerations, or a failure to comply with the declaration, this chapter, or governmental laws, ordinances or regulations. If the application is approved, the unit owners making the application shall cause an amendment and amended CIC plat to be prepared based upon the approved application, and submit them to the association for approval. The amendment shall:

(1) be executed by the association and the unit owners making the application, and consented to by any secured party with respect to the units;
(2) identify the units involved;
(3) reallocate the common element interest, votes in the association and common expense liability formerly allocated to the units among the newly defined units on the basis described in the declaration;
(4) contain words of conveyance between them;
(5) contain such other provisions as may be reasonably required by the association; and
(6) conform to the requirements of the declaration and this chapter.

(c) The interest and remedies of a secured party which joins in the amendment pursuant to this section shall be deemed to be modified as provided in the amendment.

(d) The association may require the unit owners making the application to build a boundary wall and other common elements between the units, and to pay all fees and costs for reviewing, preparing and recording the amendment and the amended CIC plat, and any other fees or costs incurred by the association in connection therewith.

(e) The applicant shall deliver a copy of the recorded amendment and amended CIC plat to the association.

History

1993 c 222 art 2 s 14; 2010 c 267 art 2 s 11.
Minn. Stat. § 515B.2-115

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515B.2-115 MINOR VARIATIONS IN BOUNDARIES

The existing physical boundaries of a unit, or of a unit reconstructed in substantial accordance with the description contained in the original declaration, are its legal boundaries, regardless of vertical or lateral movement of the building or minor variances due to shifting or settling. This section does not relieve a declarant or any other person of liability for failure to adhere to the CIC plat or for any representation in a disclosure statement.

History

1993 c 222 art 2 s 15.

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**Minn. Stat. § 515B.2-116**

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**515B.2-116 USE FOR SALES PURPOSES**

A declarant may maintain sales offices, management offices, and models in units or on common elements in the common interest community only if the declaration so provides and specifies the rights of a declarant with regard to the number and location thereof. If the declaration so provides, a declarant may maintain signs on the common elements and in model units advertising the common interest community. Rights granted pursuant to this section are subject to the provisions of other state laws and to local ordinances.

**History**

1993 c 222 art 2 s 16.

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DECLARANT’S EASEMENT RIGHTS

Subject to the provisions of the declaration, a declarant has an easement through the common elements as may be reasonably necessary for the purpose of discharging the declarant’s obligations or exercising special declarant rights, whether arising under this chapter or reserved in the declaration.

History

1993 c 222 art 2 s 17.
Minn. Stat. § 515B.2-118

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515B.2-118 AMENDMENT OF DEclarATION

(a) The declaration, including any CIC plat, may be amended only by vote or written consent of unit owners of units to which at least 67 percent of the votes in the association are allocated, or any greater or other requirement the declaration specifies, subject to the following qualifications:

(1) A declarant may execute supplemental declarations or amendments under section 515B.2-111 or 515B.2-112.

(2) The association and certain unit owners, as applicable, may execute amendments under section 515B.2-107, 515B.2-109, 515B.2-112, 515B.2-114, or 515B.2-124.

(3) Except for amendments or supplemental declarations under subsection (a)(1) and (2), and except as provided in sections 515B.1-102(d)(3) and 515B.2-106(a)(2), the unanimous written consent of the unit owners is required for any amendment which (i) creates or increases special declarant rights, (ii) increases the number of units, (iii) changes the boundaries of any unit, (iv) changes the allocated interests of a unit, (v) changes common elements to limited common elements or units, (vi) changes the authorized use of a unit from residential to nonresidential, or conversely, or (vii) changes the characterization of the unit owner’s interest in a cooperative from real estate to personal property, or conversely. Where the amendment involves the conversion of common elements into a unit or units, the title to the unit or units created shall, upon recording of the amendment, vest in the association free and clear of the interests of the unit owners and all secured parties holding security interests in units.

(4) In addition to any other requirements contained in this section, a declarant must execute an amendment that eliminates or modifies any special declarant rights held by that declarant.

(5) If any provision of this chapter, the declaration, the bylaws, or the articles of incorporation requires the consent of a secured party holding a security interest in a unit as a condition for the approval or effectiveness of an amendment to the declaration, the bylaws, or the articles of incorporation, the consent is deemed to be granted if the secured party’s written refusal to consent is not received by the association within 60 days after the secured party receives from the association notice and a copy of the amendment, by certified United States mail, postage prepaid and return receipt requested. If the secured party has not otherwise provided to the association an address for notice, the association shall send the notice to the address, if any, set forth in the recorded instrument that evidences the security interest. This subsection shall not apply to an amendment that affects the priority of a secured party’s security interest or the ability of a secured party to foreclose its security interest. In such cases, the number or percentage of secured parties whose consent is required by the instrument to be amended must consent to the amendment in writing.

(6) The declaration may specify less than 67 percent for approval of an amendment, but only if all of the units are restricted to nonresidential use.
Minn. Stat. § 515B.2-118

(b) No action to challenge the validity of an amendment or a supplemental declaration may be brought more than two years after the amendment or supplemental declaration is recorded.

(c) Every amendment to a declaration or supplemental declaration shall be recorded in every county in which any portion of the common interest community is located and is effective only when recorded. If an amendment (i) changes the number of units, (ii) changes the boundary of a unit, (iii) changes common elements to limited common elements, where the limited common element is required by section 515B.2-110(c), to be shown on the CIC plat, (iv) changes limited common elements to common elements if the limited common elements are shown as limited common elements on the CIC plat, or (v) makes any other change that creates an inconsistency between the declaration, as amended, and the CIC plat, then an amendment to the CIC plat reflecting the change shall be recorded.

History

1993 c 222 art 2 s 18; 1994 c 388 art 4 s 8; 1999 c 11 art 2 s 11; 2005 c 121 s 16; 2010 c 267 art 2 s 12.

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Minn. Stat. § 515B.2-119

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515B.2-119 TERMINATION OF COMMON INTEREST COMMUNITY

(a) Except as otherwise provided in this chapter, a common interest community may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) An agreement to terminate shall be evidenced by a written agreement, executed in the same manner as a deed by the number of unit owners and first mortgagees of units required by subsection (a). The agreement shall specify a date after which the agreement shall be void unless recorded before that date. The agreement shall also specify a date by which the termination of the common interest community and the winding up of its affairs must be accomplished. A certificate of termination executed by the association evidencing the termination shall be recorded on or before the termination date, or the agreement to terminate shall be revoked. The agreement to terminate, or a memorandum thereof, and the certificate of termination shall be recorded in every county in which a portion of the common interest community is situated and is effective only upon recording.

(c) In the case of a condominium or planned community containing only units having upper and lower boundaries, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement shall set forth the minimum terms of sale acceptable to the association.

(d) In the case of a condominium or planned community containing any units not having upper and lower boundaries, a termination agreement may provide for sale of the common elements, but it may not require that the units be sold following termination, unless the original declaration provided otherwise or all unit owners whose units are to be sold consent to the sale.

(e) The association, on behalf of the unit owners, shall have authority to contract for the sale of real estate in a common interest community pursuant to this section, subject to the required approval. The agreement to terminate shall be deemed to grant to the association a power of attorney coupled with an interest to effect the conveyance of the real estate on behalf of the holders of all interests in the units, including without limitation the power to execute all instruments of conveyance and related instruments. Until the sale has been completed, all instruments in connection with the sale have been executed and the sale proceeds distributed, the association shall continue in existence with all powers it had before termination.

(1) The instrument conveying or creating the interest in the common interest community shall include as exhibits (i) an affidavit of the secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners in the common interest community as of the date of the approval.
Minn. Stat. § 515B.2-119

(2) Proceeds of the sale shall be distributed to unit owners and secured parties as their interests may appear, in accordance with subsections (h), (i), (j), and (k).

(3) Unless otherwise specified in the agreement of termination, until the association has conveyed title to the real estate, each unit owner and the unit owner’s successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner’s successors in interest remain liable for all assessments and other obligations imposed on unit owners by this chapter, the declaration or the bylaws.

(f) The legal description of the real estate constituting the common interest community shall, upon the date of recording of the certificate of termination referred to in subsection (b), be as follows:

(1) In a planned community utilizing a CIC plat complying with section 515B.2-110(d)(1) and (2), the lot and block description contained in the CIC plat, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(2) In a condominium or cooperative, or a planned community utilizing a CIC plat complying with section 515B.2-110(c), the underlying legal description of the real estate as set forth in the declaration creating the common interest community, and any amendments thereto, subject to any subsequent conveyance or taking of a fee interest in any part of the property.

(3) The legal description referred to in this subsection shall apply upon the recording of the certificate of termination. The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal description required by this subsection from and after the date of recording of the certificate of termination. In the case of registered property, the registrar of titles shall cancel the existing certificates of title with respect to the property and issue one or more certificates of title for the property utilizing the legal description required by this subsection.

(g) In a condominium or planned community, if the agreement to terminate provides that the real estate constituting the common interest community is not to be sold following termination, title to the common elements and, in a common interest community containing only units having upper and lower boundaries described in the declaration, title to all the real estate in the common interest community, vests in the unit owners upon termination as tenants in common in proportion to their respective interest as provided in subsection (k), and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner’s successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(h) The proceeds of any sale of real estate pursuant to subsection (e), together with the assets of the association, shall be held by the association as trustee for unit owners, secured parties and other holders of liens on the units as their interests may appear. Before distributing any proceeds, the association shall have authority to deduct from the proceeds of sale due with respect to the unit (i) unpaid assessments levied by the association with respect to the unit, (ii) unpaid real estate taxes or special assessments due with respect to the unit, and (iii) the share of expenses of sale and winding up of the association’s affairs with respect to the unit.

(i) Following termination of a condominium or planned community, creditors of the association holding liens on the units perfected before termination may enforce those liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.
In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative which were perfected before termination may enforce their liens in the same manner as any lienholder, in order of priority based upon their times of perfection. All other creditors of the association shall be treated as if they had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

1. The lien of each creditor of the association which was perfected against the association before termination becomes, upon termination, a lien against each unit owner’s interest in the unit as of the date the lien was perfected;
2. Any other creditor of the association is to be treated upon termination as if the creditor had perfected a lien against each unit owner’s interest immediately before termination;
3. The amount of the lien of an association’s creditor described in paragraphs (1) and (2) against each of the unit owners’ interest shall be proportionate to the ratio which each unit’s common expense liability bears to the common expense liability of all of the units;
4. The lien of each creditor of each unit owner which was perfected before termination continues as a lien against that unit owner’s interest in the unit as of the date the lien was perfected; and
5. The assets of the association shall be distributed to all unit owners and all lienholders as their interests may appear in the order described in this section. Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor’s lien against that unit owner’s interest.

The respective interest of unit owners referred to in subsections (e), (f), (g), (h) and (i) are as follows:

1. Except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within 30 days after distribution by unit owners of units to which 25 percent of the votes in the association are allocated. The proportion of any unit’s interest to that of all units is determined by dividing the fair market value of that unit by the total fair market values of all the units.
2. If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value thereof before destruction cannot be made, the interests of all unit owners shall be measured by: (i) in a condominium, their allocations of common element interests immediately before the termination, (ii) in a cooperative, their respective ownership interests immediately before the termination, and (iii) in a planned community, their respective allocations of common expenses immediately before the termination.

In a condominium or planned community, except as provided in subsection (m), foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate, of itself, the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community does not withdraw that portion from the common interest community.

In a condominium or planned community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and
the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(n) Following the termination of a common interest community in accordance with this section, the association shall be dissolved in accordance with law.
Minn. Stat. § 515B.2-120

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.2-120 RIGHTS OF SECURED PARTIES

Notwithstanding any requirement in the declaration, the articles of incorporation or the bylaws that a percentage of secured parties approve specified actions of the unit owners or the association as a condition to the effectiveness of those actions, no requirement for approval may operate to (i) deny or delegate control over the general administrative affairs of the association by the unit owners or the board of directors, or (ii) prevent the association or the board of directors from commencing, intervening in, or settling any litigation or proceeding, or (iii) prevent the association or its appointed insurance trustee from receiving and distributing any insurance proceeds except pursuant to section 515B.3-113.

History

1993 c 222 art 2 s 20.

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Minn. Stat. § 515B.2-121

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515B.2-121 MASTER ASSOCIATIONS

(a) A master association formed after June 1, 1994, shall be organized as a Minnesota profit, nonprofit or cooperative corporation. A master association shall be incorporated prior to the delegation to it of any powers under this chapter.

(b) The members of the master association shall be any combination of (i) unit owners, (ii) associations, (iii) master associations, or (iv) owners of real estate or property owners’ associations not subject to this chapter but only in combination with at least one other category of member. An association or its members may be members of an entity created before June 1, 1994, which performs functions similar to those performed by a master association regardless of whether the entity is subject to this chapter.

(c) A master association shall be governed by a master board. Except as expressly prohibited by the master declaration, the master association’s articles of incorporation or bylaws, or other provisions of this chapter, the master board may act in all instances on behalf of the master association. The directors of a master association shall be elected or, if a nonprofit corporation, elected or appointed, in a manner consistent with the requirements of the statute under which the master association is formed and of the master association’s articles of incorporation and bylaws, and subject to the following:

1. The master declaration may provide for a period of master developer control of the master association during which a master developer or a person designated by the master developer may appoint and remove the officers and directors of the master association. The period of master developer control begins on the date of the recording of the master declaration and terminates upon the earliest of the following events:
   (i) the voluntary surrender of the right to appoint directors;
   (ii) the date ten years after the date the master declaration is recorded, unless extended by an amendment to the master declaration approved in writing by the master developer, and by 67 percent of the votes of members other than the master developer;
   (iii) the termination date, if any, in the master declaration; or
   (iv) the date when at least 75 percent of the total units and other parcels of real estate referred to in subsection (e)(1)(vii) have been conveyed to persons other than a master developer, master association, declarant, or association.

2. Upon the termination of the period of master developer control, the master board shall cause a meeting of the members of the master association to be called and held within 60 days after said termination, at which time the directors shall be elected by all members, including the master developer if a member. If the master board fails or refuses to call a meeting of the unit owners required to be called by this subsection, then the members other than the master developer and its affiliates, if they are members, may cause the meeting to be called pursuant to the applicable provisions of the statute under which the
Minn. Stat. § 515B.2-121

A master association was created. If the master developer or its affiliates are members, they shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting. The master board shall thereafter be subject to the following:

(i) unless otherwise approved by a vote of members other than the master developer or an affiliate of the master developer, a majority of the directors shall be members, or a natural person designated by a member that is not a natural person, other than the master developer or an affiliate of the master developer;

(ii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or bylaws may authorize the master developer or a person designated by the master developer to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the master developer or other person possessing the power to appoint; and

(iii) subject to the requirements of subsection (c)(2)(i), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (A) classes of directors, (B) the appointment or election of directors in certain classes by certain classes of members, or (C) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interests of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed by this chapter on master developers or declarants.

(d) Subject to subsection (c)(1), the officers of a master association shall be elected, appointed, or designated in a manner consistent with the statute under which the master association is formed and consistent with the master association articles of incorporation and bylaws.

(e) The creation and authority of a master association shall be governed by the following requirements:

(1) A master declaration shall be recorded in connection with the creation of a master association. The master declaration shall be executed by the owners of the real estate subjected to the master declaration and by the master developer if not an owner. The master declaration shall contain, at a minimum:

(i) the name of the master association;

(ii) a legally sufficient description of the real estate which is subject to the master declaration, identifying any interest in the real estate which will be owned by the master association, and a legally sufficient description of any other real estate which may be subjected to the master declaration pursuant to subsection (f);

(iii) a statement as to whether the real estate subject to, and which may be subjected to, the master declaration collectively is or collectively will be a separate common interest community;

(iv) a description of the members of the master association;

(v) a description of the master association’s powers. To the extent described in the master declaration, a master association has the powers with respect to the master association’s members and the property subject to the master declaration that section 515B.3-102 grants to an association with respect to the association’s members and the property subject to the declaration. A master association also has the powers delegated to it by an association pursuant to subsection (e)(2) or by a
property owners’ association not subject to the chapter; provided (A) that the master declaration identifies the powers and authorizes the delegation either expressly or by a grant of authority to the master board of the association or property owners’ association and (B) that the master association board has not refused the delegation pursuant to subsection (e)(4). The provisions of the declarations of the common interest communities, or the provisions of recorded instruments governing other property subject to the master declaration, that delegate powers to the master association shall be consistent with the provisions of the master declaration that govern the delegation of the powers;

(vi) a description of the formulas governing the allocation of assessments and member voting rights, including any special classes or class voting referred to in subsection (c);

(vii) a statement, based upon the master developer’s good faith estimate, of the total number of units and other parcels of real estate intended for ownership by persons other than a master developer, master association, declarant, or association that are (A) subject to the master declaration as initially recorded and (B) intended to be created by the addition of real estate or by the subdivision of units or other parcels of real estate; and

(viii) the requirements for amendment of the master declaration, other than an amendment under subsection (f).

(2) The declaration of a common interest community located on property subject to a master declaration may:

(i) delegate any of the powers described in section 515B.3-102 to the master association; provided, that a delegation of the powers described in section 515B.3-102(a)(2) is effective only if expressly stated in the declaration; and

(ii) authorize the board to delegate any of the powers described in section 515B.3-102, except for the powers described in section 515B.3-102(a)(2), to the master association.

(3) With respect to any other property subject to a master association, there need not be an instrument other than the master declaration recorded against the property to empower the master association to exercise powers with respect to the property.

(4) If a declaration or other recorded instrument authorizes the master board or the board of a property owners’ association to delegate powers to a master association, the master board may refuse any delegation of powers that does not comply with (i) this chapter, (ii) the declaration or other recorded instrument, or (iii) the organizational documents of the master association.

(5) The failure of a declaration, a master board, or an owner of property subject to a master association to properly delegate some or all of the powers to the master association does not affect the authority of the master association to exercise those and other powers with respect to other common interest communities or owners of properties that are subject to the master association.

(6) Any interest in the real estate subject to a master declaration that subsection (e)(1)(ii) or (f) indicates will be owned by the master association shall be conveyed to the master association immediately after the recording of the master declaration or amendment to the master declaration, as applicable.

(f) If the master declaration so provides, other real estate may be subjected to the master declaration. The other real estate shall be subjected to the master declaration by an
amendment executed (i) by the master developer and (ii) by the owner of the other real
estate. The amendment shall identify any ownership interest in the other real estate that will
be owned by the master association.

(g) Sections 515B.3-103(a), (b), and (g), 515B.3-108, 515B.3-109, 515B.3-110, and 515B.3-112
shall apply in the conduct of the affairs of a master association. But the rights of voting, notice,
and other rights enumerated in those sections apply to persons who elect or appoint the
directors of a master board, whether or not those persons are otherwise unit owners within the
meaning of this chapter.

(h) If so provided in the master declaration, a master association may levy assessments for
common expenses of the master association against its members and the property subject to
the master declaration, and have and foreclose liens securing the assessments. The
assessment liens shall have the same priority against secured parties, shall include the same
fees and charges, and may be foreclosed in the same manner, as assessment liens under
section 515B.3-116. The master association’s lien shall have priority as against the lien of an
association or property owners’ association subject to the master association, regardless of
when the lien arose or was perfected.

(1) Master association common expenses shall be allocated among the members of the
master association in a fair and equitable manner. If the members include associations or
property owners’ associations, then the master assessments may be allocated among and
levied against the associations or property owners’ associations, or allocated among and
levied against the units or other parcels of real estate owned by the members of the
association or property owners’ association. If so provided in the master declaration,
master assessments levied against a member association or property owners’ association
are allocated among and levied against the units or other parcels of real estate owned by
the members of the association or property owners’ association. If applicable and
appropriate, the formulas and principles described in section 515B.2-108, subsections (b),
(c), (d), and (e), shall be used in making the allocations. The assessment formulas and
procedures described in the declarations of any common interest communities or any
instruments governing other real estate subject to the master association shall not conflict
with the formulas and procedures described in the master declaration.

(2) Subject to subsection (i), the master declaration may exempt from liability for all or a
portion of master association assessments any person authorized by subsection (c)(1) to
appoint the members of the master board, or any other person, and exempt any unit or
other parcel of real estate owned by the person from a lien for such assessments, until the
building containing the unit, or located within the boundaries of the unit or other parcel of
real estate, is substantially completed. Substantial completion shall be evidenced by a
certificate of occupancy in a jurisdiction that issues that certificate.

(i) A master association shall not be used, directly or indirectly, to avoid or nullify any warranties
or other obligations for which a declarant of a common interest community subject to the
master association is responsible, or to otherwise avoid the requirements of this chapter.

History

1993 c 222 art 2 s 21; 1999 c 11 art 2 s 13; 2005 c 121 s 18; 2006 c 221 s 12; 2010 c 267 art 2 s
14; 2011 c 116 art 2 s 7.
MERGER OR CONSOLIDATION OF COMMON INTEREST COMMUNITIES

(a) Any two or more common interest communities of the same form of ownership, by agreement of the unit owners as provided in subsection (b), may be merged or consolidated into a single common interest community. The resultant common interest community shall be the legal successor, for all purposes, of all of the preexisting common interest communities, and the operations and activities of the preexisting common interest communities are merged or consolidated into a single common interest community that holds all powers, rights, obligations, assets, and liabilities of the preexisting common interest communities.

(b) An agreement of two or more common interest communities to merge or consolidate pursuant to subsection (a) shall be evidenced by an agreement executed by the president of the association of each of the preexisting common interest communities following approval by owners of units to which are allocated the votes in each common interest community required to terminate that common interest community.

(c) Every merger or consolidation agreement shall contain:

(1) the names of the resultant common interest community and its association;

(2) the number of the resultant common interest community, which shall be a new common interest community number assigned to the resultant common interest community by the recording officer;

(3) a requirement that the associations of the common interest communities shall be merged pursuant to the applicable statute;

(4) a reallocation of the allocated interests in the preexisting common interest communities among the units of the resultant common interest community by stating the reallocations and the formulas upon which they are based;

(5) a statement that the common interest communities have approved and will, within 90 days after the execution of the merger agreement, record a declaration as provided in subsection (d) or commence an appropriate proceeding to accomplish the recording if necessary.

(d) A declaration, including a new or amended CIC plat if necessary, complying with this chapter and governing the resultant common interest community shall be recorded in every county in which a portion of each preexisting common interest community is located, and the merger or consolidation is not effective until the declaration is recorded. In addition to other matters required by this chapter, the declaration shall contain:

(1) a reference to the names and numbers of the preexisting common interest communities, and the names of their associations;

(2) a statement that the preexisting common interest communities and their associations have been merged or consolidated pursuant to this chapter and the applicable corporate statute; and
(3) a statement that the declaration supersedes the declarations of the preexisting common interest communities and governs the resultant common interest community.

(e) Upon approval as provided in subsection (b), the association for the resultant common interest community may execute the declaration, and a new or amended CIC plat if necessary, on behalf of the unit owners of, and all other persons holding an interest in, the units or other property that is a part of the preexisting common interest communities, and to do all other acts necessary to merge or consolidate the common interest communities.

(f) The declaration and CIC plat for the resultant common interest community may be recorded without the necessity of paying the current or delinquent real estate taxes on any of the units.

History

1993 c 222 art 2 s 22; 1999 c 11 art 2 s 14.
515B.2-123 CHANGE OF FORM OF COMMON INTEREST COMMUNITY

(a) The legal form of a condominium, planned community or cooperative subject to this chapter may be changed to a condominium or planned community, subject to any requirements contained in the declaration or bylaws of the common interest community, and the following requirements:

(1) Subject to paragraphs (2) and (3), the change of form shall be approved in writing by the unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of record of the units (each mortgagee having one vote per unit financed). The declaration or bylaws may specify a smaller percentage only if all of the units are restricted to nonresidential use. A declaration and bylaws complying with this chapter shall be approved, subject to the foregoing approval standards, with respect to the new common interest community.

(2) If the period of declarant control has not expired, the change of form shall also be approved in writing by the declarant.

(3) If the existing common interest community is a cooperative, the change of form shall also be approved in writing by (i) each holder of a blanket mortgage of record and (ii) 80 percent of the secured parties holding interests in share loans encumbering the cooperative units or memberships (each secured party having one vote per share loan owned).

(b) Upon approval as provided in subsection (a), the association in the existing common interest community shall have authority to execute the declaration of the new common interest community on behalf of the unit owners of, and all other persons holding an interest in, the units or other property which is a part of the existing common interest community, and to do all other acts necessary to create the new common interest community.

(c) Upon approval as provided in subsection (a), the association in the existing common interest community shall have a power of attorney coupled with an interest to effect the conveyance of the units or any other real estate owned by the unit owners or the association, which is a part of the existing common interest community, on behalf of the unit owners and all other holders of interests in the common interest community, including without limitation the power to execute all instruments of conveyance and related instruments.

(d) In a change of legal form under this section, the offer, conveyance or exchange of a unit in the new common interest community to or with the person owning the unit in the existing common interest community shall not be subject to article 4 of this chapter.

(e) A change of legal form under this section shall not affect any preexisting obligations or liabilities of a declarant under any statute, or under the disclosure statement, declaration or bylaws of the existing common interest community. The declarant of the existing common interest community shall continue to have the rights and obligations of a declarant with respect to the offer and sale of units owned by it or its affiliates in the new common interest community.
History

1993 c 222 art 2 s 23; 2005 c 121 s 19.
Minn. Stat. § 515B.2-124

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515B.2-124 SEVERANCE OF COMMON INTEREST COMMUNITY

(a) Unless the declaration provides otherwise, a part of a common interest community containing one or more units, with or without common elements, may be severed from the common interest community, subject to the requirements of this section. Subject to any additional requirements contained in the declaration, the severance shall be approved in a written severance agreement complying with this section, executed by:

(1) unit owners entitled to cast at least 67 percent of the votes in the association, which approval shall include the approval of unit owners entitled to cast a majority of the votes allocated to units in the remaining common interest community and the approval of unit owners entitled to cast a majority of the votes allocated to units in the part of the common interest community being severed;

(2) declarant until the earlier of five years after the recording of the declaration or the time at which declarant no longer owns an unsold unit; and

(3) in the case of a cooperative, all holders of mortgages or contracts for deed on the entire real estate constituting the cooperative.

(b) The declaration may specify a smaller percentage for unit owner approval only if all of the units are restricted to nonresidential use.

(c) The severance agreement shall specify a severance date by which the severance of the common interest community shall be accomplished, after which the severance agreement is void. The severance agreement shall be deemed to grant to the association a power of attorney coupled with an interest to effect the severance of the common interest community on behalf of the unit owners and the holders of all other interests in the units, including without limitations the power to execute the amendment to the declaration, any instruments of conveyance, and all related instruments.

(d) The severance agreement shall:

(1) Approve an amendment to the declaration complying with this chapter, in substantially the same form to be recorded, and an amendment to the CIC plat if required. The declaration amendment shall, at a minimum, (i) legally describe the real estate constituting the remaining common interest community and the real estate being severed, (ii) restate the number of units in the remaining common interest community, (iii) reallocate the interests of the unit owners in the remaining common interest community among the remaining units in accordance with the allocation formula set forth in the declaration, and (iv) recite any easements to which the severed portion of the common interest community remains subject.

(2) Approve an amendment to the articles of incorporation and bylaws of the remaining common interest community, if necessary.

(3) Authorize the association to execute and record the amended declaration, articles of incorporation or bylaws on behalf of the unit owners and all other persons holding an
interest in the remaining common interest community, and to take other actions necessary to accomplish the severance of the common interest community.

(4) Allocate the assets and liabilities of the association between the association and (i) a new association formed pursuant to subsection (g), or (ii) the owners of the units being severed, subject to a lien against their interest in the severed real estate or their share in the assets of the association in favor of any person that held a security interest in their unit.

(5) If the units that are being severed from the common interest community will not be included in a new common interest community that is (i) formed simultaneously with the severance of the common interest community, and (ii) includes all of the units and substantially all of the common elements being severed, then the agreement shall contain the written consent of holders of first mortgages on all units that are being severed, and shall describe in detail the proposed disposition of all real estate to be severed and all assets of the association allocated to the severed units, and the distribution of the proceeds of the disposition, if any, consistent with subsection (i).

(e) The severance agreement or a memorandum of it shall be recorded in every county in which a part of the common interest community is located. The recording of the severance agreement or memorandum of it shall, from the date of recording, constitute notice to all persons subsequently acquiring an interest in the common interest community that the common interest community is being severed, and that those persons acquire their interests subject to the terms and conditions contained in the severance agreement and the amendment to the declaration.

(f) The amendment to the declaration of the remaining common interest community shall be recorded on or before the severance date or the severance agreement and the amendment to the declaration are void as of the day after the severance date. The recording of the amendment to the declaration shall complete the severance of the common interest community and release the severed part of the common interest community from the declaration without further action by any person.

(g) If the units that are being severed from the common interest community will be included in a new common interest community, then unit owners entitled to cast at least 80 percent of the votes allocated by the existing declaration to these units shall approve a new declaration, articles of incorporation and bylaws to govern the new common interest community no later than the date of the severance agreement. However, the new declaration shall not create, increase, or extend special declarant rights, increase the number of units, change unit boundaries, change the formula for allocations of interests, change the use of a unit from residential to nonresidential or conversely, or change the form of common interest community, unless agreed to in writing by all owners whose units are being severed. The new declaration shall be recorded simultaneously with the amendment to the existing declaration. The articles of incorporation creating the association intended to govern the new common interest community shall be filed with the secretary of state and the unit owners whose units are being severed shall elect a board of directors to act on behalf of the new association before the recording of the new declaration. The new association shall have a power of attorney coupled with an interest to execute and record the new declaration, any instruments of conveyance, and all related instruments on behalf of the unit owners whose units are being severed from the common interest community, but shall not thereby acquire any rights or obligations of a declarant. The board of directors of the new association shall cooperate with the board of directors of the existing association to complete the severance. The existing association shall retain all authority to act on behalf of the common interest community until the amendment to the existing declaration and the new declaration are recorded.
(h) The legal descriptions of the real estate constituting (i) the remaining common interest community, and (ii) the severed portion of the common interest community shall, at the time of recording of the amendment to the declaration referred to in subsection (e), be as follows:

(1) In a planned community using a CIC plat that complies with section 515B.2-110, subsection (d), the lot and block descriptions contained in the CIC plat, and any amendments to it, with respect to (i) the remaining common interest community, and (ii) the severed portion of the common interest community.

(2) In a condominium, or cooperative or planned community using a CIC plat that complies with section 515B.2-110, subsection (c), (i) the CIC plat description relating to the remaining common interest community, and (ii) the part of the underlying legal description of the real estate in the declaration creating the common interest community, and any amendments to it, relating to the severed part of the common interest community.

(3) The recording officer for each county in which the common interest community is located shall index the property located in that county in its records under the legal descriptions required by this subsection as of the date of recording of the amendment to the declaration. In the case of registered property, the registrar of titles shall cancel the existing certificates of title for the severed part of the common interest community and issue certificates of title for the property using the legal descriptions required by this subsection.

(i) In a condominium or planned community, if the severed part of the common interest community is not to be reconstituted as a new common interest community following severance, title to all the real estate in the severed part of the common interest community vests in the unit owners of the units being severed, upon severance, as provided in the severance agreement.

(j) No common interest community shall be severed in such a manner as to materially impair access, utility services, communication services, or other essential services with respect to either the remaining common interest community or the severed part of the common interest community.

History

1999 c 11 art 2 s 15; 2005 c 121 s 20; 2010 c 267 art 2 s 15; 2011 c 116 art 2 s 8.
Minn. Stat. § 515B.2-125

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515B.2-125 ADDITION OF COMMON ELEMENTS

(a) Unless the declaration provides otherwise, real estate owned by the association may be added to the common interest community, as common elements only, subject to the requirements of this section. Subject to any additional requirements contained in the declaration, the addition of the real estate shall be approved by:

(1) unit owners entitled to cast at least 67 percent of the votes in the association;

(2) declarant until the earlier of (i) five years after the recording of the declaration, or (ii) the time at which declarant no longer owns an unsold unit; and

(3) in the case of a cooperative, all holders of mortgages or contracts for deed on the entire real estate constituting the cooperative.

(b) The declaration may specify a smaller percentage for unit owner approval only if all of the units are restricted to nonresidential use. A part of the common elements shall not be designated as limited common elements unless approved unanimously in writing by the unit owners.

(c) The approval by the unit owners shall be deemed to grant to the association a power of attorney coupled with an interest to acquire title to the real estate, if not previously acquired, and to add the real estate to the common interest community on behalf of the unit owners and the holders of all other interests in the units, including without limit the power to execute an amendment to the declaration and any other instruments relating to the acquisition.

(d) Following the required approvals, the association shall record an amendment to the declaration complying with this chapter, that, at a minimum, (i) legally describes the real estate added, (ii) designates the real estate as part of the common elements, and (iii) subjects the real estate to the declaration.

(e) In the case of a common interest community using a plat complying with section 515B.2-110, subsection (c), the association shall record an amended CIC plat reflecting the change in the common elements with the amendment to the declaration. The recording of the amendment to the declaration, and amended CIC plat if required, shall complete the addition of the real estate without further action by any person.

History

1999 c 11 art 2 s 16.
ORGANIZATION OF UNIT OWNERS’ ASSOCIATION

A common interest community shall be administered by an association. The association shall be incorporated no later than the date the common interest community is created. The membership of the association at all times consists exclusively of all unit owners or, following termination of the common interest community, of all former unit owners entitled to distributions of proceeds under section 515B.2-119 or their heirs, successors, or assigns. The association shall be organized as a Minnesota profit or nonprofit corporation, or may, in the case of a cooperative, be organized under chapter 308A or 308B. In the event of a conflict between this chapter and any other chapter under which the association is incorporated, this chapter shall control.

History

1993 c 222 art 3 s 1; 2005 c 121 s 21; 2010 c 267 art 3 s 1.
Minn. Stat. § 515B.3-102

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-102 POWERS OF UNIT OWNERS’ ASSOCIATION

(a) Except as provided in subsections (b) and (c), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and 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 common interest community; (v) regulating the exterior appearance of the common interest community, 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, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) 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 common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;
Minn. Stat. § 515B.3-102

(10) 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;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors’ and officers’ liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) Notwithstanding subsection (a), powers exercised under this section must comply with section 500.215.

History

1993 c 222 art 3 s 2; 2005 c 121 s 22; 2005 c 168 s 4; 2010 c 267 art 3 s 2; 2011 c 116 art 2 s 9.
an association shall be governed by a board of directors whose appointment or election shall occur no later than the date of creation of the common interest community and shall be reflected in the association’s records. Except as expressly prohibited by the declaration, the articles of incorporation, bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, the officers and directors are required to exercise (i) if appointed by the declarant, the care required of fiduciaries of the unit owners and (ii) if elected by the unit owners, the care required of a director by section 302A.251, 308B.455, or 317A.251, as applicable. The officers and directors appointed by the declarant shall have a duty to fulfill, and to cause the association to fulfill, their respective obligations under the declaration, bylaws, articles of incorporation, and this chapter and to enforce the provisions of the declaration, bylaws, articles of incorporation, and this chapter against all unit owners, including the declarant and its affiliates, in a uniform and fair manner. The standards of conduct for officers and directors set forth in this subsection shall also apply to the officers and directors of master associations in the exercise of their duties on behalf of the master association.

(b) The board may not act unilaterally to amend the declaration, to terminate the common interest community, to elect directors to the board, or to determine the qualifications, powers and duties, or terms of office of directors, but the board may fill vacancies in its membership created other than by removal by the vote of the association members for the unexpired portion of any term.

(c) The declaration may provide for a period of declarant control of the association, during which a declarant, or persons designated by the declarant, may appoint and remove the officers and directors of the association. The period of declarant control begins on the date of creation of the common interest community and terminates upon the earliest of the following events: (i) five years after the date of the first conveyance of a unit to a unit owner other than a declarant in the case of a flexible common interest community or three years in the case of any other common interest community, (ii) the declarant’s voluntary surrender of control by giving written notice to the unit owners pursuant to section 515B.1-115, or (iii) the conveyance of 75 percent of the units to unit owners other than a declarant.

(d) The board shall cause a meeting of the unit owners to be called, as follows:

(1) If the period of declarant control has terminated pursuant to subsection (c), a meeting of the unit owners shall be called and held within 60 days after said termination, at which the board shall be appointed or elected by all unit owners, including declarant, subject to the requirements of subsection (e).

(2) If 50 percent of the units that a declarant is authorized by the declaration to create have been conveyed prior to the termination of the declarant control period, a meeting of the unit owners shall be called and held within 60 days thereafter, at which not less than 33-1/3 percent of the members of the board shall be elected by unit owners other than a declarant or an affiliate of a declarant.
If the board fails or refuses to cause a meeting of the unit owners required to be called pursuant to subsection (d), then the unit owners other than a declarant and its affiliates may cause the meeting to be called pursuant to the applicable provisions of the law under which the association was created. The declarant and its affiliates shall be deemed to be present at the meeting for purposes of establishing a quorum regardless of their failure to attend the meeting.

Following the termination of any period of declarant control, the unit owners shall appoint or elect the board. All unit owners, including the declarant and its affiliates, may cast the votes allocated to any units owned by them. The board shall thereafter be subject to the following:

1. Unless otherwise approved by a vote of unit owners other than the declarant or an affiliate of the declarant, a majority of the directors shall be unit owners or a natural person designated by a unit owner that is not a natural person, other than a declarant or an affiliate of a declarant. The remaining directors need not be unit owners unless required by the articles of incorporation or bylaws.

2. Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize the declarant or a person designated by the declarant to appoint one director, who need not be a member. The articles of incorporation or bylaws shall not be amended to change or terminate the authorization to appoint one director without the written consent of the declarant or other person possessing the power to appoint.

3. Subject to the requirements of subsection (e)(1), the articles of incorporation or bylaws may authorize special classes of directors and director voting rights, as follows: (i) classes of directors, (ii) the appointment or election of directors in certain classes by certain classes of members, or (iii) class voting by classes of directors on issues affecting only a certain class or classes of members, units, or other parcels of real estate, or to otherwise protect the legitimate interest of such class or classes. No person may utilize such special classes or class voting for the purpose of evading any limitation imposed on declarants by this chapter.

4. The board shall elect the officers. The directors and officers shall take office upon election.

In determining whether the period of declarant control has terminated under subsection (c), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (d), the percentage of the units conveyed shall be calculated using as a numerator the number of units conveyed and as a denominator the number of units subject to the declaration plus the number of units which the declarant is authorized by the declaration to create on any additional real estate. The percentages referred to in subsections (c) and (d) shall be calculated without reference to units that are auxiliary to other units, such as garage units or storage units. A person shall not use a master association or other device to evade the requirements of this section.

Except as otherwise provided in this subsection, 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 a board meeting. If the date, time, and place of meetings are provided for in the declaration, articles, or bylaws, 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. “Notice” has the meaning given in section 317A.011, subdivision 14. Meetings may be closed to discuss the following:

1. personnel matters;
Minn. Stat. § 515B.3-103

(2) pending or potential litigation, arbitration or other potentially adversarial proceedings, between unit owners, between the board or 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 association or the privacy of a unit owner or occupant of a unit; or

(3) criminal activity arising within the common interest community if the board determines that closing the meeting is necessary to protect the privacy of the victim or that opening the meeting would jeopardize investigation of the activity.

Nothing in this subsection imposes a duty on the board to provide special facilities for meetings. The failure to give notice as required by this subsection shall not invalidate the board meeting or any action taken at the meeting. The minutes of any part of a meeting that is closed under this subsection may be kept confidential at the discretion of the board.

History

1993 c 222 art 3 s 3; 1999 c 11 art 2 s 17; 2005 c 121 s 23; 2010 c 267 art 3 s 3.
515B.3-104 TRANSFER OF SPECIAL DECLARANT RIGHTS; SPECIAL DECLARANT RIGHTS TRANSFERRED BEFORE AUGUST 1, 2010

(a) A special declarant right created or reserved under this chapter may be voluntarily transferred only by a separate instrument evidencing the transfer recorded in every county in which any part of the common interest community is located. The separate instrument shall be recorded against all units in the common interest community, or in the case of a cooperative, against the real estate owned by the cooperative, or in the case of a condominium on registered land, the instrument must be filed pursuant to section 508.351, subdivision 3, or 508A.351, subdivision 3. The instrument may provide for the conveyance of less than all of the special declarant rights, and is not effective unless executed by the transferor and transferee. A deed in lieu of foreclosure, or other conveyance arising out of a foreclosure or cancellation, shall not be deemed a voluntary transfer within the meaning of this section.

(b) Upon the voluntary transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed on the transferor by this chapter. Lack of privity does not deprive any unit owner of standing to maintain an action to enforce any obligation of the transferor.

(2) If a successor to any special declarant right is an affiliate of a declarant, the transferor is jointly and severally liable with the successor for any obligations or liabilities of the successor relating to the common interest community.

(3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an affiliate of the declarant, the transferor is liable for any obligations or liabilities imposed on a declarant by this chapter or by the declaration relating to the retained special declarant rights and arising before or after the transfer.

(4) A transferor has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an affiliate of the transferor.

(c) Upon the voluntary transfer of any special declarant right, the liability of a successor declarant is as follows:

(1) A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by this chapter or the declaration.

(2) A successor to any special declarant right who is not an affiliate of a declarant is subject to all obligations and liabilities imposed by this chapter or by the declaration, except:

(i) misrepresentations by any previous declarant;

(ii) warranty obligations on improvements made by any previous declarant, or made before the common interest community was created;
(iii) breach of any fiduciary obligation by any previous declarant or the declarant’s appointees to the board;

(iv) any liability or obligation imposed on the transferor as a result of the transferor’s acts or omissions after the transfer; and

(v) any liability arising out of a special declarant right which was not transferred as provided in subsection (a).

(d) In case of foreclosure of a mortgage or cancellation of a contract for deed or other security interest (or conveyance in lieu thereof), sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under bankruptcy code or receivership proceedings, of any units or additional real estate, or interest therein, owned by a declarant, a person acquiring title to the property or interests succeeds to all special declarant rights related to the property or interests held by that declarant and acquired by it unless (i) the mortgage instrument or other instrument creating the security interest, (ii) the instrument conveying title, or (iii) a separate instrument signed by the person and recorded within 60 days after the person acquires title to the property or interests, provides for transfer of less than all special declarant rights. The separate instrument need be recorded only against the title to the units or interests other than those being acquired under this subsection, or in the case of a cooperative, against the real estate owned by the cooperative. The declarant shall cease to have or exercise any special declarant rights which are transferred. If the person has limited the transfer of certain special declarant rights as provided in this subsection, then it and its successor’s liability shall be limited, as follows:

(1) If the person or its successor limits its rights and liabilities only to maintain models, sales office and signs, and if that party is not an affiliate of a declarant, it is not subject to any liability or obligations as a declarant, except the obligation to provide a disclosure statement and any liability arising from that obligation, and it may not exercise any other special declarant rights.

(2) If the person or its successor is not an affiliate of a declarant, it may declare its intention in a recorded instrument as provided in subsection (a) to acquire all special declarant rights and hold those rights solely for transfer to another person. Thereafter, until the special declarant rights are transferred to a person acquiring title to any unit owned by the successor, or until a separate instrument is recorded permitting exercise of all of those rights, that successor may not exercise any of those rights other than the right to control the board of directors in accordance with the provisions of section 515B.3-103 for the duration of any period of declarant control. So long as any successor may not exercise its special declarant rights under this subsection, it is not subject to any liability or obligation as a declarant other than liability for its acts and omissions under section 515B.3-103.

(e) Any attempted exercise by a purported successor to a special declarant right which is not transferred as provided in this section is void, and any purported successor attempting to exercise that right shall be liable for any damages arising out of its actions.

(f) Nothing in this section shall subject any successor to a special declarant right to any claims against or other obligations of a transferor declarant, other than claims and obligations arising under this chapter, or the declaration or bylaws.

(g) This section applies only to transfers of special declarant rights that are effective before August 1, 2010.
History

1993 c 222 art 3 s 4; 2001 c 50 s 29; 2010 c 267 art 3 s 4; 2011 c 116 art 2 s 10.
Minn. Stat. § 515B.3-1041

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-1041 SPECIAL DECLARANT RIGHTS; TRANSFER, LIABILITY OF TRANSFEROR AND TRANSFEE, AND TERMINATION; SPECIAL DECLARANT RIGHTS TRANSFERRED ON OR AFTER AUGUST 1, 2010

(a) Except as set forth in subsection (b) or (c), a special declarant right, as defined in section 515B.1-103(33b), does not run with title and may only be transferred pursuant to a separate transfer instrument, titled a “Transfer of Special Declarant Rights,” that both the transferor and the transferee execute.

1. A transfer shall be recorded in compliance with applicable law, and is not effective unless the transferee is the owner of record of a unit or additional real estate at the time the transfer is recorded. Transfers recorded on or after the effective date of this section shall be recorded against title to all units in the common interest community.

2. A transferor may transfer fewer than all of the special declarant rights the transferor holds provided that any special declarant rights not transferred are subject to item (i).

3. If as a result of a transfer there will be multiple declarants holding special declarant rights, the transfer shall describe the allocation of each special declarant right between or among the transferor and each transferee, including, at a minimum, a description of the units or additional real estate to which the respective special declarant rights apply and the name and address of the owner or owners of record of the respective units or additional real estate at the time the transfer is recorded.

(b) If a declarant’s ownership interest in a unit, or in additional real estate that may become subject to the declaration pursuant to the exercise of a special declarant right, is transferred to another person as a result of the foreclosure, termination, or cancellation of a security interest, foreclosure of a judgment lien, tax judgment sale, tax forfeited land sale, sale or transfer under bankruptcy code or receivership proceedings, or other sale or transfer approved by a court, or is transferred by a deed in lieu of foreclosure, then all special declarant rights that are reserved to the declarant in the declaration and that relate to the units or additional real estate transferred are automatically transferred to the person acquiring title from the declarant, and the transfer is effective as to all special declarant rights, unless or until: (i) the security instrument in the case of the foreclosure, termination, or cancellation of a security interest, (ii) the instrument effecting the involuntary transfer, or (iii) a separate instrument executed by the transferee and recorded in compliance with applicable law within 60 days after the date the transferee acquires title to the declarant’s ownership interest, provides for the transfer of fewer than all of the declarant’s special declarant rights. From and after the effective date of this section, a separate instrument recorded pursuant to subsection (b), item (iii), shall be recorded against title to all units in the common interest community. For purposes of this subsection, the transferee shall be deemed to acquire title upon the expiration of the owner’s period of redemption, or reinstatement in the case of contract for deed. The transferor shall cease to have and shall not exercise any
special declarant right that relates to the transferor’s ownership interest in the units or additional real estate transferred, whether or not the transferee subsequently disclaims the right, but the transferor retains all reserved special declarant rights that relate to its ownership interest that is not transferred to the transferee.

(c) If a declarant is an individual rather than a legal entity, and the individual dies, then all special declarant rights that are reserved to the declarant in the declaration and that relate to the units or additional real estate owned by the declarant are automatically transferred with the title to said units or additional real estate.

(d) A transferor’s liability for the performance of obligations that this chapter imposes upon a declarant is as follows:

(1) A transferor remains liable under this chapter for all obligations that this chapter imposes upon a declarant that arise on or before the effective date of the transfer, except that a transferor is not liable under section 515B.4-112 for any express warranties that a transferee makes to a purchaser. Except as set forth in subsection (d), clauses (2) and (3), a transferor is not liable under this chapter for the performance of any obligations that this chapter imposes upon a declarant and arising after the effective date of the transfer.

(2) If a transferor and a transferee are affiliates, the transferor and the transferee are jointly and severally liable under this chapter for the performance of all the obligations that this chapter imposes upon a declarant, whether such obligations arise before, on, or after the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains liable to the extent its transferee remains liable under subsection (d) and is relieved of liability to the same extent that its transferee is relieved of liability under subsection (e).

(3) If, following a transfer of special declarant rights, the transferor retains special declarant rights, the transferor and transferee are jointly and severally liable for the performance of all the obligations that this chapter imposes upon a declarant and that arise after the effective date of the transfer, except that the transferor is not liable under section 515B.4-101(b) or 515B.4-102(b), and section 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117, or 515B.4-118, to any purchaser from or through the transferee.

(e) Except as provided in subsections (g) and (h), a transferee’s liability for the performance of obligations that this chapter imposes upon a declarant is as follows:

(1) Except as set forth in subsection (e), clause (3), a transferee is liable under this chapter for all obligations that this chapter imposes upon a declarant and that arise after the effective date of the transfer. A transferee is not liable under this chapter for the performance of any obligations that this chapter imposes upon a declarant and that arise before or on the effective date of the transfer, except that a transferee is liable under section 515B.4-112 for any express warranties the transferee makes to a purchaser before or on the effective date of the transfer.

(2) If a transferor and a transferee are affiliates, the transferor and the transferee are jointly and severally liable under this chapter for the performance of all the obligations that this chapter imposes upon a declarant, whether such obligations arise before, on, or after the effective date of the transfer. Upon a subsequent transfer, a prior transferor remains liable to the extent its transferee remains liable under subsection (d) and is relieved of liability to the same extent that its transferee is relieved of liability under this subsection.

(3) If, following a transfer of special declarant rights under subsection (a) or (b), the transferor retains special declarant rights, the transferor and transferee are jointly and severally liable for the performance of all the obligations that this chapter imposes upon
a declarant and that arise after the effective date of the transfer, except that the transferee is not liable under section 515B.4-101(b) or 515B.4-102(b), and section 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-112, 515B.4-113, 515B.4-117, or 515B.4-118, to any purchaser from or through the transferor.

(f) For purposes of this section, a declarant’s obligations under section 515B.3-111(a) arise when the tort or contract violation occurs, a declarant’s obligations to a purchaser under section 515B.4-112 arise when the declarant makes an express warranty to the purchaser and a declarant’s obligations to a purchaser under sections 515B.4-113 and 515B.4-118(a) arise when the declarant conveys a unit to the purchaser.

(g) A transferee who acquires special declarant rights pursuant to subsection (b) and who is not an affiliate of the transferor may record an instrument in compliance with subsection (b) stating that the transferee elects to acquire only the special declarant rights described in section 515B.1-103(33b)(i), (ii), and (iv). In that case, the transferee is liable as a declarant only to purchasers from said transferee and only for the obligations of a declarant under sections 515B.4-101(b) and 515B.4-102(b), and sections 515B.4-109, 515B.4-110, 515B.4-111, 515B.4-113, 515B.4-117, and 515B.4-118, and for any express warranties under section 515B.4-112 that the transferee makes to purchasers.

(h) A transferee who acquires special declarant rights pursuant to subsection (b) and who is not an affiliate of the transferor may record an instrument in compliance with subsection (b) stating that the transferee elects to acquire the special declarant rights solely for subsequent retransfer to another person who acquires title to units or additional real estate from said transferee. In that case, (i) the transferee may not utilize special declarant rights in the sale of units or otherwise sell units, except to a person who also acquires one or more special declarant rights the transferee holds with respect to the units or additional real estate sold; (ii) the transferee may not exercise any special declarant rights other than the rights described in section 515B.1-103(33b)(v); (iii) the transferee is not liable to make up any operating deficit under section 515B.3-115(a)(2); and (iv) the transferee is liable as a declarant only for the obligations of a declarant under sections 515B.3-103, 515B.3-111, and 515B.3-120, as applicable. A transferee who makes the election described in this subsection may subsequently rescind the election in whole or in part by recording an instrument in compliance with applicable law, and upon the recording of such an instrument the transferee’s rights and obligations as a declarant shall be as otherwise set forth in this section.

(i) Nothing in this section shall subject any transferee of a special declarant right to any claims against or other obligations of a transferor, other than claims and obligations arising under this chapter, or the declaration or bylaws.

(j) A special declarant right held by a declarant terminates upon the earlier of: (i) that declarant’s voluntary surrender of the special declarant right by giving written notice to the unit owners pursuant to section 515B.1-115; or (ii) the conveyance, whether voluntary or involuntary, by that declarant, of all of the units and additional real estate owned by that declarant, unless immediately after the conveyance the special declarant right is transferred to the grantee. All special declarant rights terminate ten years after the date of the first conveyance of a unit to a person other than a declarant unless extended by the vote or written agreement of unit owners entitled to cast at least 67 percent of the votes allocated to units not owned by a declarant.

(k) No person shall exercise special declarant rights unless, at the time of exercise, the person holds title of record to one or more units or additional real estate. Any exercise of a special declarant right in violation of this section shall be void, and the person attempting to exercise the right shall be liable for all damages and costs arising from its actions.
Minn. Stat. § 515B.3-1041

(I) Subsections (a) through (i) apply only to transfers of special declarant rights that are effective on or after August 1, 2010. Subsections (j) and (k) apply only to special declarant rights reserved in a declaration that is first recorded on or after August 1, 2010.

History

2011 c 116 art 2 s 11.
Minn. Stat. § 515B.3-105

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515B.3-105 TERMINATION OF CONTRACTS, LEASES; CIC CREATED BEFORE AUGUST 1, 2010

(a) If entered into prior to termination of the period of declarant control, (i) any management contract, employment contract, or lease of recreational facilities, or garages or other parking facilities, (ii) any contract, lease, or license binding the association, and to which a declarant or an affiliate of a declarant is a party, or (iii) any contract, lease, or license binding the association or 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 under the procedures described in this section.

(b) If prior to expiration of the suspension period described in Minnesota Statutes 2008, section 515B.2-121, subsection (c), paragraph (3), a contract, lease, or license of a type described in subsection (a) is entered into by a person having authority to appoint the directors of the master association and is binding upon the master association, then the master association, and not any association, may terminate the contract, lease, or license under the procedures described in this section.

(c) Termination shall be upon no less than 90 days’ notice. Notice of termination shall be given by the association or master association, as applicable, in accordance with section 515B.1-115; provided, that notice shall be effective only if given within two years following the termination of the period of declarant control or the suspension period described in Minnesota Statutes 2008, section 515B.2-121, subsection (c), paragraph (3), as applicable.

(d) This section does not apply to:

(1) any lease the termination of which would terminate the common interest community;

(2) in the case of a cooperative, a mortgage or contract for deed encumbering real estate owned by the association, except that if the mortgage or contract for deed contains a contractual obligation involving a type of contract, lease, or license which may be terminated pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant to subsection (c); or

(3) an agreement between a declarant or an affiliate of a declarant, or a person having authority pursuant to Minnesota Statutes 2008, section 515B.2-121, subsection (c), paragraph (3), to appoint the directors of the master association, and any governmental entity, if such agreement is necessary to obtain governmental approvals, provide financing under any type of government program, or provide for governmentally required access, conservation, drainage, or utilities.

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

History

1993 c 222 art 3 s 5; 1999 c 11 art 2 s 18; 2000 c 260 s 75; 2005 c 121 s 24; 2010 c 267 art 3 s 5; 2011 c 116 art 2 s 12; 2012 c 187 art 1 s 69.
Minn. Stat. § 515B.3-1051

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-1051 TERMINATION OF CONTRACTS, LEASES, LICENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010

(a) If entered into prior to termination of the period of declarant control, (i) any management, employment, maintenance, or operations contract or any lease or license of recreational, parking, or storage facilities, that is binding on the association; (ii) any other contract, lease, or license entered into by the association, a declarant or an affiliate of a declarant that is binding on the association; or (iii) any contract, lease, or license that is binding on the association or all unit owners other than a declarant or an affiliate of the declarant which is not bona fide or which was unconscionable to the association or the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the association under the procedures described in this section.

(b) If entered into prior to the termination of the period of master developer control described in section 515B.2-121, subsection (c), paragraph (1), a contract, lease, or license of a type described in subsection (a) is entered into by the master developer and is binding upon the master association, then the master association may terminate the contract, lease, or license under the procedures described in this section.

(c) Termination shall be upon no less than 90 days’ notice. Notice of termination shall be given by the association or master association, as applicable, in accordance with section 515B.1-115; provided that notice shall be effective only if given within two years following the termination of the period of declarant control or the period of master developer control, as applicable.

(d) This section does not apply to the following, provided that the rights and obligations created by the referenced instruments are (i) bona fide and not unconscionable as contemplated by subsection (a), item (iii); and (ii) disclosed to the purchaser of the unit in the disclosure statement required by section 515B.4-102:

1. a lease the termination of which would terminate the common interest community;
2. in the case of a cooperative, a mortgage or contract for deed encumbering real estate owned by the association, except that if the mortgage or contract for deed contains a contractual obligation involving a type of contract, lease, or license which may be terminated pursuant to subsection (a) or (b), then that contractual obligation may be terminated pursuant to subsection (c);
3. an agreement between a declarant or an affiliate of a declarant, or a master developer, and any governmental entity, if such agreement is necessary to obtain governmental approvals, provide financing under any type of government program, or provide for governmentally required access, conservation, drainage, utilities, or other public purpose;
4. subject to the requirements of section 515B.4-110(a), a lease, easement, covenant, condition, or restriction that is recorded before the recording of the declaration, to the extent that it benefits a person other than a declarant or an affiliate of a declarant; or
5. a license granted by a declarant pursuant to section 515B.2-109(e).
This section applies only to common interest communities created on or after August 1, 2010.

History

2011 c 116 art 2 s 13.
**Minn. Stat. § 515B.3-106**

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**515B.3-106 BYLAWS; ANNUAL REPORT**

(a) A common interest community shall have bylaws which comply with this chapter and the statute under which the association is incorporated. The bylaws and any amendments may be recorded, but need not be recorded to be effective unless so provided in the bylaws.

(b) The bylaws shall provide that, in addition to any statutory requirements:

1. A meeting of the members shall be held at least once each year, and a specified officer of the association shall give notice of the meeting as provided in section 515B.3-108.

2. An annual report shall be prepared by the association and a copy of the report shall be provided to each unit owner at or prior to the annual meeting.

(c) The annual report shall contain at a minimum:

1. A statement of any capital expenditures in excess of two percent of the current budget or $ 5,000, whichever is greater, approved by the association for the current fiscal year or succeeding two fiscal years;

2. A statement of the association’s total replacement reserves, the components of the common interest community for which the reserves are set aside, and the amounts of the reserves, if any, that the board has allocated for the replacement of each of those components;

3. 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;

4. A statement of the status of any pending litigation or judgments to which the association is a party;

5. A detailed description of the insurance coverage provided by the association including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association; and

6. A statement of the total past due assessments on all units, current as of not more than 60 days prior to the date of the meeting.

**History**

1993 c 222 art 3 s 6; 1999 c 11 art 2 s 19; 2005 c 121 s 25; 2010 c 267 art 3 s 6.

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Minn. Stat. § 515B.3-107

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515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY

(a) Except to the extent provided by the declaration, this subsection or section 515B.3-113, the association is responsible for the maintenance, repair and replacement of the common elements, and each unit owner is responsible for the maintenance, repair and replacement of the unit owner’s unit. Damage to the common elements or any unit as a result of the acts or omissions of a unit owner or the association is the responsibility of the person causing the damage, or whose agents or invitees caused the damage.

(b) The association shall have access through and into each unit for purposes of performing maintenance, repair or replacement for which the association may be responsible. The association and any public safety personnel shall also have access for purposes of abating or correcting any condition in the unit which violates any governmental law, ordinance or regulation, which may cause material damage to or jeopardize the safety of the common interest community, or which may constitute a health or safety hazard for occupants of units.

(c) Neither the association, nor any unit owner other than the declarant or its affiliates, is subject to a claim for payment of expenses incurred in connection with any additional real estate.

History

1993 c 222 art 3 s 7.
Minn. Stat. § 515B.3-108

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-108 MEETINGS

(a) A meeting of the association shall be held at least once each year. At each annual meeting, there shall be, at a minimum, (i) an election of successor directors for those directors whose terms have expired, (ii) a report on the activities and financial condition of the association, and (iii) consideration of and action on any other matters included in the notice of meeting. Unless the bylaws provide otherwise, special meetings of the association may be called by the president and shall be called by the president or secretary upon the written petition of a majority of the board or unit owners entitled to cast at least 20 percent of the votes in the association.

(b) Not less than 21 nor more than 30 days in advance of any annual meeting, and not less than seven nor more than 30 days in advance of any special meeting, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent postage prepaid by United States mail to the mailing address of each unit, or to any other address designated in writing by the unit owner to the association as provided in the bylaws or by statute.

(c) The notice of any meeting shall state the date, time and place of the meeting, the purposes of the meeting, and, if proxies are permitted, the procedures for appointing proxies.

(d) The board may provide for reasonable procedures governing the conduct of meetings and elections.

History

1993 c 222 art 3 s 8.
Minn. Stat. § 515B.3-109

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-109 QUORUMS

(a) Unless the bylaws provide otherwise, a quorum is present throughout any meeting of the association if unit owners entitled to cast in excess of 20 percent of the votes in the association are present in person or by proxy at the beginning of the meeting. If a master developer or declarant or their affiliates are members of a master association or an association, as applicable, they shall be deemed to be present for purposes of establishing a quorum at a meeting called pursuant to section 515B.2-121(c)(2) or 515B.3-103(d), as applicable, regardless of their failure to attend the meeting.

(b) Unless the bylaws provide otherwise, a quorum is present throughout any meeting of the board if persons entitled to cast in excess of 50 percent of the votes on that board are present in person at the beginning of the meeting.

History

1993 c 222 art 3 s 9; 2010 c 267 art 3 s 7.

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Minn. Stat. § 515B.3-110

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515B.3-110 VOTING; PROXIES

(a) At any meeting of the association an owner or the holder of the owner's proxy shall be entitled to cast the vote which is allocated to the unit. If there is more than one owner of a unit, only one of the owners may cast the vote. If the owners of a unit fail to agree and notify the association as to who shall cast the vote, the vote shall not be cast. Any provision in the articles of incorporation, bylaws, declaration, or other document restricting a unit owner's right to vote, or affecting quorum requirements, by reason of nonpayment of assessments, or a purported violation of any provision of the documents governing the common interest community, shall be void.

(b) If permitted by the articles or bylaws, votes allocated to a unit may be cast pursuant to a proxy executed by the unit owner entitled to cast the vote for that unit. The board may specify the form of proxy and proxy rules, consistent with law.

(c) If authorized by the statute under which the association is created, and to the extent not limited or prohibited by the articles of incorporation, bylaws, or declaration, the vote on any issue or issues may be taken by electronic means or by mailed ballots, in compliance with the applicable statute, in lieu of holding a meeting of the unit owners. Such a vote shall have the force and effect of a vote taken at a meeting; provided, that the total votes cast are at least equal to the votes required for a quorum. The board shall set a voting period within which the ballots or other voting response must be received by the association, which period shall be not less than 15 nor more than 45 days after the date of delivery of the notice of the vote and voting procedures to the unit owners. The board of directors shall provide notice of the results of the vote to the unit owners within 30 days after the expiration of the voting period. All requirements in this chapter, the declaration or the bylaws for a meeting of the unit owners, or being present in person, shall be deemed satisfied by a vote taken in compliance with the requirements of this section. The voting procedures authorized by this section shall not be used in combination with a vote taken at a meeting of the unit owners. However, voting by electronic means and mailed ballot may be combined if each is done in compliance with the applicable statute.

(d) The articles of incorporation or bylaws may authorize class voting by unit owners for directors or on specified issues affecting the class. Class voting may only be used to address operational, physical, or administrative differences within the common interest community. A declarant shall not use class voting to evade any limit imposed on declarants by this chapter and units shall not constitute a class because they are owned by a declarant.

(e) The declaration or bylaws may provide that votes on specified matters affecting the common interest community be cast by lessees or secured parties rather than unit owners; provided that (i) the provisions of subsections (a), (b), and (c) apply to those persons as if they were unit owners; (ii) unit owners who have so delegated their votes to other persons may not cast votes on those specified matters; (iii) lessees or secured parties are entitled to notice of meetings, access to records, and other rights respecting those matters as if they were unit owners, and (iv) the lessee or secured party has filed satisfactory evidence of its
interest with the secretary of the association prior to the meeting. Unit owners must also be given notice, in the manner provided in section 515B.3-108(b), of meetings at which lessees or secured parties are entitled to vote.

(f) No votes allocated to a unit owned by the association may be cast nor counted toward a quorum.

History

1993 c 222 art 3 s 10; 1999 c 11 art 2 s 20; 2005 c 121 s 26; 2010 c 267 art 3 s 8.
Minn. Stat. § 515B.3-111

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515B.3-111 TORT AND CONTRACT LIABILITY

(a) Neither the association nor any unit owner except the declarant is liable for that declarant’s torts in connection with any part of the common interest community. An action alleging a tort or contract violation by the association shall not be brought against a unit owner solely by reason of ownership. If the tort or contract violation occurred during any period of declarant control and the association or a unit owner gives the declarant reasonable notice of and an opportunity to defend against the action, the declarant who then controlled the association is liable to the association or to any unit owner for (i) all losses not covered by insurance suffered by the association or that unit owner, and (ii) all costs that the association would not have incurred but for the tort or contract violation.

(b) Whenever the declarant is liable to the association or a unit owner under this section, the declarant is also liable for all expenses of litigation, including reasonable attorney’s fees, incurred by the association or unit owner. Any statute of limitation affecting a right of action under this section is tolled until the period of declarant control terminates. A unit owner is not precluded from maintaining an action contemplated by this section because of being a unit owner or an officer or director of the association.

(c) Except as provided in subsections (a) and (b) with respect to a declarant, no unit owner shall have tort liability arising out of ownership of the common elements if the association has liability insurance coverage on the occurrence in an amount not less than $1,000,000.

History

1993 c 222 art 3 s 11.
515B.3-112 CONVEYANCE OF, OR CREATION OF SECURITY INTERESTS IN, COMMON ELEMENTS

(a) In a condominium or planned community, unless the declaration provides otherwise, portions of the common elements may be conveyed or subjected to a security interest by the association if persons entitled to cast at least 67 percent of the votes in the association, including 67 percent of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, approve that action in writing or at a meeting; but all unit owners of units to which any limited common element is allocated must agree in order to convey that limited common element or subject it to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use.

(b) In a cooperative, unless the declaration provides otherwise, part of a cooperative may be conveyed, or all or a part subjected to a security interest, by the association if persons entitled to cast at least 67 percent of the votes in the association, including 67 percent of the votes allocated to units in which the declarant has no interest, or any larger percentage the declaration specifies, approves that action in writing or at a meeting. If fewer than all of the units or limited common elements are to be conveyed or subjected to a security interest, then all unit owners of those units, or the units to which those limited common elements are allocated, must agree in order to convey those units or limited common elements or subject them to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted to nonresidential use. Any purported conveyance or other voluntary transfer of an entire cooperative is void, unless made pursuant to section 515B.2-119.

(c) The association, on behalf of the unit owners, may contract to convey or encumber an interest in the common elements of a common interest community pursuant to this subsection, subject to the required approval. After the approval has been obtained, the association shall have a power of attorney coupled with an interest to effect the conveyance or encumbrance on behalf of all unit owners in the common interest community, including the power to execute deeds, mortgages, or other instruments of conveyance or security. The instrument conveying or creating the interest in the common interest community shall be recorded and shall include as exhibits (i) an affidavit of the president or secretary of the association certifying that the approval required by this section has been obtained and (ii) a schedule of the names of all unit owners and units in the common interest community as of the date of the approval.

(d) Unless made pursuant to this section, any purported conveyance, creation of a security interest in or other voluntary transfer of any interest in the common elements, or of any part of a cooperative, is void. The grant of an easement, lease, or license pursuant to section 515B.3-102(a)(9) is not subject to this section.

(e) In the case of a conveyance involving a condominium, a planned community utilizing a CIC plat complying with section 515B.2-110(c), or a cooperative in which the unit owners’ interests are characterized as real estate, the association shall record, simultaneously with the recording of the instrument of conveyance, an amended CIC plat showing the real estate constituting the common interest community exclusive of the real estate conveyed.
Minn. Stat. § 515B.3-112

(f) A conveyance or encumbrance of common elements, or of a cooperative, pursuant to this section shall not deprive any unit of its rights of support, reasonable access or utility services.

(g) In all common interest communities, upon recording of the instrument of conveyance, the real estate conveyed shall be released from the declaration and all rights and obligations arising therefrom. Except as provided in subsection (a), or unless the declaration otherwise provides, a conveyance or encumbrance of common elements pursuant to this section does not affect the priority or validity of preexisting encumbrances.

(h) Any proceeds of the conveyance or creation of a security interest under this section are an asset of the association.

(i) This section shall not apply to any conveyance or encumbrance of any interest in a proprietary lease.

History

1993 c 222 art 3 s 12; 1995 c 92 s 11; 2005 c 121 s 27; 2010 c 267 art 3 s 9.
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:
Minn. Stat. § 515B.3-113

(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.
Minn. Stat. § 515B.3-114

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515B.3-114 RESERVES; SURPLUS FUNDS

(a) The annual budgets of the association shall provide from year to year, on a cumulative basis, for adequate reserve funds to cover the replacement of those parts of the common interest community which the association is obligated to replace. These reserve requirements shall not apply to a common interest community which is restricted to nonresidential use.

(b) Unless the declaration provides otherwise, any surplus funds that the association has remaining after payment of or provision for common expenses and reserves shall be (i) credited to the unit owners to reduce their future common expense assessments or (ii) credited to reserves, or any combination thereof, as determined by the board of directors.

(c) This section applies to common interest communities only for their fiscal years commencing before January 1, 2012.

History

1993 c 222 art 3 s 14; 2005 c 121 s 29; 2010 c 267 art 3 s 11; 2011 c 116 art 2 s 14.

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Minn. Stat. § 515B.3-1141

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515B.3-1141 REPLACEMENT RESERVES

(a) The association shall include in its annual budgets replacement reserves projected by the board to be adequate, together with past and future contributions to replacement reserves, to fund the replacement of those components of the common interest community which the association is obligated to replace by reason of ordinary wear and tear or obsolescence, subject to the following:

(1) The amount annually budgeted for replacement reserves shall be adequate, together with past and future contributions to replacement reserves, to replace the components as determined based upon the estimated remaining useful life of each component; provided that portions of replacement reserves need not be segregated for the replacement of specific components.

(2) Unless otherwise required by the declaration, annual budgets need not include reserves for the replacement of (i) components that a remaining useful life of more than 30 years, or (ii) components whose replacement will be funded by assessments authorized under section 515B.3-1151(e)(1), or approved in compliance with clause (5).

(3) The association shall keep the replacement reserves in an account or accounts separate from the association's operating funds, and shall not use or borrow from the replacement reserves to fund the association's operating expenses, provided that this restriction shall not affect the association's authority to pledge the replacement reserves as security for a loan to the association.

(4) The association shall reevaluate the adequacy of its budgeted replacement reserves at least every third year after the recording of the declaration creating the common interest community.

(5) Unless otherwise required by the declaration, after the termination of the period of declarant control, and subject to approval by (i) the board, and (ii) unit owners, other than the declarant or its affiliates, of units to which 51 percent of the votes in the association are allocated, the association need not annually assess for replacement reserves to replace those components whose replacement is planned to be paid for by special assessments, if the declaration authorizes special assessments, or by assessments levied under section 515B.3-1151(e)(2). The approval provided for in the preceding sentence shall be effective for no more than the association's current and three following fiscal years, subject to modification or renewal by the same approval standards.

(6) Unless otherwise required by the declaration, subsection (a) shall not apply to a common interest community which is restricted to nonresidential use.

(b) Unless the declaration provides otherwise, any surplus funds that the association has remaining after payment of or provision for common expenses and reserves shall be (i) credited to the unit owners to reduce their future common expense assessments or (ii) credited to reserves, or any combination thereof, as determined by the board of directors.

(c) This section applies to common interest communities only for their fiscal years commencing on or after January 1, 2012.
2011 c 116 art 2 s 15.
515B.3-115 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED BEFORE AUGUST 1, 2010

(a) The obligation of a unit owner to pay common expense assessments shall be as follows:

(1) If a common expense assessment has not been levied, the declarant shall pay all operating expenses of the common interest community, and shall fund the replacement reserve component of the common expenses as required by subsection (b).

(2) If a common expense assessment has been levied, all unit owners, including the declarant, shall pay the assessments allocated to their units, subject to the following:

(i) If the declaration so provides, a declarant’s liability, and the assessment lien, for the common expense assessments, exclusive of replacement reserves, on any unit owned by the declarant may be limited to 25 percent or more of any assessment, exclusive of replacement reserves, until the unit or any building located in the unit is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(ii) If the declaration provides for a reduced assessment pursuant to paragraph (2)(i), the declarant shall be obligated, within 60 days following the termination of the period of declarant control, to make up any operating deficit incurred by the association during the period of declarant control. The existence and amount, if any, of the operating deficit shall be determined using the accrual basis of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(b) The replacement reserve component of the common expenses shall be funded for each unit in accordance with the projected annual budget required by section 515B.4-102(a)(23) provided that the funding of replacement reserves with respect to a unit shall commence no later than the date that the unit or any building located within the unit boundaries is substantially completed. Substantial completion shall be evidenced by a certificate of occupancy in any jurisdiction that issues the certificate.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon a budget approved at least annually by the association.

(d) Except as modified by subsections (a)(1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;
Minn. Stat. § 515B.3-115

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) reasonable attorneys fees and costs incurred by the association in connection with (i) the collection of assessments and, (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner’s unit; and

(5) fees, charges, late charges, fines and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner’s unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days’ written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

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

History

1993 c 222 art 3 s 15; 1995 c 92 s 12; 1999 c 11 art 2 s 22; 2000 c 260 s 76; 2005 c 121 s 30; 2006 c 221 s 13; 2010 c 267 art 3 s 12; 2011 c 116 art 2 s 16.
Minn. Stat. § 515B.3-1151

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-1151 ASSESSMENTS FOR COMMON EXPENSES; CIC CREATED ON OR AFTER AUGUST 1, 2010

(a) The association shall approve an annual budget of common expenses at or prior to the conveyance of the first unit in the common interest community to a purchaser and annually thereafter. The annual budget shall include all customary and necessary operating expenses and replacement reserves for the common interest community, consistent with this section and section 515B.3-114. For purposes of replacement reserves under subsection (b), until an annual budget has been approved, the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102. The obligation of a unit owner to pay common expenses shall be as follows:

(1) If a common expense assessment has not been levied by the association, the declarant shall pay all common expenses of the common interest community, including the payment of the replacement reserve component of the common expenses for all units in compliance with subsection (b).

(2) If a common expense assessment has been levied by the association, all unit owners, including the declarant, shall pay the assessments levied against their units, except as follows:

(i) The declaration may provide for an alternate common expense plan whereby the declarant’s common expense liability, and the corresponding assessment lien against the units owned by the declarant, is limited to: (A) paying when due, in compliance with subsection (b), an amount equal to the full share of the replacement reserves allocated to units owned by the declarant, as set forth in the association’s annual budget approved as provided in this subsection; and (B) paying when due all accrued expenses of the common interest community in excess of the aggregate assessments payable with respect to units owned by persons other than a declarant; provided, that the alternate common expense plan shall not affect a declarant’s obligation to make up any operating deficit pursuant to item (iv), and shall terminate upon the termination of any period of declarant control unless terminated earlier pursuant to item (iii).

(ii) The alternate common expense plan may be authorized only by including in the declaration and the disclosure statement required by section 515B.4-102 provisions authorizing and disclosing the alternate common expense plan as described in item (i), and including in the disclosure statement either (A) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association’s budget contained in the disclosure statement, or (B) a statement describing how the services or amenities may be affected.

(iii) A declarant shall give notice to the association of its intent to utilize the alternate common expense plan and a commencement date after the date the notice is given. The alternate common expense plan shall be valid only for periods after the notice is given. A declarant may terminate its right to utilize the alternate common expense
plan prior to the termination of the period of declarant control only by giving notice to the association and the unit owners at least 30 days prior to a selected termination date set forth in the notice.

(iv) If a declarant utilizes an alternate common expense plan, that declarant shall cause to be prepared and delivered to the association, at the declarant’s expense, within 90 days after the termination of the period of declarant control, an audited balance sheet and profit and loss statement certified to the association and prepared by an accountant having the qualifications set forth in section 515B.3-121 (b). The audit shall be binding on the declarant and the association.

(v) If the audited profit and loss statement shows an accumulated operating deficit, the declarant shall be obligated to make up the deficit within 15 days after delivery of the audit to the association, and the association shall have a claim against the declarant for an amount equal to the deficit until paid. A declarant who does not utilize an alternate common expense plan is not liable to make up any operating deficit. If more than one declarant utilizes an alternate common expense plan, all declarants who utilize the plan are jointly and severally liable to the association for any operating deficit.

(vi) The existence and amount, if any, of the operating deficit shall be determined using the accrual method of accounting applied as of the date of termination of the period of declarant control, regardless of the accounting methodology previously used by the association to maintain its accounts.

(vii) Unless approved by a vote of the unit owners other than the declarant and its affiliates, the operating deficit shall not be made up, prior to the election by the unit owners of a board of directors pursuant to section 515B.3-103(d), through the use of a special assessment described in subsection (c) or by assessments described in subsections (e), (f), and (g).

(viii) The use by a declarant of an alternate common expense plan shall not affect the obligations of the declarant or the association as provided in the declaration, the bylaws, or this chapter, or as represented in the disclosure statement required by section 515B.4-102, except as to matters authorized by this chapter.

(b) The replacement reserves required by section 515B.3-114 shall be paid to the association by each unit owner for each unit owned by that unit owner in accordance with the association’s annual budget approved pursuant to subsection (a), regardless of whether an annual assessment has been levied or whether the declarant has utilized an alternate common expense plan under subsection (a)(2). Replacement reserves shall be paid with respect to a unit commencing as of the later of (1) the date of creation of the common interest community or (2) the date that the structure and exterior of the building containing the unit, or the structure and exterior of any building located within the unit boundaries, but excluding the interior finishing of the structure itself, are substantially completed. If the association has not approved an annual budget as of the commencement date for the payment of replacement reserves, then the reserves shall be paid based upon the budget contained in the disclosure statement required by section 515B.4-102.

(c) After an assessment has been levied by the association, assessments shall be levied at least annually, based upon an annual budget approved by the association. In addition to and not in lieu of annual assessments, an association may, if so provided in the declaration, levy special assessments against all units in the common interest community based upon the same formula required by the declaration for levying annual assessments. Special assessments may be levied only (1) to cover expenditures of an emergency nature, (2) to replenish
underfunded replacement reserves, (3) to cover unbudgeted capital expenditures or operating expenses, or (4) to replace certain components of the common interest community described in section 515B.3-114(a), if such alternative method of funding is approved under section 515B.3-114(a)(5). The association may also levy assessments against fewer than all units as provided in subsections (e), (f), and (g). An assessment under subsection (e)(2) for replacement reserves is subject to the requirements of section 515B.3-1141(a)(5).

(d) Except as modified by subsections (a), clauses (1) and (2), (e), (f), and (g), all common expenses shall be assessed against all the units in accordance with the allocations established by the declaration pursuant to section 515B.2-108.

(e) Unless otherwise required by the declaration:

(1) any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the units to which that limited common element is assigned, equally, or in any other proportion the declaration provides;

(2) any common expense or portion thereof benefiting fewer than all of the units may be assessed exclusively against the units benefited, equally, or in any other proportion the declaration provides;

(3) the costs of insurance may be assessed in proportion to risk or coverage, and the costs of utilities may be assessed in proportion to usage;

(4) reasonable attorney fees and costs incurred by the association in connection with (i) the collection of assessments, and (ii) the enforcement of this chapter, the articles, bylaws, declaration, or rules and regulations, against a unit owner, may be assessed against the unit owner’s unit; and

(5) fees, charges, late charges, fines, and interest may be assessed as provided in section 515B.3-116(a).

(f) Assessments levied under section 515B.3-116 to pay a judgment against the association may be levied only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(g) If any damage to the common elements or another unit is caused by the act or omission of any unit owner, or occupant of a unit, or their invitees, the association may assess the costs of repairing the damage exclusively against the unit owner’s unit to the extent not covered by insurance.

(h) Subject to any shorter period specified by the declaration or bylaws, if any installment of an assessment becomes more than 60 days past due, then the association may, upon ten days’ written notice to the unit owner, declare the entire amount of the assessment immediately due and payable in full.

(i) If common expense liabilities are reallocated for any purpose authorized by this chapter, common expense assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated common expense liabilities.

(j) An assessment against fewer than all of the units must be levied within three years after the event or circumstances forming the basis for the assessment, or shall be barred.

(k) This section applies only to common interest communities created on or after August 1, 2010.
History

2011 c 116 art 2 s 17; 2012 c 187 art 1 s 70.

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Minn. Stat. § 515B.3-116

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515B.3-116 LIEN FOR ASSESSMENTS

(a) 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. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable as assessments, under this section. Recording of the declaration constitutes record notice and perfection of any assessment lien under this section, and no further recording of any notice of or claim for the lien is required.

(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, liens and encumbrances which the association creates, assumes, or takes subject to, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

(c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3), (f), and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

(e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.
Minn. Stat. § 515B.3-116

(g) The association shall furnish to a unit owner or the owner’s authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner’s unit. If the unit owner’s interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association’s lien may be foreclosed as provided in this subsection.

1) In a condominium or planned community, the association’s lien may be foreclosed in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by action pursuant to chapter 581. The association shall have a power of sale to foreclose the lien pursuant to chapter 580.

2) In a cooperative whose unit owners’ interests are real estate, the association’s lien shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph (1).

3) In a cooperative whose unit owners’ interests in the units are personal property, the association’s lien shall be foreclosed in a like manner as a security interest under article 9 of chapter 336. In any disposition pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner 90 days prior to sale, disposition, or retention, (ii) the association shall be entitled to its reasonable costs and attorney fees not exceeding the amount provided by section 582.01, subdivision 1a, (iii) the amount of the association’s lien shall be deemed to be adequate consideration for the unit subject to disposition or retention, notwithstanding the value of the unit, and (iv) the notice of sale, disposition, or retention shall contain the following statement in capital letters with the name of the association or secured party filled in:

“THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE REASON SPECIFIED IN THIS NOTICE. YOUR INTEREST IN YOUR UNIT WILL TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party) AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS

(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS

(3) $ 500 TO APPLY TO ATTORNEYS FEES ACTUALLY EXPENDED OR INCURRED; PLUS

(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR

(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN YOUR UNIT WILL
Minn. Stat. § 515B.3-116

TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY."

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall be the same as those provided by law, except (i) the period of redemption for unit owners shall be six months from the date of sale or a lesser period authorized by law, (ii) in a foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees authorized by the declaration or bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and disbursements of foreclosure and attorneys fees as the court shall determine, and (iv) the amount of the association’s lien shall be deemed to be adequate consideration for the unit subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff’s certificate of sale, prior to the expiration of the period of redemption, pays any past due or current assessments, or any other charges lienable as assessments, with respect to the unit described in the sheriff’s certificate, then the amount paid shall be a part of the sum required to be paid to redeem under section 582.03.

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the redemption period in a foreclosure of the association’s assessment lien, the association may bring an action for eviction against the unit owner and any persons in possession of the unit, and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured party.

History

1993 c 222 art 3 s 16; 1994 c 388 art 4 s 11; 1999 c 11 art 2 s 23; 1999 c 199 art 2 s 30; 2000 c 260 s 77; 2001 c 195 art 2 s 32; 2003 c 2 art 2 s 16; 2005 c 121 s 31; 2010 c 267 art 3 s 13.

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515B.3-117 OTHER LIENS

(a) Except in a cooperative and except as otherwise provided in this chapter or in a security instrument, an individual unit owner may have the unit owner's unit released from a lien if the unit owner (1) pays the lienholder the portion of the amount which the lien secures that is attributable to the unit, or (2) provides in the manner set forth in section 514.10 the deposit or other security required by that section. Upon the receipt of payment or written evidence of the deposit or other security, the lienholder shall promptly deliver to the unit owner a recordable partial satisfaction and release of lien releasing the unit from the lien. The release shall be deemed to include a release of any rights in the common elements appurtenant to the unit. The portion of the amount which a lien secures that is attributable to the unit shall be equal to the total amount which the lien secures multiplied by a percentage calculated by dividing the common expense liability attributable to the unit by the common expense liability attributable to all units against which the lien has been recorded, or in the case of a lien under subsection (b), the units against which the lien is permitted or required to be recorded. At the request of a lien claimant or unit owners, the association shall provide a written statement of the percentage of common expense liability attributable to all units. After a unit owner's payment pursuant to this section, the association may not assess the unit for any common expense incurred thereafter in connection with the satisfaction or defense against the lien.

(b) Labor performed or materials furnished for the improvement of a unit shall be the basis for the recording of a lien against that unit pursuant to the provisions of chapter 514 but shall not be the basis for the recording of a lien against the common elements. Labor performed or materials furnished for the improvement of common elements, for which a lien may be recorded under chapter 514, if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each unit owner, and shall be perfected by recording a lien against all the units in the common interest community, or in the case of a condominium or planned community on registered land, shall be perfected by recording a lien pursuant to section 508.351, subdivision 5, or 508A.351, subdivision 5. Where a lien is recorded against the units for labor performed or material furnished for the improvement of common elements, the association shall be deemed to be the authorized agent of the unit owners for purposes of receiving the notices required under sections 514.011 and 514.08, subdivision 1, clause (2).

(c) A security interest in a cooperative whose unit owners' interests in the units are personal property shall be perfected by recording a financing statement in the UCC filing section of the central filing system operated by the Office of the Secretary of State. In any disposition by a secured party pursuant to section 336.9-610 or retention pursuant to sections 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided by law, subject to the exceptions and requirements set forth in section 515B.3-116(h)(3), and except that the unit owner has the right to reinstate the debt owing to the secured party by paying to the secured party, prior to the effective date of the disposition or retention, the amount which would be required to reinstate the debt under section 580.30 if the unit were wholly real estate.
History

1993 c 222 art 3 s 17; 1994 c 388 art 4 s 12; 2001 c 50 s 30; 2001 c 195 art 2 s 33; 2005 c 121 s 32; 2006 c 221 s 14; 2010 c 267 art 3 s 14.
Minn. Stat. § 515B.3-118

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.3-118 ASSOCIATION RECORDS

The association shall keep adequate records of its membership, unit owners meetings, board of directors meetings, committee meetings, contracts, leases and other agreements to which the association is a party, and material correspondence and memoranda relating to its operations. The association shall keep financial records sufficiently detailed to enable the association to comply with sections 515B.3-106(b) and 515B.4-107. All records, except records relating to information that was the basis for closing a board meeting under section 515B.3-103, paragraph (g), shall be made reasonably available for examination by any unit owner or the unit owner's authorized agent, subject to the applicable statutes. The association must provide copies in paper or electronic form as requested by the owner or authorized agent, provided that the association is not required to provide copies in electronic form if the records are not maintained in that form by the association. The association may require the unit owner or the authorized agent to pay a fee for copies, which must not exceed:

(1) the actual costs of making or electronically transmitting the copies and searching for and retrieving the requested records, including the cost of agent or employee time for responding to the request; or

(2) if 100 or fewer pages of black and white, letter or legal size paper copies are requested, no more than 25 cents for each page copied, instead of actual costs.

History

1993 c 222 art 3 s 18; 2011 c 10 s 1.
Minn. Stat. § 515B.3-119

With respect to a third person dealing with the association in the association's capacity as a trustee, the existence of trust powers and their proper exercise by the association may be assumed without inquiry. A third person is not bound to inquire whether the association has power to act as trustee or is properly exercising trust powers and third person, without actual knowledge that the association is exceeding its powers or improperly exercising them, is fully protected in dealing with the association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the association in its capacity as trustee.

History

1993 c 222 art 3 s 19.
Minn. Stat. § 515B.3-120
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515B.3-120 DECLARANT DUTIES; TURNOVER OF RECORDS

(a) During any period of declarant control pursuant to section 515B.3-103(c), declarant and any of its representatives who are acting as officers or directors of the association shall:

(1) cause the association to be operated and administered in accordance with its articles of incorporation and bylaws, the declaration and applicable law;

(2) be subject to all fiduciary obligations and obligations of good faith applicable to any persons serving a corporation in that capacity;

(3) cause the association’s funds to be maintained in a separate bank account or accounts solely in the association’s name, from and after the date of creation of the association; and

(4) cause the association to maintain complete and accurate records in compliance with section 515B.3-118.

(b) At such time as any period of declarant control terminates, declarant shall cause to be delivered to the board elected by the unit owners exclusive control of all funds of the association, all contracts and agreements which are binding on the association, all corporate records of the association including financial records, copies of all CIC plats and supplementary CIC plats, personal property owned or represented to be owned by the association, assignments of third-party warranties relating to common element improvements or other improvements the association is obliged to maintain, repair, or replace, if not in the name of the association, and, to the extent they are in the control or possession of the declarant, copies of all plans and specifications relating to buildings and related improvements which are part of the common elements, and operating manuals and warranty materials relating to any equipment or personal property utilized in the operation of the common interest community. The declarant’s obligation to turn over the foregoing items shall continue to include additional new or changed items in its possession or control. Declarant shall not be obligated to assign any third-party warranty to the extent assignment is prohibited by the warranty or applicable law or otherwise prevents the declarant from enforcing the warranty.

(c) A person entitled to appoint the directors of a master association pursuant to section 515B.2-121(c)(1), and the master association’s officers and directors, shall be subject to the same duties and obligations with respect to the master association as are described in subsections (a) and (b), to the extent applicable. A master association may not be used to circumvent or avoid any obligation or restriction imposed on a declarant or its affiliates by this chapter.

History

1993 c 222 art 3 s 20; 2005 c 121 s 33; 2010 c 267 art 3 s 15.

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Minn. Stat. § 515B.3-121

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515B.3-121 ACCOUNTING CONTROLS

(a) Subject to any additional or greater requirements set forth in the declaration or bylaws, a review of the association’s financial statements shall be made at the end of the association’s fiscal year, unless prior to 60 days after the end of that fiscal year, at a meeting or by mailed ballot, unit owners, other than declarant or its affiliates, of units to which at least 30 percent of the votes in the association are allocated vote to waive the review requirement for that fiscal year. A waiver vote shall not apply to more than one fiscal year, and shall not affect the board’s authority to cause a review or audit to be made. The reviewed financial statements shall be delivered to all members of the association within 180 days after the end of the association’s fiscal year.

(b) The review shall be made by a licensed, independent certified public accountant. A licensed, independent certified public accountant means an accountant who (i) is not an employee of the declarant or its affiliates, (ii) is professionally independent of the control of the declarant or its affiliates, (iii) is licensed in accordance with chapter 326A, and (iv) satisfies the tests for independence as promulgated by the American Institute of Certified Public Accountants.

(c) Where the financial statements are prepared by an independent certified public accountant, they shall be prepared in accordance with generally accepted accounting principles as established from time to time by the American Institute of Certified Public Accountants, and shall be reviewed in accordance with standards for accounting and review services. In such case, the financial statements shall be presented on the full accrual basis using an accounting format that separates operating activity from replacement reserve activity.

History

1993 c 222 art 3 s 21; 1999 c 11 art 2 s 24; 2010 c 191 s 12; 2010 c 267 art 3 s 16.

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515B.4-101 APPLICABILITY; DELIVERY OF DISCLOSURE STATEMENT

(a) Sections 515B.4-101 through 515B.4-118 apply to all units subject to this chapter, except as provided in subsection (c) or as modified or waived by written agreement of purchasers of a unit which is restricted to nonresidential use.

(b) Subject to subsections (a) and (c), a declarant who offers a unit to a purchaser shall deliver to the purchaser a current disclosure statement which complies with the requirements of section 515B.4-102. The disclosure statement shall include any material amendments to the disclosure statement made prior to the conveyance of the unit to the purchaser. The declarant shall be liable to the purchaser to whom it delivered the disclosure statement for any false or misleading statement set forth therein or for any omission of a material fact therefrom.

(c) Neither a disclosure statement nor a resale disclosure certificate need be prepared or delivered in the case of:

(1) a gratuitous transfer;
(2) a transfer pursuant to a court order;
(3) a transfer to a government or governmental agency;
(4) a transfer to a secured party by foreclosure or deed in lieu of foreclosure;
(5) an option to purchase a unit, until exercised;
(6) a transfer to a person who "controls" or is "controlled by," the grantor as those terms are defined with respect to a declarant under section 515B.1-103(2);
(7) a transfer by inheritance;
(8) a transfer of special declarant rights under section 515B.3-104; or
(9) a transfer in connection with a change of form of common interest community under section 515B.2-123.

(d) A purchase agreement for a unit shall contain the following notice: "The following notice is required by Minnesota Statutes. The purchaser is entitled to receive a disclosure statement or resale disclosure certificate, as applicable. The disclosure statement or resale disclosure certificate contains important information regarding the common interest community and the purchaser’s cancellation rights."

(e) The sale, to the initial occupant, of a platted lot or other parcel of real estate (i) which is or may be subject to a master declaration, (ii) which is intended for residential occupancy, and (iii) which does not and is not intended to constitute a unit, shall be subject to the following requirements:

(1) The purchase agreement for the lot or other parcel shall contain the following notice: “The following notice is required by Minnesota Statutes: The real estate to be conveyed
under this agreement is or may be subject to a master association as defined in Minnesota Statutes, chapter 515B. The master developer is required to provide to the buyer, within ten days after receipt of a request from the buyer or the buyer’s authorized representative, a statement containing the information required by Minnesota Statutes, section 515B.4-102(a)(20), with respect to the master association. The statement contains important information regarding the master association. The name, address, and telephone number of the master developer are [insert information]."

(2) A master developer shall, within ten days after receipt of a request described in clause (1), furnish to the requesting person the information required to be provided by section 515B.4-102(a)(20).

(f) A claim by a buyer based upon a failure to comply with subsection (e):
   (1) shall be limited to legal, and not equitable, remedies; or
   (2) shall be barred unless it is commenced within the time period specified in section 515B.4-115(a).

History

1993 c 222 art 4 s 1; 1999 c 11 art 2 s 25; 2005 c 121 s 34; 2006 c 221 s 15; 2010 c 267 art 4 s 1.
**Minn. Stat. § 515B.4-102**

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

**LexisNexis® Minnesota Annotated Statutes > Property Interests and Liens > Chapter 515B. Common Interest Ownership > Article 4. Protection of Purchasers**

**515B.4-102 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED BEFORE AUGUST 1, 2010**

**a.** A disclosure statement shall fully and accurately disclose:

1. the name and, if available, the number of the common interest community;
2. the name and principal address of the declarant;
3. the number of units which the declarant has the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;
4. a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community and the nature of the occupancy, and (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or a master association will be required to maintain;
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;
6. any expenses or services, not reflected in the budget, that a declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; and an explanation of declarant’s limited assessment liability under section 515B.3-115(b);
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;
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;
9. a description of any financing offered or arranged by the declarant;
10. a statement as to whether application has been made for any project approvals for the common interest community 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), and which, if any, such final approvals have been received;
11. the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 through 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;
(12) a statement that: (i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser's voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a); (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) a statement disclosing to the extent of the declarant’s or an affiliate of a declarant’s actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113, subsection (b), are insured by the association;

(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;

(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.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative: (i) whether the unit owners will be entitled for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative; (ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and (iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement: (i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest and penalties, and stating the years for which taxes are delinquent, and (ii) setting forth the amount of 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 in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the association or the purchaser of the unit will be a member of a master association, a statement to that effect, and all of the following information with respect to the master association:
(i) a copy of the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto; (ii) the name, address and general description of the master association, including a general description of any other association, unit owners, or other persons which may become members; (iii) a description of any nonresidential use permitted on any property subject to the master association; (iv) a statement as to the estimated maximum number of associations, unit owners or other persons which may become members of the master association, and the degree and period of control of the master association by a declarant or other person; (v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member or the master association; (vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made; (vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly common expense assessment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment; (viii) a description of any expenses or services not reflected in the budget, paid for or provided by a declarant or a person executing the master declaration, which may become an expense of the master association in the future; (ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(f)(2); (x) identification of any liens, defects or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members; (xi) the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-112(b); (xii) a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association; (xiii) a description of any insurance coverage provided for the benefit of its members by the master association; and (xiv) any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

(21) a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and if not substantially completed, who is responsible to complete and pay for the construction of the unit;

(22) a copy of the declaration and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, or reservations affecting the common interest community; the articles of incorporation, bylaws and any rules or regulations of the association; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by purchaser at closing; and a brief narrative description of any (i) contracts or leases that are or may be subject to cancellation by the association under section 515B.3-105 and (ii) any material agreements entered into between the declarant and a governmental entity that affect the common interest community; and

(23) a balance sheet for the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the
common interest community, based upon the declarant’s good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

(i) a statement of the amount included in the budget as a reserve for replacement; (ii) a statement of any other reserves; (iii) the projected common expense for each category of expenditures for the association; (iv) the projected monthly common expense assessment for each type of unit; and (v) a footnote or other reference to those components of the common interest community the maintenance, repair, or replacement of which the budget assumes will be funded by assessments under section 515B.3-115(e), rather than by assessments included in the association’s annual budget, and a statement referencing section 515B.3-115(e)(1) or (2), as the source of funding. If, based upon the association’s then current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included.

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20) is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

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

History

1993 c 222 art 4 s 2; 1999 c 11 art 2 s 26; 2005 c 10 art 1 s 74; 2005 c 121 s 35; 2006 c 221 s 16; 2010 c 267 art 4 s 2; 2011 c 116 art 2 s 18.

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Minn. Stat. § 515B.4-1021

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515B.4-1021 DISCLOSURE STATEMENT; GENERAL PROVISIONS; CIC CREATED ON OR AFTER AUGUST 1, 2010

(a) A disclosure statement shall fully and accurately disclose:

1. the name and, if available, the number of the common interest community;

2. the name and principal address of each declarant holding any special declarant rights; a description of the special declarant rights held by each declarant; a description of the units or additional real estate to which the respective special declarant rights apply; and a copy of any recorded transfer of special declarant rights pursuant to section 515B.3-104(a), or any instrument recorded pursuant to section 515B.3-104(b), (g), or (h);

3. the total number of units which all declarants have the right to include in the common interest community and a statement that the common interest community is either a condominium, cooperative, or planned community;

4. a general description of the common interest community, including, at a minimum, (i) the number of buildings, (ii) the number of dwellings per building, (iii) the type of construction, (iv) whether the common interest community involves new construction or rehabilitation, (v) whether any building was wholly or partially occupied, for any purpose, before it was added to the common interest community, and the nature of the occupancy, (vi) a general description of any roads, trails, or utilities that are located on the common elements and that the association or master association will be required to maintain, and (vii) a description of any declarant licensing rights under section 515B.2-109(e);

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;

6. any expenses or services, not reflected in the budget, that the declarant pays or provides, which may become a common expense; the projected common expense attributable to each of those expenses or services; a description of any alternate common expense plan under section 515B.3-115(a)(2)(i); and, if the declaration provides for an alternate common expense plan, either (i) a statement that the alternate common expense plan will have no effect on the level of services or amenities anticipated by the association’s budget or disclosed in the disclosure statement, or (ii) a statement describing how the services or amenities may be affected;

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;

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;

9. a description of any financing offered or arranged by the declarant;
(10) a statement as to whether application has been made for any project approvals for the common interest community 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), and which, if any, such final approvals have been received;

(11) the terms of any warranties provided by the declarant, including copies of sections 515B.4-112 to 515B.4-115, and any other applicable statutory warranties, and a statement of any limitations on the enforcement of the applicable warranties or on damages;

(12) a statement that:

(i) within ten days after the receipt of a disclosure statement, a purchaser may cancel any contract for the purchase of a unit from a declarant; provided, that the right to cancel terminates upon the purchaser’s voluntary acceptance of a conveyance of the unit from the declarant or by the purchaser agreeing to modify or waive the right to cancel in the manner provided by section 515B.4-106(a);

(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) a statement disclosing to the extent of the declarant’s or an affiliate of a declarant’s actual knowledge, after reasonable inquiry, any unsatisfied judgments or lawsuits to which the association is a party, and the status of those lawsuits which are material to the common interest community or the unit being purchased;

(14) a statement (i) describing the conditions under which earnest money will be held in and disbursed from the escrow account, as set forth in section 515B.4-109, (ii) that the earnest money will be returned to the purchaser if the purchaser cancels the contract pursuant to section 515B.4-106, and (iii) setting forth the name and address of the escrow agent;

(15) a detailed description of the insurance coverage provided by the association for the benefit of unit owners, including a statement as to which, if any, of the items referred to in section 515B.3-113(b), are insured by the association;

(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;

(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.4-118, or a statement that no such arrangements have been made;

(18) in a cooperative:

(i) whether the unit owners will be entitled, for federal and state tax purposes, to deduct payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(ii) a statement as to the effect on the unit owners if the association fails to pay real estate taxes or payments due the holder of a security interest encumbering the cooperative; and
(iii) the principal amount and a general description of the terms of any blanket mortgage, contract for deed, or other blanket security instrument encumbering the cooperative property;

(19) a statement:

(i) that real estate taxes for the unit or any real property owned by the association are not delinquent or, if there are delinquent real estate taxes, describing the property for which the taxes are delinquent, stating the amount of the delinquent taxes, interest, and penalties, and stating the years for which taxes are delinquent; and

(ii) setting forth the amount of 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 in the year in which the disclosure statement is given, if real estate taxes have been separately assessed against the unit;

(20) if the unit or other parcel of real estate being purchased is or may be subject to a master declaration at the time of the conveyance from the declarant to the purchaser, a statement to that effect, and all of the following information with respect to the master association:

(i) copies of the following documents (which may be in proposed form if the master declaration has not been recorded): the master declaration, the articles of incorporation, bylaws, and rules and regulations for the master association, together with any amendments thereto;

(ii) the name and address of the master developer, and the name, address, and general description of the master association, including a general description of any other association, unit owners, or other persons which are or may become members;

(iii) a description of any nonresidential use permitted on any property subject to the master declaration;

(iv) a statement as to the estimated maximum number of associations, unit owners, or other persons which may become members of the master association, and a description of any period of control of the master association and rights to appoint master association directors by a master developer or other person pursuant to section 515B.2-121(c);

(v) a description of any facilities intended for the benefit of the members of the master association and not located on property owned or controlled by a member of the master association;

(vi) the financial arrangements, including any contingencies, which have been made to provide for completion of the facilities referred to in subsection (v), or a statement that no arrangements have been made;

(vii) any current balance sheet of the master association and a projected or current annual budget, as applicable, which budget shall include with respect to the master association those items in paragraph (23), clauses (i) through (iii), and the projected monthly or other periodic common expense assessment payment for each type of unit, lot, or other parcel of real estate which is or is planned to be subject to assessment;

(viii) a description of any expenses or services not reflected in the budget, paid for or provided by a master developer or another person executing the master declaration, which may become an expense of the master association in the future;

(ix) a description of any powers delegated to and accepted by the master association pursuant to section 515B.2-121(e)(2);
identification of any liens, defects, or encumbrances that will continue to affect title to property owned or operated by the master association for the benefit of its members;

the terms of any warranties provided by any person for construction of facilities in which the members of the master association have or may have an interest, and any known defects in the facilities which would violate the standards described in section 515B.4-113(b)(2);

a statement disclosing, after inquiry of the master association, any unsatisfied judgments or lawsuits to which the master association is a party, and the status of those lawsuits which are material to the master association;

description of any insurance coverage provided for the benefit of its members by the master association; and

any current or expected fees or charges, other than assessments by the master association, to be paid by members of the master association for the use of any facilities intended for the benefit of the members;

a statement as to whether the unit will be substantially completed at the time of conveyance to a purchaser, and, if not substantially completed, who is responsible to complete and pay for the construction of the unit;

copies of the following documents (which may be in proposed form if the declaration has not been recorded): the declaration and any supplemental declaration, and any amendments thereto (exclusive of the CIC plat); any other recorded covenants, conditions, restrictions, and reservations affecting the common interest community; the articles of incorporation, bylaws, and any rules or regulations of the association; the names of the current members of the association’s board of directors; any agreement excluding or modifying any implied warranties; any agreement reducing the statute of limitations for the enforcement of warranties; any contracts or leases to be signed by the purchaser at closing; and a description of any material contracts, leases, or other agreements affecting the common interest community; and

a balance sheet for the association, following the creation of the association, current within 90 days; a projected annual budget for the association; and a statement identifying the party responsible for the preparation of the budget. The budget shall assume that all units intended to be included in the common interest community, based upon the declarant’s good faith estimate, have been subjected to the declaration; provided, that additional budget portrayals based upon a lesser number of units are permitted. The budget shall include, without limitation:

a statement of the amount included in the budget as a reserve for replacement, the components of the common interest community for which the reserves are budgeted, and the amounts of the reserves, if any, that are allocated for the replacement of each of those components;

a statement of any other reserves;

the projected common expense for each category of expenditures for the association;

the projected monthly common expense assessment for each type of unit; and

a statement as to the components of the common interest community whose replacement will be funded by assessments under section 515B.3-115(c) or (e), rather than by replacement reserves as approved pursuant to section 515B.3-114(a).
If, based upon the association’s then-current budget, the monthly common expense assessment for the unit at the time of conveyance to the purchaser is anticipated to exceed the monthly assessment stated in the budget, a statement to such effect shall be included.

(b) A declarant shall promptly amend the disclosure statement to reflect any material change in the information required by this chapter.

(c) The master association, within ten days after a request by a declarant, a holder of declarant rights, or a buyer referred to in section 515B.4-101(e), or the authorized representative of any of them, shall furnish the information required to be provided by subsection (a)(20). A declarant or other person who provides information pursuant to subsection (a)(20), is not liable to the buyer for any erroneous information if the declarant or other person: (i) is not an affiliate of or related in any way to a person authorized to appoint the master association board pursuant to section 515B.2-121(c)(3), and (ii) has no actual knowledge that the information is incorrect.

(d) This section applies only to common interest communities created on or after August 1, 2010.

History

2011 c 116 art 2 s 19.
515B.4-103 COMMON INTEREST COMMUNITIES SUBJECT TO RIGHTS TO ADD ADDITIONAL REAL ESTATE

If the declaration provides that a common interest community is subject to any rights to add additional real estate:

(1) the disclosure statement shall include the following notice:

"The following notice is required by Minnesota Statutes. The declarant has reserved in the declaration certain rights to add additional real estate. These rights allow a declarant to add units or common elements to a 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 units or rights of 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 may affect the value or utility of the units. A purchaser of units in this common interest community should consider the possible effects of the declarant’s rights reserved for this project"; and

(2) the disclosure statement shall include, in addition to the information required by section 515B.4-102, a statement referencing the provisions of the declaration where rights to add additional real estate are reserved.

History

1993 c 222 art 4 s 3.
Minn. Stat. § 515B.4-104

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515B.4-104 TIME SHARES

If the declaration permits time shares, the disclosure statement shall contain or disclose, in addition to the information required by sections 515B.4-102 and 515B.4-103:

(1) the unit identifiers of the units in which time shares may be created;
(2) the total number of time shares that may be created;
(3) the minimum duration of any time shares that may be created;
(4) the extent to which the creation of time shares will or may affect the enforceability of the association’s lien for assessments provided in section 515B.3-116;
(5) a statement as to whether the time share interest is a fixed time period in a designated unit or if either the time period or unit may vary;
(6) copies of all organizational documents, contracts, leases and other documents affecting the time share association or the time shares, or the purchaser’s rights therein;
(7) any state or federal ruling or nonaction letter regarding the classification of the time shares as a security or a statement that there is no ruling or nonaction letter;
(8) a statement as to whether the time share is registered with the state under the Subdivided Land Sales Act or with the federal government under the Interstate Land Sales Act and, if the time share is so registered, a copy of the public offering statement or other disclosure document required by those acts; and
(9) if the time share owners are to be permitted or required to become members of or to participate in a program for the exchange of occupancy rights among themselves or with the owners of time shares in other projects or both, a general description of the program.

History

1993 c 222 art 4 s 4; 2010 c 267 art 4 s 3.

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515B.4-105 COMMON INTEREST COMMUNITY WITH BUILDING ONCE OCCUPIED

The disclosure statement for a common interest community containing any building that was at any time before the creation of the common interest community wholly or partially occupied, for any purpose, by persons other than purchasers or persons who occupied with the consent of purchasers, shall contain, in addition to the information required by sections 515B.4-102, 515B.4-103 and 515B.4-104:

(1) a professional opinion prepared by a registered professional architect or engineer, licensed in this state, describing the current condition of all structural components and mechanical, electrical, and plumbing installations material to the use and enjoyment of the building, to the extent reasonably ascertainable without disturbing the improvements or dismantling the equipment, which will be in place or be operational at the time of conveyance of the first unit to a person other than a declarant. Subject to such reasonable accessibility, the opinion shall include, at a minimum, the following information concerning the following components and installations: (i) the composition and condition of all roofs, (ii) the type of building frame and its condition, (iii) the composition and condition of exterior walls, (iv) whether any building foundation, or any exterior walls or exposed load-bearing components, show significant spalling, buckling, shearing, or other obvious settling, damage, or load distress, (v) the type, composition, and condition of exterior walls, (vi) the type, composition, and condition of predominant window and door systems, (vii) the condition of any furnaces or boilers, (viii) the stated capacity of common electrical service, (ix) the type and condition of any common elevator system serving any building, and (x) evidence of water damage within any building and any apparent source of the damage;

(2) a statement of the remaining useful life of each item reported on in paragraph (1) or a statement that no representations are made in that regard as to some or all of the items;

(3) a list of any outstanding notices of uncured violations of building code or other municipal regulations, together with the estimated cost of curing those violations.

(4) the approximate age of each building and the approximate date of any major alterations or additions thereto; and

(5) a statement as to which, if any, of the components or installations reported on in clause (1) has been replaced or will be replaced prior to the recording of the declaration and the approximate date when the replacement occurred or will occur.

History

1993 c 222 art 4 s 5; 2005 c 121 s 36; 2010 c 267 art 4 s 4.
Minn. Stat. § 515B.4-106

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.4-106 PURCHASER’S RIGHT TO CANCEL

(a) A person required to deliver a disclosure statement pursuant to section 515B.4-101(b) shall provide at least one of the purchasers of the unit with a copy of the disclosure statement and all amendments thereto before conveyance of the unit. If a purchaser is not given a disclosure statement more than ten days before execution of the purchase agreement, the purchaser may, before conveyance, cancel the purchase agreement within ten days after first receiving the disclosure statement. If a purchaser is given the disclosure statement more than ten days before execution of the purchase agreement, the purchaser may not cancel the purchase agreement pursuant to this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the disclosure statement. The person required to deliver a disclosure statement may not condition the sale of the unit on the purchaser agreeing to modify or waive the purchaser's ten-day right of rescission, may not contractually obligate the purchaser to modify or waive the purchaser’s ten-day right of rescission, and may not include a modification or waiver of the ten-day right of rescission in any purchase agreement for the unit. To be effective, a modification or waiver of a purchaser’s ten-day right of rescission must be evidenced by an instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the disclosure statement.

(b) If an amendment to the disclosure statement materially and adversely affects a purchaser, then the purchaser shall have ten days after delivery of the amendment to cancel the purchase agreement in accordance with this section. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the amendment. To be effective, a modification or waiver of a purchaser’s ten-day right of rescission under this section must be evidenced by a written instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the amendment.

(c) If a purchaser elects to cancel a purchase agreement pursuant to this section, the purchaser may do so by giving notice thereof pursuant to section 515B.1-115. Cancellation is without penalty, and all payments made by the purchaser before cancellation shall be refunded promptly. Notwithstanding anything in this section to the contrary, the purchaser’s cancellation rights under this section terminate upon the purchaser’s acceptance of a conveyance of the unit.

(d) If a declarant obligated to deliver a disclosure statement fails to deliver to the purchaser a disclosure statement which substantially complies with this chapter, the declarant shall be liable to the purchaser in the amount of $5,000, in addition to any damages or other amounts recoverable under this chapter or otherwise. Any action brought under this subsection shall be commenced within the time period specified in section 515B.4-115, subsection (a).
History
1993 c 222 art 4 s 6; 1999 c 11 art 2 s 27; 2000 c 260 s 78; 2004 c 203 art 1 s 7; 2005 c 121 s 37; 1Sp2005 c 7 s 23; 2010 c 267 art 4 s 5.
Minn. Stat. § 515B.4-107

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515B.4-107 RESALE OF UNITS

(a) In the event of a resale of a unit by a unit owner other than a declarant, unless exempt under section 515B.4-101(c), the unit owner shall furnish to a purchaser, before execution of any purchase agreement for a unit or otherwise before conveyance, the following documents relating to the association or to the master association, if applicable:

1. copies of the declaration (other than any CIC plat), the articles of incorporation and bylaws, any rules and regulations, and any amendments or supplemental declarations;
2. copies of the master declaration, articles of incorporation, bylaws, and rules and regulations, if the common interest community is subject to a master declaration; and
3. a resale disclosure certificate from the association dated not more than 90 days prior to the date of the purchase agreement or the date of conveyance, whichever is earlier, containing the information set forth in subsection (b).

(b) The resale disclosure certificate must be in substantially the following form:

COMMON INTEREST COMMUNITY
RESALE DISCLOSURE CERTIFICATE

Name of Common Interest Community: ____________________
Name of Association: ____________________
Address of Association: ____________________Unit Number(s) (include principal unit and any garage, storage, or other auxiliary units):

Common elements licensed under Minnesota Statutes, section 515B.2-109(e):

____________________
____________________

The following information is furnished by the association named above according to Minnesota Statutes, section Previous 515B.4-107.

1. There is no right of first refusal or other restraint on the free alienability of the above unit(s) contained in the declaration, bylaws, rules and regulations, or any amendment to them, except as follows:

____________________
____________________
____________________

2. The following periodic installments of common expense assessments and special assessments are payable with respect to the above unit(s):
Minn. Stat. § 515B.4-107

a. Annual assessment installments: $ _____________Due: _____________________

b. Special assessment installments: $ _____________Due: _____________________

c. Unpaid assessments, fines, or other charges:

(1) Annual $ _____________

(2) Special $ _____________

(3) Fines $ _____________

(4) Other Charges $ _____________

d. The association has/has not (strike one) approved a plan for levying certain common expense assessments against fewer than all the units according to Minnesota Statutes, section 515B.3-115, subsection (e). If a plan is approved, a description of the plan is attached to this certificate.

3. In addition to the amounts due under paragraph 2, the following additional fees or charges other than assessments are payable by unit owners (include late payment charges, user fees, etc.): ____________________

4. There are no extraordinary expenditures approved by the association, and not yet assessed, for the ____________________ current and two succeeding fiscal years, except as follows:

________________________________________

5. The association is obligated to replace the following components of the common interest community:

________________________________________

The association has the following amounts in its reserves for replacement of those components:

________________________________________

The replacement of the following components is funded by assessments levied only against the unit or units served by the component, pursuant to Minnesota Statutes, section 515B.3-115(e)(1) or (2).

________________________________________
6. The following documents are furnished with this certificate according to statute:
   a. The most recent regularly prepared balance sheet and income and expense statement of the association.
   b. The current budget of the association.

7. There are no unsatisfied judgments against the association, except as follows (identify creditor and ________________ amount):

8. There are no pending lawsuits to which the association is a party, except as follows (identify and ________________ summarize status):

9. Description of insurance coverages:
   a. The association provides the following insurance coverage for the benefit of unit owners: (Reference may be made to applicable sections of the declaration or bylaws; however, any additional coverages should be described in this space)

   b. The following described fixtures, decorating items, or construction items within the unit referred to in Minnesota Statutes, section 515B.3-113, subsection (b), are insured by the association (check as applicable):

      ............................................ Ceiling or wall finishing materials

      ............................................ Finished flooring

      ............................................ Cabinetry

      ............................................ Finished millwork

      ............................................ Electrical, heating, ventilating, and air conditioning equipment, or plumbing fixtures serving a single unit

      ............................................ Built-in appliances

      ............................................ Improvements and betterments as originally constructed

      ............................................ Additional improvements and betterments installed by unit owners
10. The board of directors of the association has not notified the unit owner (i) that any alterations or improvements to the unit or to the limited common elements assigned to it violate any provision of the declaration; or (ii) that the unit is in violation of any governmental statute, ordinance, code, or regulation, except as follows:

____________________

11. The remaining term of any leasehold estate affecting the common interest community and the premises governing any extension or renewal of it are as follows:

____________________

12. This Resale Disclosure Certificate is given in connection with the resale of a unit by a unit owner who is not a declarant and who, therefore, is not liable for express warranties under Minnesota Statutes, section 515B.4-112, or implied warranties under Minnesota Statutes, section 515B.4-113. The conveyance of this unit may, however, result in a transfer of preexisting warranties made by a declarant under the referenced statutes, subject to the terms of Minnesota Statutes, sections 515B.4-114 and 515B.4-115.

13. In addition to the above, the following matters affecting the occupancy or use of the unit, or the unit owner's obligations with respect to the unit, are deemed material:

____________________

I hereby certify that the foregoing information and statements are true and correct as of __________________________

________________________________________
(Date)

By: __________________________
Title: __________________________
(Association representative)

Address: __________________________
Phone Number __________________________

RECEIPT In addition to the foregoing information furnished by the association, the unit owner is obligated to furnish to the purchaser before execution of any purchase agreement for a unit or otherwise before conveyance, copies of the following documents relating to the association or to the master association (as applicable): the declaration (other than any common interest community plat), articles of incorporation, bylaws, rules and regulations (if any), and any amendments to these documents. Receipt of the foregoing documents, and the resale disclosure certificate, is acknowledged by the undersigned buyer(s).

Dated: __________________________
________________________________________
(Buyer)

________________________________________
(Buyer)

(c) If the common interest community is subject to a master declaration and governed by a master association to which has been delegated any of the association’s powers under section
515B.3-102(a)(2), then the financial information required to be disclosed under subsection (b) may be disclosed on a consolidated basis.

(d) The association, within ten days after a request by a unit owner, or the unit owner’s authorized representative, shall furnish the certificate required in subsection (a). The association may charge a reasonable fee for furnishing the certificate and any association documents related thereto. A unit owner providing a certificate pursuant to subsection (a) is not liable to the purchaser for any erroneous information provided by the association and included in the certificate. A unit owner who has acquired title to a unit pursuant to section 515B.3-104 including, but not limited to, a unit owner who has acquired title through foreclosure or a deed in lieu of foreclosure, must indicate to the association in connection with a request for a resale disclosure certificate whether the requesting unit owner is or is not a declarant. The unit owner, not the association, is liable for any damage, loss, or other consequence arising out of the incorrect representation of its declarant status.

(e) A purchaser is not liable for any unpaid common expense assessments, including special assessments, if any, not set forth in the certificate required in subsection (a). A purchaser is not liable for the amount by which the annual or special assessments exceed the amount of annual or special assessments stated in the certificate for assessments payable in the year in which the certificate was given, except to the extent of any increases subsequently approved in accordance with the declaration or bylaws. A unit owner is not liable to a purchaser for the failure of the association to provide the certificate, or a delay by the association in providing the certificate in a timely manner.

History

1993 c 222 art 4 s 7; 1999 c 11 art 2 s 28; 2000 c 450 s 5; 2005 c 121 s 38; 2010 c 267 art 4 s 6.
Minn. Stat. § 515B.4-108

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515B.4-108 PURCHASER’S RIGHT TO CANCEL RESALE

(a) Unless a purchaser is given the information required to be delivered by section 515B.4-107, more than ten days prior to the execution of the purchase agreement for the unit the purchaser may, prior to the conveyance, cancel the purchase agreement within ten days after receiving the information. The ten-day rescission period may be modified or waived, in writing, by agreement of the purchaser of a unit only after the purchaser has received and had an opportunity to review the information required to be delivered by section 515B.4-107. The person required to deliver the information required to be delivered by section 515B.4-107 may not condition the sale of the unit on the purchaser agreeing to modify or waive the purchaser’s ten-day right of rescission, may not contractually obligate the purchaser to modify or waive the purchaser’s ten-day right of rescission, and may not include a modification or waiver of the ten-day right of rescission in any purchase agreement for the unit. To be effective, a modification or waiver of a purchaser’s ten-day right of rescission must be evidenced by an instrument separate from the purchase agreement signed by the purchaser more than three days after the purchaser receives the resale disclosure certificate.

(b) A purchaser who elects to cancel a purchase agreement pursuant to subsection (a), may do so by hand delivering notice thereof or mailing notice by postage prepaid United States mail to the seller or the agent. Cancellation is without penalty and all payments made by the purchaser shall be refunded promptly.

History

1993 c 222 art 4 s 8; 1999 c 11 art 2 s 29; 2004 c 203 art 1 s 8; 2005 c 121 s 39; 1Sp2005 c 7 s 24; 2010 c 267 art 4 s 7.

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Minn. Stat. § 515B.4-109

ESCROW DEPOSITS

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 insurer or agent thereof, an attorney representing either the declarant or the purchaser, a licensed real estate broker, an independent bonded escrow company, or a governmental agency or instrumentality. 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.

History

1993 c 222 art 4 s 9; 2005 c 121 s 40; 2014 c 198 art 4 s 25.
Minn. Stat. § 515B.4-110

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515B.4-110 OBLIGATION TO RELEASE LIENS

(a) In the case of a transfer of a unit where a disclosure statement is required, the declarant, before conveying the unit, shall:

(1) record or furnish to the purchaser recordable releases of all liens, the foreclosure of which could deprive the unit owner of title to or occupancy of the unit, that the purchaser does not agree in writing to take subject to or assume, that encumber:

(i) in a condominium, that unit and its common element interest, and

(ii) in a cooperative or planned community, that unit and any common elements; or

(2) if the purchaser agrees in writing, provide the purchaser with a surety bond, substitute collateral or title insurance assuring against loss or damage from the enforcement of the lien.

(b) Before conveying real estate to the association, the declarant shall have the real estate released from: (1) all liens the foreclosure of which would deprive unit owners of any material right of access to a unit or any material easements appurtenant to a unit, and (2) all other liens on that real estate, unless the disclosure statement specifically states that the declarant may convey the real estate to the association subject to liens and discloses the maximum amount and all other relevant terms of the lien.

History

1993 c 222 art 4 s 10; 2010 c 267 art 4 s 8.

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515B.4-111 CONVERSION PROPERTY

(a) A unit owner of a unit occupied for residential use in a common interest community containing conversion property shall not, for a period of one year following the recording of the declaration creating the common interest community, require any occupant of the unit to vacate the unit unless the unit owner gives notice to the occupant in the manner described in this section. The notice shall be given no later than 120 days before the occupant is required to vacate the unit. The notice shall be sufficient as to all occupants of a unit if it is hand delivered or mailed to the unit to be vacated, addressed to the occupants thereof. If the holder of the lessee’s interest in the unit has given the unit owner an address different than that of the unit, then the notice shall also be given to the holder of the lessee’s interest at the designated address. The notice shall comply with the following requirements:

(1) The notice shall set forth generally the rights conferred by this section.

(2) The notice shall have attached a form of purchase agreement setting forth the proposed terms of sale of the unit to the holder of the lessee’s interest as contemplated by subsection (d) and a statement of any significant restrictions imposed by the declaration on the use and occupancy of the unit.

(3) The notice shall state that the occupants of the residential unit may demand to be given 60 additional days before being required to vacate, if any of them, or any person residing with them, is (i) 62 years of age or older, (ii) a person with a disability as defined in section 268A.01, or (iii) a minor child on the date the notice is given. This demand must be in writing, contain reasonable proof of qualification, and be given to the declarant within 30 days after the notice of conversion is delivered or mailed.

(4) The notice shall be contained in an envelope upon which the following shall be boldly printed: “Notice of Conversion.”

(b) Notwithstanding subsection (a), an occupant may be required to vacate a unit upon less than 120 days’ notice by reason of nonpayment of rent, utilities or other monetary obligations, violations of law, waste, or conduct that disturbs other occupants’ peaceful enjoyment of the premises. The terms of the tenancy may not be altered during the notice period, except that the holder of the lessee’s interest or other party in possession may vacate and terminate the tenancy upon one month’s written notice to the declarant. Nothing in this section prevents the unit owner and any occupant from agreeing to a right of occupancy on a month-to-month basis beyond the 120-day notice period, or to an earlier termination of the right of occupancy.

(c) No repair work or remodeling may be commenced or undertaken in the occupied units or common areas of the building during the notice period, unless reasonable precautions are taken to ensure the safety and security of the occupants.

(d) For 60 days after delivery or mailing of the notice described in subsection (a), the holder of the lessee’s interest in the unit on the date the notice is mailed or delivered shall have an option to purchase that unit on the terms set forth in the purchase agreement attached to the
notice. The purchase agreement shall contain no terms or provisions which violate any state or federal law relating to discrimination in housing. If the holder of the lessee’s interest fails to sign a binding purchase agreement for the unit during that 60-day period, the unit owner may not offer to dispose of an interest in that unit during the following 180 days at a price or on terms more favorable to the offeree than the price or terms offered to the holder. This subsection and subsection (a)(2) do not apply to any unit in a conversion property if that unit will be restricted exclusively to nonresidential use or if the boundaries of the converted unit do not substantially conform to the boundaries of the residential unit before conversion.

(e) If a unit owner, in violation of subsection (b), conveys a unit to a purchaser for value who has no knowledge of the violation, the recording of the deed conveying the unit or, in a cooperative, the conveyance of the right to possession of the unit, extinguishes any right a holder of a lessee’s interest who is not in possession of the unit may have under subsection (d) to purchase that unit, but the conveyance does not affect the right of the holder to recover damages from the unit owner for a violation of subsection (d).

(f) If a notice described in subsection (a) specifies a date by which a unit or proposed unit must be vacated or otherwise complies with the provisions of chapter 504B, the notice also constitutes a notice to vacate specified by that statute.

(g) An occupant of space for residential use in a conversion property shall not have any of the rights set out in this section or under any municipal ordinance if the holder of the lessee’s interest in the space received written notice of intent to convert to a common interest community (i) before signing a lease or a lease renewal or before occupying the space and (ii) less than two years before the common interest community is created.

(h) A notice of intent to convert to a common interest community shall identify the conversion property by both legal description and street address and state that (i) the declarant intends to convert the property to a planned community, condominium, or cooperative form of common interest community, specifying the intended form, and (ii) persons entering into leases subsequent to the receipt of the notice of intent to convert will not have the rights available to an occupant or a person holding the lessee’s interest under this section.

(i) Nothing in this section permits a unit owner to terminate a lease in violation of its terms.

(j) Failure to give notice as required by subsection (a) is a defense to an action for possession.

History

1993 c 222 art 4 s 11; 1999 c 11 art 2 s 30; 1999 c 199 art 2 s 31; 2005 c 121 s 41; 2010 c 267 art 4 s 9.
Minn. Stat. § 515B.4-112

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30, 39, 43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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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.
Minn. Stat. § 515B.4-113

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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.

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Minn. Stat. § 515B.4-114

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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.
**Minn. Stat. § 515B.4-115**

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**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. (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. (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.

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Minn. Stat. § 515B.4-1151

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515B.4-1151 STATUTE OF LIMITATIONS FOR WARRANTIES; CIC CREATED ON OR AFTER AUGUST 1, 2010, AND BEFORE AUGUST 1, 2011

(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 12 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 signed by one purchaser of a unit shall be binding on any copurchasers of the unit, and successor purchasers’ successors and 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 a purchaser of the unit.

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

(1) as to a unit, at the earlier of the time of conveyance of any interest in the unit by a declarant to a bona fide purchaser, other than an affiliate of a declarant, or the time a purchaser enters into possession of the unit. As to a unit subject to time shares, a cause of action accrues upon the earlier of the conveyance of the unit or the conveyance of the first time share interest in the unit to a purchaser; and

(2) as to each common element, the latest of (i) the time the common element is completed; (ii) the time the first interest in a unit in the common interest community is conveyed to a bona fide purchaser, or, if the common element is located on property that was additional real estate, at the time the first interest in a unit created thereon 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 implicitly extends, whichever is earlier.

(e) This section applies only to common interest communities created on or after August 1, 2010, and before August 1, 2011.

History

2011 c 116 art 2 s 21.
Minn. Stat. § 515B.4-1152

This document is current through Act Chapter 72, except for Chapters 5, 7, 9, 21, 25, 30,39,43-45, 52, 54, 55, 57, 58, 60, 65, and 68-71 of the 2015 Regular Session

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515B.4-1152 STATUTE OF LIMITATIONS FOR WARRANTIES; CIC CREATED ON OR AFTER AUGUST 1, 2011

(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 12 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 signed by one purchaser of a unit shall be binding on any copurchasers of the unit. If an agreement reducing the period of limitations is recorded in compliance with applicable law, the agreement is binding on the purchaser's and copurchaser's successors in title to the unit. 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 a purchaser of the unit.

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

(1) as to a unit, at the earlier of the time of conveyance of any interest in the unit by a declarant to a bona fide purchaser, other than an affiliate of a declarant, or the time a purchaser enters into possession of the unit. As to a unit subject to time shares, a cause of action accrues upon the earlier of the conveyance of the unit or the conveyance of the first time share interest in the unit to a purchaser; and

(2) as to each common element, the latest of (i) the time the common element is completed; (ii) the time the first interest in a unit in the common interest community is conveyed to a bona fide purchaser, or, if the common element is located on property that was additional real estate, at the time the first interest in a unit created thereon 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 on or after August 1, 2011.

History

2011 c 116 art 2 s 22.

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**Minn. Stat. § 515B.4-116**

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**515B.4-116 RIGHTS OF ACTION; ATTORNEY’S FEES**

(a) In addition to any other rights to recover damages, attorney’s fees, costs or expenses, whether authorized by this chapter or otherwise, if a declarant, an association, or any other person violates any provision of this chapter, or any provision of the declaration, bylaws, or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. The association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) The court may award reasonable attorney’s fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(c) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

**History**

1993 c 222 art 4 s 16; 2010 c 267 art 4 s 11.

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515B.4-117 LABELING OF PROMOTIONAL MATERIAL

No promotional material may be displayed or delivered to prospective purchasers which describes or portrays an improvement that is not in existence unless the description or portrayal of the improvement in the promotional material is conspicuously labeled or identified either as “MUST BE BUILT” or as “NEED NOT BE BUILT.”

History

1993 c 222 art 4 s 17.
Minn. Stat. § 515B.4-118

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515B.4-118 DECLARANT’S OBLIGATION TO COMPLETE AND RESTORE

(a) Except for improvements labeled “NEED NOT BE BUILT,” the declarant shall complete all improvements depicted on any CIC plat prepared pursuant to section 515B.2 110, whether or not the plat is contained in the disclosure statement.

(b) The declarant is liable for the prompt repair and restoration of any portion of the common interest community damaged by the declarant’s exercise of any special declarant rights.

History

1993 c 222 art 4 s 18.

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