

DISCLOSURE STATEMENT

FOR

Eagle Ridge Estates

A Residential Condominium Project

located in

Independence Twp, Michigan

Eagle Ridge Estates is a, (73) Unit residential site condominium located in Independence Township, Oakland County, Michigan.

THIS DISCLOSURE STATEMENT IS NOT REQUIRED TO HAVE BEEN, AND HAS NOT BEEN FILED WITH THE OFFICE OF FINANCIAL AND INSURANCE REGULATION OF THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48913, NOR HAS THE OFFICE OF FINANCIAL AND INSURANCE REGULATION UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE CONDOMINIUM PROJECT OR TO MAKE ANY RECOMMENDATIONS OR COMMENTS ON THE CONDOMINIUM PROJECT.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER APPLICABLE LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL SUCH DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING THERETO.

ANY PURCHASER HAVING QUESTIONS PERTAINING TO THE LEGAL ASPECTS OF THE PROJECT IS ADVISED TO CONSULT HIS OR HER OWN LAWYER OR OTHER PROFESSIONAL ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.

Developer and	Clearview Homes, LLC
Seller	a Delaware limited liability
	445 S. Livernois Suite 326
	Rochester Hills, Michigan 48307

TABLE OF CONTENTS

DESCRIPTION	PAGE
I. <u>INTRODUCTION</u>	1
II. <u>THE LEGAL CONCEPT OF CONDOMINIUMS</u>	1
A. <u>General</u>	1
B. <u>Condominium Building Sites</u>	2
C. <u>Other Information</u>	2
III. <u>DESCRIPTION OF THE CONDOMINIUM PROJECT</u>	2
A. <u>Size, Scope and Physical Characteristics of the Project</u>	2
B. <u>Utilities</u>	3
C. <u>Roads</u>	3
D. <u>Reserved Rights of Developer; Assignment</u>	3
IV. <u>Condominium Documents</u>	8
A. <u>General</u>	8
B. <u>Master Deed</u>	8
C. <u>Bylaws</u>	9
D. <u>Condominium Subdivision Plan</u>	9
E. <u>Articles of Incorporation</u>	9
V. <u>THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS</u>	9
A. <u>Developers' Background and Experience</u>	9
B. <u>Brokers</u>	9
C. <u>Builder</u>	9
D. <u>Legal Proceedings Involving the Condominium Project or the Developer</u>	9
VI. <u>OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT</u>	9

A.	<u>The Condominium Association</u>	9
B.	<u>Percentages of Value</u>	10
C.	<u>Project Finances</u>	10
D.	<u>Management of Condominium</u>	11
E.	<u>Insurance</u>	11
F.	<u>Restrictions on Ownership, Occupancy and Use</u>	12
VII.	<u>RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND OWNERS</u>	14
A.	<u>Before Closing</u>	14
B.	<u>At Closing</u>	14
C.	<u>After Closing</u>	15
VIII.	<u>PURPOSE OF DISCLOSURE STATEMENT</u>	15
IX.	<u>Appendix I</u>	16

DISCLOSURE STATEMENT

(Eagle Ridge Estates)

I. INTRODUCTION.

Under Michigan law, a developer or a residential builder which sells a condominium unit must provide the purchaser with copies of the legal documents required for the creation and operation of the condominium project as well as a Disclosure Statement that describes the significant characteristics of the condominium project. This Disclosure Statement is with respect to the condominium project commonly known as **Eagle Ridge Estates** (the "Condominium Project" or "Project"). This Statement, along with the legal documents referred to above, constitutes the only description of **Eagle Ridge Estates** authorized by the Developer. To the extent any sales or promotional literature varies from this Disclosure Statement, the contents of this Disclosure Statement shall be deemed controlling.

II. THE LEGAL CONCEPT OF CONDOMINIUMS.

A. General. A condominium is a legal means for dividing, describing and owning real property. A Unit in a condominium has the same legal attributes as any other form of real property under Michigan law. A condominium may be sold, mortgaged or leased subject only to such restrictions as are contained in the condominium documents ("Condominium Documents") and as otherwise may be applicable to the property.

Each Co-Owner receives a deed to his or her individual condominium unit ("Unit"). Each Co-Owner owns, in addition to his or her Unit, an undivided interest in the other components ("common elements") of the Project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium Units. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to his or her Unit in the Master Deed described in Section IV of this Disclosure Statement.

All portions of the Project not included within the Units constitute the common elements. Limited common elements are those common elements that are set aside for use by less than all the Unit owners. General common elements are all common elements other than limited common elements.

The Project is administered generally by a non-profit corporation (similar to a homeowner's association) of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Section VI of this Disclosure Statement.

Except for the year in which the Project is established, real property taxes and assessments are levied individually against each Unit in the Project. The separate taxes and assessments cover the Unit and its proportionate share of the common elements. No taxes or assessments are levied independently against the common elements. In the year in which the Project is established, the taxes and assessments for the Units covered by the Master Deed or any amendment thereto usually are billed to the Association and are paid by the owners of such Units in proportion to the percentages of value assigned to the Units owned by them.

B. Condominium Building Sites. Eagle Ridge Estates is a site condominium and differs from the more traditional form of condominium because the condominium Units in this Project consist of only the individual building sites, and the common elements generally do not include the buildings and other improvements to be constructed on the sites. Each condominium Unit consists of the space contained within the Unit boundaries, as shown in the Condominium Subdivision Plan attached to the Master Deed as Exhibit "B." In the more traditional form of condominium Project, the Units consist of the air space enclosed within each of the buildings, and the common elements include the exterior structural components of the buildings. In Eagle Ridge Estates, each owner holds an absolute and undivided title to his or her Unit and to the single-family house (the "Residence") and other improvements located thereon (to the extent such improvements are not designated in the Master Deed as common elements). Each Unit owner is generally responsible for all construction, decoration, maintenance, repair and replacement of the Residence and other improvements located on his or her Unit. Unlike more traditional condominium projects, each owner in this Project will be responsible for maintaining fire and extended coverage insurance on his or her Unit and the Residence and other improvements located within it, as well as personal property, liability and other personal insurance coverage. The Association will maintain only liability insurance coverage for occurrences on the common elements and such other insurance on the common elements and otherwise as is specified in the Condominium Documents.

C. Other Information. Although the foregoing is generally accurate as applied to most condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to review carefully all of the documents contained in the Eagle Ridge Estates Purchaser Information Book as well as any other documents delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the Project is advised to consult his or her own lawyer or other professional advisor.

III. DESCRIPTION OF THE CONDOMINIUM PROJECT.

A. Size, Scope and Physical Characteristics of the Project. Eagle Ridge Estates is a three phase, ninety (90) Unit residential site condominium located in Independence Township, Oakland County Michigan. Phase I has been designated as units 1-49. If and when complete, the Project will consist of a total of (171) building sites. Each building site is a separate residential condominium Unit, together with the roadways and other improvements provided for common use by the owners of the Units.

B. Utilities. Eagle Ridge Estates is served by a public water, sanitary sewers, storm sewers, gas, electric, and telephone service.

- (1) Electrical service will be furnished by DTE.
- (2) Gas service will be furnished by Consumers Energy.
- (3) Telephone service will be provided by Comcast and ATT.
- (4) All utilities, other than utilities provided to service the common elements, will be separately metered for payment by the individual Unit owners.
- (5) Water furnished to the common elements, if applicable, such as for irrigation of the general common elements, will be billed directly to the Association.
- (6) The portion of the sanitary sewer system, located within the Project up to a Unit's boundary is a general common element, and will be maintained, repaired, and replaced at the cost of the Association. The portion of the sanitary sewer system located within the boundary of a Unit is a limited common element and will be maintained, repaired, and replaced at the cost of the Unit owner. Alternatively, the Developer may dedicate the sanitary sewer system to the Independence Township or such other appropriate public authority.
- (7) Potable Water shall be provided by a public water, system operated by the Independence Township Water System. Water mains, to the extent not dedicated to and accepted by a public authority, shall be general and limited common elements, maintained in the same manner as the sanitary sewer system described above.
- (8) Cable television service is generally available in Independence Township. The cable wiring has been (or is intended to be) installed in the Project.
- (9) All storm sewer lines and drainage facilities located within the Project will be maintained and repaired by the Association at the Association's cost.

C. Roads. The roads within Eagle Ridge Estates are private roads designated as general common elements, and will be maintained, repaired, replaced, and resurfaced (including without limitation, snow removal), by the Association, except for drives and parking areas, if any, located within the boundaries of the Units, which will be maintained by the Co-Owners of the Units.

D. Reserved Rights of Developer; Assignment. Certain rights have been reserved to Developer under the Master Deed and Bylaws. A summary of the rights reserved is set forth below. However, each purchaser should review the rights reserved in the Master Deed and Bylaws to assure a complete understanding of those rights. Developer has reserved the right to assign (in whole or in part) some or all of these rights.

(1) Modification or Relocation of Units. Developer may, in its sole discretion, and without obtaining the consent of any other person whatsoever (including Co-owners and mortgagees of Units), during the Construction and Sales Period, modify the size, boundaries, location, and configuration of Units and/or General or Limited Common Elements appurtenant or geographically proximate to any Units as described in the Condominium Subdivision Plan attached hereto as Exhibit B or any recorded amendment or amendments thereof, subject to the requirements of any governmental authority having jurisdiction over the Project, and further subject to Section 10.1 of this Master Deed.

(2) Right to Construct Amenities. Developer reserves the right to construct various amenities, including, by way of example, entranceway monuments, street signs and other signage, foot bridges, jogging or walking paths, nature trails, detention pond areas, landscaping features, fences, walls, benches, tables, and other structures and improvements anywhere within the General Common Elements and Limited Common Elements (the foregoing amenities shall be collectively referred to as the "Amenities").

(3) Contraction of Project. As of the date this Master Deed is recorded, Developer intends to establish a Project consisting of forty-nine (49) Units on the land described in Article II. Developer reserves the right, however, to establish a Project consisting of fewer Units than described above within the land described in Article II and to withdraw from the Project all or some portion of the land described in Article II or all or some portion of any Area of Development which has been incorporated within the Project. Therefore, notwithstanding anything to the contrary contained in the other provisions of this Master Deed, the number of Units in this Condominium Project may, at the option of Developer, from time to time, within a period ending no later than six (6) years from the date of recording this Master Deed, be contracted to any number determined by the Developer in its sole judgment, but in no event shall the number of Units be less than two (2).

(4) Right to Amend. In addition to the rights of amendment provided to Developer in the various Articles of this Master Deed, Developer may, prior to the expiration of the Construction and Sales Period, and without the consent of any Co-owner, mortgagee or any other person, amend this Master Deed and the Condominium Subdivision plan attached as Exhibit B in order to correct survey or other errors made in such documents and to make such other amendments to such instruments and to the Bylaws attached hereto as Exhibit A that do not materially affect the rights of any Co-owners or mortgagees in the Project, including, but not limited to, amendments for the purpose of facilitating conventional mortgage loan financing for existing or prospective Co-owners and to enable the purchase or insurance of such mortgage loans by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Veterans Administration or the Department of Housing and Urban Veterans Administration or the Department of Housing and Urban Development, or by any other public or private mortgage insurer or any institutional participant in the secondary mortgage market.

(5) Conduct of Commercial Activities. Developer, its successors and assigns, agents and employees may maintain offices, model dwellings within Units, parking, storage areas and other

facilities within the Condominium Project as it deems necessary to facilitate the development and sale of the Project. Developer shall have such access to, from and over the Project as may be reasonable to enable the development and sale of the Condominium Project. Developer shall reasonably restore the facilities utilized by Developer upon termination of such use.

(6) General. In the condominium documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of units, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

(7) Enforcement of Bylaws. The Developer has reserved the right to enforce the Bylaws so long as the Developer owns any unit in the project.

Assignment. Any or all of the rights and powers granted or reserved to Developer in the Condominium Documents or by law, including the power to approve or disapprove any act, use or proposed action or any other matter or thing, may be assigned by Developer to and assumed by any other entity or to the Association. Any such assignment or transfer shall be made by appropriate instrument in writing duly recorded in the office of the Oakland County Register of Deeds.

E. Easements.

(1) **Easement for Utilities and Storm Water Drainage Facilities**. Developer reserves for itself, its successors and assigns, the Association, and the Township, perpetual easements to, through and over those portions of the land in the Project (including all Units) for the continuing maintenance, repair and restoration of all utilities in the Condominium, including, without limitation, a perpetual easement for the installation, maintenance, repair and replacement of the Storm Water Drainage Facilities. Developer reserves the right, without being required to obtain the consent of any Co-owner, mortgagee or other person who now or hereafter has any interest in the Condominium, to assign all or any portion of such easements to governmental units and to enter into maintenance agreements with respect thereto by the recordation of an appropriate amendment to this Master Deed and Exhibit B. All of the Co-owners and mortgagees of Units and other persons now or hereafter interested in the Condominium Project from time to time shall be deemed to have unanimously consented to any amendments to this Master Deed to effectuate the foregoing easements, assignment of easements or execution of any related maintenance agreement. All such interested persons irrevocably appoint the Developer as agent and attorney-in-fact to execute such amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

(2) **Utility Easements**. Developer reserves for itself and its agents, employees, representatives, guests, invitees, independent contractors, successors and assigns perpetual easements to utilize, tap, tie into, extend and enlarge all utility improvements located within the Condominium Premises, including, but not limited to, gas, water, sewer, storm drainage, telephone, electrical, and telecommunications improvements as identified in the approved final site plan for the Project and all

plans and specifications approved by the Township, as well as any amendments thereto. If any portion of the Condominium Premises shall be disturbed by reason of the exercise of any of the rights granted to Developer, its successors or assigns under this Section 9.2(a), Developer shall restore the disturbed portion of the Condominium Premises to substantially the condition that existed prior to the disturbance. The Co-owners of this Condominium may be responsible from time to time for the payment of a proportionate share of said expenses, (to the extent said expenses are not paid by a governmental agency or public utility) which shall be determined by Developer in its reasonable discretion.

(3) **Additional Easements.** Developer reserves for itself and its agents, employees, representatives, guests, invitees, independent contractors, successors and assigns, the right, at any time prior to the expiration of the Construction and Sales Period to reserve, dedicate and/or grant public or private easements over, under and across the Condominium Premises for the construction, installation, repair, maintenance and replacement of rights-of-way, walkways, bicycle paths, nature trails, water mains, sanitary sewers, storm drains, retention basins, water wells serving Common Elements, electric lines, telephone lines, gas mains, cable television and other telecommunication lines and other public and private utilities, including all equipment, facilities and appurtenances relating thereto as identified in the approved final site plan for the Project and all plans and specifications approved by the Township, as well as any amendments thereto. Developer reserves the right to assign any such easements to governmental units or public utilities, and to enter into maintenance agreements with respect thereto. Any of the foregoing easements or transfers of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person who now or hereafter shall have any interest in the Condominium, by the recordation of an appropriate amendment to this Master Deed and Exhibit B hereto. All of the Co-owners and mortgagees of Units and other persons now or hereafter interested in the Condominium Project from time to time shall be deemed to have unanimously consented to any amendments of this Master Deed to effectuate the foregoing easements or transfers of title. All such interested persons irrevocably appoint Developer as agent and attorney to execute such amendments to the Master Deed and all other documents necessary to effectuate the foregoing.

(4) **Area of Future Development.** In the event that Developer, its successor or assigns, elects to establish all or a portion of the Area of Future Development as one or more separate projects as set forth in Section 6.3 of this Master Deed, Developer reserves for itself and its agents, employees, representatives, guests, invitees, independent contractors, successors and assigns, the right to reserve, dedicate and/or grant public or private easements over, under and across the Condominium Premises for the development and operation of such project(s), including, but not limited to: (1) easements for ingress and egress over all roads within the Condominium Project; (2) easements to tap, tie into and use all water mains, sanitary sewers, storm drains, retention basins, water mains, electric lines, telephone lines, gas mains, cable television and other telecommunication lines and other public and private utilities within the Condominium Premises, including all equipment, facilities and appurtenances relating thereto; (3) easements to enlarge, construct, install, repair, maintain and/or replace water mains, sanitary sewers, storm drains, retention basins, water mains, electric lines, telephone lines, gas mains, cable television and other telecommunication lines and other public and private utilities within the Condominium Premises, including all equipment, facilities and

{00828286.DOC}

appurtenances relating thereto; and (4) easements for the purpose of marketing the new project(s), including, but not limited to, an easement to construct and maintain anywhere within the Condominium Project one or more signs advertising condominium units in the new project(s) and the right to utilize any Unit owned by Developer or its affiliates as a model home and/or sales office for the new project(s).

(5) **Grant of Easements by Association.** The Association, acting through its lawfully constituted Board of Directors (including any Board of Directors acting prior to the Transitional Control Date) shall be empowered and obligated to grant such easements, licenses, rights-of-entry and rights-of-way over, under and across the Condominium Premises as are reasonably necessary or advisable for utility purposes, access purposes or other lawful purposes subject, however, to the approval of Developer during the Construction and Sales Period. No easements created under the Condominium Documents may be modified, nor may any of the obligations with respect to such easements be varied, without the consent of each person benefited or burdened thereby.

(6) **Easements for Maintenance, Repair and Replacement.** Developer, the Association and all public and private utilities shall have such easements over, under and across the Condominium Project, including all Units and Common Elements, as may be necessary to fulfill any installation, maintenance, repair, or replacement responsibilities which any of them are required or permitted to perform under the Condominium Documents, by law or as may be necessary to respond to any emergency. The foregoing easements include, without limitation, the right of the Association to obtain access to a Unit during reasonable hours and upon reasonable notice to inspect the dwelling and any improvements constructed within a Unit to ascertain that they have been designed and constructed in conformity with the standards imposed and/or specific approvals granted by Developer (during the Construction and Sales Period) and thereafter by the Association.

(7) **Telecommunications Agreements.** The Developer, during the Construction and Sales Period, and the Association, acting through its duly constituted Board of Directors, thereafter, shall have the power to grant such easements, licenses and other rights of entry, use and access and to enter into any contract or agreement, including wiring agreements, right-of-way agreements, access agreements and multi-unit agreements and, to the extent allowed by law, contracts for sharing of any installation or periodic subscriber service fees, as may be necessary, convenient or desirable to provide for telecommunications, videotext, broad band cable, satellite dish, earth antenna and similar services to the Project or any Unit therein. Notwithstanding the foregoing, in no event shall the Association enter into any contract or agreement or grant any easement, license or right of entry or do any other act which will violate any provision of any federal, state or local law or ordinance. Any and all sums paid by any telecommunications or other company or entity in connection with such service, including fees, if any, for the privilege of installing any telecommunications related equipment or improvements or sharing periodic subscriber service fees, shall be receipts affecting the administration of the Condominium Project within the meaning of the Act and shall be paid over to and shall be the property of the Developer during the Construction and Sales Period (unless assigned by the Developer to the Association) and the Association thereafter.

(8) **Association Assumption of Obligations.** The Association, on behalf of the Co-owners, shall assume and perform all of Developer's obligations under any easement pertaining to the Condominium Project or General Common Elements.

(9) **School Bus and Emergency Vehicle Access Easement.** Developer reserves for the benefit of the Township, any private or public school system, and any emergency service agency, an easement over all roads in the Condominium for use by the Township, private or public school busses, and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, school bus services, fire and police protection, ambulances and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-owners thereof.

(10) **Sign Easement.** Developer reserves for the benefit of itself, its successors and assigns, an easement to construct and maintain anywhere within the Project one or more signs advertising Condominium Units in the Project.

(11) **Declaration.** The Condominium Project is subject to and the beneficiary of the easements established by the Declaration and is otherwise subject to the terms of the Declaration.

(12) **Termination of Easements.** Developer reserves the right, during the Construction and Sales Period, to terminate and revoke any utility or other easement granted in or pursuant to this Master Deed at such time as the particular easement has become unnecessary. (This may occur, by way of illustration only, when a utility easement is relocated to coordinate development of property adjacent to the Condominium Project.) No easement for a utility may be terminated or revoked unless and until all Units served by it are adequately served by an appropriate substitute or replacement utility. Any termination or relocation of any such easement shall be affected by the recordation of an appropriate termination instrument, or, where applicable, amendment to this Master Deed in accordance with the requirements of the Act.

IV. CONDOMINIUM DOCUMENTS.

A. **General.** Eagle Ridge Estates was established as a condominium project pursuant to the Master Deed recorded in the Oakland County Records a copy of which is contained in Eagle Ridge Estates Information Book. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. **Master Deed.** The Master Deed contains the definitions of certain terms used in the Condominium Documents, the percentage of value assigned to each Unit in the Condominium Project, a general description of the Units and common elements included in the Project and a statement regarding the relative responsibilities for maintaining the common elements. Article IV of the Master Deed defines the common elements of the Project. Article VII provides for the contraction of the Condominium, Article VII provides for the expansion of the Condominium Project. Article IX contains a description of the easements and certain agreements pertaining to the Project (some of which are discussed in this Disclosure Statement). Article X covers the process of amending the Master Deed.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the Condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the Project. Article VI of the Bylaws contains certain restrictions upon the ownership, occupancy and use of the Project.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the Units and all of the common elements in the Project.

E. Articles of Incorporation of Homeowners Association. This entity was incorporated in 2021 for the purpose of administering and operation of the condominium.

EACH PURCHASER IS STRONGLY ENCOURAGED TO REVIEW THE MASTER DEED AND BYLAWS CAREFULLY.

V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS.

A. Developers' Background and Experience. The Developer, Clearview Homes, LLC is a Delaware limited liability company. It was founded in 2009 by its current President. Clearview Homes, LLC embarked on its first development project in 2012 at the Vineyards of Clarkston located in Independence Township. Clearview Homes, LLC has since gone on to develop The Orchards Hillcrest in Washington Township, Tyler Manor in Sterling Heights, Savannah Ridge Estates in Oxford Township, Scripser Park Estates in the Village of Oxford, Waldon Meadows in Orion Township and Fuhrmann Woods in Sterling Heights. Clearview Homes, LLC is the primary builder within these communities, along with many previously developed communities located in Oakland, Macomb and Livingston counties.

B. Brokers. The Units are being sold to a professional building company which will construct and sell homes to individual home buyers using the following Brokers: National Realty Centers, Birmingham, MI. and Casper Phillip Connolly, White Lake, MI.

C. Builder. Clearview Homes, LLC

D. Legal Proceedings Involving the Condominium Project or the Developer. The Developer is not presently aware of any current legal proceedings involving the Condominium Project or the Developer.

VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT.

A. The Condominium Association. The Eagle Ridge Estates Condominium Association is responsible for the management and maintenance of the project. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors. Initially, the Developer will select all of the Directors.

Within one hundred twenty (120) days from the sale of twenty-five (25%) percent of the units,
{00828286.DOC}

one of the board of directors will be selected by the non-developer owners and within one hundred twenty (120) days from the sale of seventy-five (75%) percent of the units, the non-developer owners will elect all of the Directors, except that the Developer will have the right to designate at least one director so long as it owns at least ten (10%) percent of the units in the project. Regardless of the number of units conveyed, fifty-four (54) months after the first sale, non-developer owners may elect directors in proportion to the number of units that they own.

An advisory committee of non-developer Co-owners shall be established either 120 days after conveyance of legal or equitable title to non-Developer Co-owners of 1/3 of the Units that may be created or 1 year after the initial conveyance of legal or equitable title to a non-Developer Co-owner of a Unit in the Project, whichever occurs first. The advisory committee shall meet with the Board of Directors for the purpose of facilitating communication and aiding the transition of control to the Association. The advisory committee shall cease to exist when a majority of the Board of Directors of the Association is elected by the non-Developer Co-owners.

The First Annual Meeting of Association Members must be held within one hundred twenty (120) days from the sale of seventy-five (75%) percent of the units or within fifty-four (54) months after the sale of the first unit, whichever occurs first. At the First Annual Meeting, the members of the Association will elect directors, and the directors in turn will elect officers for the Association.

The Developer's voting rights are set forth in Article VIII, Section 8.2 of the Bylaws.

B. Percentages of Value. The percentage of value for each Unit shall be equal. The determination that the percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project and concluding that there are no material differences among the Units that affect the allocation of percentages of value. The percentage of value assigned to each Unit shall determine each Co-owner's respective share of the Common Elements of the Condominium Project, each Co-owner's respective proportionate share in the proceeds and expenses of the Association's administration and the value of such Co-owner's vote at meetings of the Association of Co-owners with respect to matters that require votes to be cast on a percentage of value basis. The total value of the Project is one hundred (100%) percent.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget formulated by the Developer is intended to provide for the normal and reasonably predictable expenses of administration of the project and includes a reserve for major repairs to and replacement of common elements. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the Developer. THE DEVELOPER MAKES NO WARRANTIES OR REPRESENTATIONS REGARDING THE ACCURACY OF THE ESTIMATED BUDGET. To the extent that estimates prove inaccurate during actual operation and to the extent that the goods and services necessary to service the condominium project change in cost in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included as Appendix I to this Disclosure Statement. PLEASE REMEMBER THAT THE BUDGET REPRESENTS ONLY AN ESTIMATE AS TO THE POSSIBLE COSTS AND

{00828286.DOC}

EXPENSES ASSOCIATED WITH THE UNITS. THE ACTUAL COSTS MAY BE HIGHER OR LOWER.

(2) Assessments. Each owner of a unit, including the Developer, to the extent it owns any Units, must contribute to the Association to defray expenses of administration. While the Developer is obligated to contribute to the Association, its contributions are determined differently than the other owner's contributions. See Article II, Section 2.9 of the Bylaws. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2.3(b) of the Bylaws.

(4) Foreclosure of Lien. Each Co-owner, and every other person who from time to time has any interest in the Project, shall be deemed to have granted to the Association the unqualified right to elect to foreclose the lien securing payment of assessments either by judicial action or by advertisement. The provisions of Michigan law pertaining to foreclosure of mortgages by judicial action and by advertisement, as the same may be amended from time to time, are incorporated herein by reference for the purposes of establishing the alternative procedures to be followed in lien foreclosure actions and the rights and obligations of the parties to such actions. In addition, each Co-owner and every other person who from time to time has any interest in the Project, shall be deemed to have authorized and empowered the Association to sell or to cause to be sold the Unit with respect to which the assessment(s) is or are delinquent and to receive, hold and distribute the proceeds of such sale in accordance with the priorities established by applicable law. Each Co-owner of a Unit in the Project acknowledges that at the time of acquiring title to such Unit, he reviewed the provisions of this subparagraph and he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose any assessment liens by advertisement and waived the right to a hearing prior to the sale of the applicable Unit.

(5) Other Possible Liabilities. Each purchaser is advised of the following possible liability of each owner under Section 58 of the Condominium Act:

Notwithstanding any other provision of the Condominium Documents, the holder of any first mortgage covering any Unit in the Project which comes into possession of the Unit pursuant to the remedies provided in the mortgage or by deed (or assignment) in lieu of foreclosure, and any purchaser at a foreclosure sale, shall take the property free of any claims for unpaid assessments or charges against the mortgaged Unit which accrued prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of assessments or charges resulting from a pro rata reallocation of assessments or charges to all Units including the mortgaged Unit and except for delinquent assessments for which a notice of lien was recorded prior to the recordation of such first mortgage).

D. Management of Condominium. The Developer has retained Clearview Homes, LLC as the management agent for the project.

E. Insurance.

(1) Title Insurance. The Purchase Agreement provides that the Developer shall furnish each purchaser a commitment for an owner's title insurance policy issued by a Title Insurance

Company at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The cost of the commitment and policy is to be borne by the Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his/her choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

(2) Other Insurance. The Association shall, to the extent appropriate in light of the nature of the General Common Elements of the Project, carry fire and extended coverage, vandalism and malicious mischief and liability insurance, (in a minimum amount to be determined by Developer or the Association in its discretion), officers' and directors' liability insurance and workmen's compensation insurance, if applicable, and other insurance the Association may deem applicable, desirable or necessary as is relates pertinent to the ownership, use and maintenance of the General Common Elements . Additionally, each Co-owner shall be responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance with respect to the dwelling and all other improvements constructed or to be constructed within his Unit, any Limited Common Elements appurtenant thereto and for his personal property located therein or thereon or elsewhere in the Condominium Project. The Association shall have no responsibility whatsoever to insure any such improvements or personal property. In addition, each Co-owner shall be obligated to obtain insurance coverage for personal liability for occurrences within the perimeter of his Unit and any appurtenant Limited Common Elements, naming the Association and Developer as additional insureds, and also for any other personal insurance coverage that the Co-owner wishes to carry. Each Co-owner shall deliver certificates of insurance to the Association from time to time to evidence the continued existence of all insurance required to be maintained by the Co-owner under this Section 4.3. If a Co-owner fails to obtain such insurance or to provide evidence of such insurance to the Association, the Association may, but is not obligated to, obtain such insurance on behalf of the Co-owner and the premiums for such insurance shall constitute a lien against the Co-owner's Unit which may be collected in the same manner that assessments may be collected under Article II of these Bylaws.

F. Restrictions on Ownership, Occupancy and Use. Article VI of the Bylaws sets forth specific restrictions on the ownership, occupancy and use of a Unit in the Project, including but not limited to the following:

(1) Architectural Control. It is understood and agreed that the purpose of architectural controls is to promote an attractive, harmonious residential development having continuing appeal. Accordingly, unless and until construction plans and specifications are submitted to, and approved in writing by, Developer, (i) no dwelling, building, fence, wall or other structure shall be commenced, erected or maintained, and (ii) no addition, change or alteration to any dwelling or other structure shall be made, except for the interior alterations.

All plans, specifications and other related materials shall be filed in the office of Developer, or with any agent specified by Developer, for approval or disapproval, prior to submission to Township officials for a building permit. Developer shall have the sole authority to review, approve or disapprove all or any part of the plans or specifications. Developer shall have the

right to refuse or approve all or any part of any plans or specifications or grading plans, which are not suitable or desirable, is the sole discretion of Developer, for aesthetic or other reasons. In considering such plans and specifications, Developer shall have the right to take into consideration the compatibility of the proposed building or other structures with the surroundings and the effect of the building or other structure on the view from adjacent or neighboring properties. It is desired that the natural landscape and trees be left in their natural state as much as possible or practical.

- (2) Section 6.1 Residential Use
- (3) Section 6.2 Dwelling, Quality and Size
- (4) Section 6.3 Driveways
- (5) Section 6.4 Building Materials
- (6) Section 6.5 Home Occupations, Nuisance and Livestock
- (7) Section 6.6 Temporary Buildings, Damaged Dwellings and Reconstruction
- (8) Section 6.7 Soil Removal; Soil Erosion
- (9) Section 6.8 Underground Wiring
- (10) Section 6.9 Tree Removal
- (11) Section 6.10 Performance of Construction
- (12) Section 6.11 Vehicular Parking and Storage
- (13) Section 6.12 Garbage and Refuse
- (14) Section 6.13 Fence, Obstructions and Dog Runs
- (15) Section 6.14 Landscaping and Grass Cutting; Assumption of Obligations
- (16) Section 6.15 Motorized Vehicles; Firearms
- (17) Section 6.16 Swimming Pools, Tennis Courts, and Other Structures
- (18) Section 6.17 Signs; Illumination; Mailboxes
- (19) Section 6.18 Swings, Slides, Playscapes, and Other Playground Equipment
- (20) Section 6.19 Basketball Hoops and Play Areas

- (21) Section 6.20 Objectionable Sights
- (22) Section 6.21 Maintenance
- (23) Section 6.22 Wetlands
- (24) Section 6.23 Structures in Limited Common Elements and Easements
- (25) Section 6.24 Architectural Controls
- (26) Section 6.25 Leasing and Rental
- (27) Section 6.26 Rules and Regulations
- (28) Section 6.27 Reserved Rights of Developer

The foregoing highlights a few of the material restrictions contained in Article VI of the Bylaws and is not intended to be a detailed or exhaustive summary of all of the provisions of Article VI. Each purchaser is strongly encouraged to carefully review Article VI of the Bylaws. Some of the restrictions do not apply to the commercial activities or signs of the Developer.

VII. RIGHTS AND OBLIGATIONS AS BETWEEN DEVELOPER AND OWNERS

A. Before Closing. The respective obligations of the Developer and the purchaser of a unit in the project prior to closing are set forth in the Purchase Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition at closing of earnest money deposits advanced by the purchaser, anticipated closing adjustments, and other important matters. If one exists, the Escrow Agreement provides, pursuant to Section 103b of the Condominium Act, that the escrow agent shall maintain sufficient funds or other security to complete those improvements shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. This provision does not, however, pertain to any dwelling or other appurtenances to be constructed on the building site or items labeled "need not be built" on the Condominium Subdivision Plan, but relates only to the improvements (such as utilities and the roadway) requisite to placing each unit (site) in a condition suitable for issuance of a building permit, which improvements are shown as "must be built" on the Condominium Subdivision Plan until such improvements are substantially complete. Improvements that "must be built" do not include the costs of construction of the dwelling itself, for which no such escrow is required. Funds retained in escrow are not to be released to the Developer until conveyance to a purchaser of title to a unit.

B. At Closing.

- (1) Warranty Deed. The purchaser will receive by warranty deed fee simple title to

his or her Unit subject to no liens or encumbrances other than the Condominium Documents and those other easements and restrictions that are specifically set forth or described in the Condominium Documents and title insurance commitment.

(2) Fees Payable to Developer. In addition to any other fees set forth herein, the purchaser shall pay the following to the Developer at closing:

A pro rata amount for Association assessments due for the remainder of the Association's current fiscal year, Capital Contribution, Administrative fees and any mailbox fees.

C. After Closing.

(1) General. Subsequent to the purchase of the unit, relations between the Developer and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

(2) Condominium Project Warranties. The Seller makes no representations or warranties regarding the Units, the residences to be constructed, the common elements or any other improvements located within the Condominium Project, and all warranties of any kind, whether implied or express, fitness for a particular purpose or any warranty of habitability, are expressly disclaimed.

(3) Taxes and Special Assessments. From and after closing, a purchaser shall pay all taxes and special assessments that become due with respect to purchaser's Unit.

VIII. PURPOSE OF DISCLOSURE STATEMENT.

This Disclosure Statement has been prepared in good faith, in reliance upon sources of information believed to be accurate, and in an effort to disclose material facts about the Condominium Project. Each purchaser is urged to engage a lawyer or other competent advisor in connection with deciding whether to purchase a Unit. In accepting title to a Unit, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement in this Disclosure Statement. The terms used herein are defined in the Condominium Act. The Michigan Department of Licensing and Regulatory Affairs published The Condominium Buyers Handbook that has been delivered to you. The Developer does not assume any obligation, liability or responsibility as to the statements contained in or omitted from The Condominium Buyers Handbook.

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various Condominium Documents. Each purchaser is referred to the original Master Deed and other original instruments as contained in the Purchaser Information Booklet. Legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Energy, Labor and Economic Growth.

Appendix I

Eagle Ridge Estates 2025 Budget Worksheet	
GL Account	2025 Budget
Income	
60000 - Assessments	\$36,135.00
	\$36,135.00
Non-Budgeted GLs with Activity from Prior Year	
62030 - Misc Income	\$0.00
63000 - Interest Income - Operating	\$0.00
Developer Contribution	\$1,001.00
	\$1,001.00
Total Income	\$37,136.00
Expense	
Administrative Expenses	
70000 - Management Fees	\$6,000.00
70200 - Legal - Association	\$700.00
70300 - Certified Accounting Services	\$135.00
71406 - Technology Fee	\$73.00
71900 - Miscellaneous Administration	\$265.00
	\$7,173.00
Grounds Expenses	
73000 - Lawn Service	\$7,400.00
73100 - Grounds	\$1,000.00
73700 - Snow Removal	\$4,500.00
	\$12,900.00
Maintenance & Repair Expenses	
75100 - Electrical	\$1,200.00
75300 - General Maintenance/Repairs	\$250.00
77725 - Shared Expenses	\$9,000.00
	\$10,450.00
Insurance & Taxes	
79000 - Insurance	\$3,000.00
	\$3,000.00
Reserve Fund	
89000 - Deposits to Reserve	\$3,613.00
	\$3,613.00
Total of All Expenses	\$37,136.00
Net Income	\$0.00