

DISCLOSURE STATEMENT

FOR

Lake Pointe Preserve

A Residential Condominium Project

located in

Waterford Township, Michigan

Lake Pointe Preserve, is a forty two (42) Unit residential site condominium located in Waterford 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 company
 445 S. Livernois Ste. 324
 Rochester Hills, Michigan 48307

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DISCLOSURE STATEMENT

Lake Pointe Preserve

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 Lake Pointe Preserve (the "Condominium Project" or "Project"). This Statement, along with the legal documents referred to above, constitutes the only description of Lake Pointe Preserve 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. Lake Pointe Preserve 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 Lake Pointe Preserve, 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 Lake Pointe Preserve 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. Lake Pointe Preserve is single phase, forty-two (42) Unit residential site condominium located in Waterford Township, Oakland County Michigan. Phase I has been designated as units 1-42. If, and when complete, the Project will consist of a total of forty-two (42) 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. Lake Pointe Preserve is served by a public water, sanitary sewers, storm sewers, gas, electric, and telephone service.

(1) Electrical service will be furnished by DTE Energy.

(2) Gas service will be furnished by Consumers.

(3) Telephone service will be provided by local Cable provider.

(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, 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 Waterford Township or such other appropriate public authority.

(7) Potable Water shall be provided by a public water system operated by the Waterford Township Municipality 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 Waterford 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 Lake Pointe Preserve 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) Developer's Rights in Furtherance of Development and Sales. None of the restrictions contained in this Article VI shall apply to the commercial activities or signs or billboards, if any, of the Developer during the Construction and Sales Period or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation, as the same may be amended from time to time. The Developer may construct any improvements upon the Condominium Premises that it may, in its sole discretion, elect to make without the necessity of prior consent from the Association or any other person or entity subject only to the express limitations contained in the Condominium Documents. Notwithstanding anything to the contrary elsewhere herein contained Developer shall have the right to maintain a sales office, a business office, a construction office, model units, storage areas and reasonable parking incident to the foregoing and such access to, from and over the Project as may be reasonable to enable development and sale of the entire Project by Developer; and may continue to do so during the entire Construction and Sales Period. Developer shall restore the areas so utilized to habitable status upon termination of use. No owner or other person (other than the Developer) shall permit any structure on his site to be used as a model house exhibit without the written consent of the Design Review Committee
- (2) Enforcement of Bylaws. The Condominium Project, shall at all times, be maintained in a manner consistent with the highest standards of a beautiful, serene, private, residential community for the benefit of the Co-owners and all persons interested in the Condominium. If at any time the Association fails or refuses to carry out its obligation to maintain, repair, replace and landscape in a manner consistent with the maintenance of such high standards, then Developer, or any entity to which it may assign this right at its option, may elect to maintain, repair and/or replace any General Common Elements and/or to do any landscaping required by these Bylaws and to charge the cost thereof to the Association as an expense of administration. The Developer shall have the right to enforce these Bylaws throughout the Construction and Sales Period notwithstanding that it may no longer own a Unit in the Condominium which right of enforcement may include (without limitation) an action to restrain the Association or any Co-owner from any activity prohibited by these Bylaws.
- (3) Developer reserves the right at any time prior to the Transitional Control Date to grant easements for utilities over, under and across the Condominium to appropriate governmental agencies or public utility companies and to transfer title of utilities to state, county or local governments. Any such easement or transfer of title may be conveyed by Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master

Deed and to Exhibit B hereto, recorded in the Oakland County Records. All of the Co- owners and mortgagees of Units and other persons interested or to become interested in the Project from time to time shall be deemed to have irrevocably and unanimously consented to such amendment or amendments of this Master Deed to effectuate the foregoing easement or transfer of title.

- (4) The Developer reserves the right at any time during the Construction and Sales Period to dedicate to the public a right-of-way of such width as may be required by the local public authority over any or all of the roadways in the Condominium Project. Any such right-of-way dedication may be made by the Developer without the consent of any Co-owner, mortgagee or other person and shall be evidenced by an appropriate amendment to this Master Deed and to Exhibit B hereto.
- (5) By Developer. Pursuant to Section 90(1) of the Act the Developer hereby reserves the right, on behalf of itself and on behalf of the Association, to amend this Master Deed and the Condominium Documents without approval of any Co-owner or mortgagee for the purposes of correcting survey or other errors and for any other purpose unless the amendment would materially alter or change the rights of a Co-owner or mortgagee, in which event mortgagee consent shall be required as provided in Section 2 of this Article.

E. Easements.

(1) Developer's Easements. Developer hereby reserves and declares permanent and nonexclusive easements for ingress and egress over the roads and walks in the Condominium and permanent easements to use, tap into, enlarge or extend all roads, walks and utility lines in the Condominium, including, without limitation, all communications, water, gas, electric, storm and sanitary sewer lines, sprinklers or water retention areas, all of which easements shall be for the benefit of any land adjoining the Condominium, now owned or hereafter acquired by Developer or its successors or assigns. These easements shall run with the land in perpetuity. Developer has no financial obligation to support such easements.

(2) General Easement for Maintenance of Encroachments and General Utilities.

(3) Easement for Maintenance of Dwelling Exteriors and General Common Elements.

(4) 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 for utility purposes, access purposes or other lawful purposes as may be necessary for the benefit of the Condominium, subject, however, to the approval of the Developer so long as the Construction and Sales Period has not expired. No

easements created under the Condominium Documents may be modified or obligations with respect thereto varied without the consent of each person benefitted thereby.

(5) Easements for Maintenance, Repair and Replacement. The Developer, the Association and all public or private utilities shall have such easements as may be necessary over the Condominium Premises, including all Units and General Common Elements to fulfill any responsibilities of maintenance, repair, decoration or replacement which they or any of them are required or permitted to perform under the Condominium Documents.

(6) Utility Easement. Developer also hereby reserves for the benefit of itself, its successors and assigns, and all future owners of any land adjoining the Condominium or any portion or portions thereof perpetual easements to utilize, tap, tie into, extend and enlarge all utility mains located on the Condominium Premises, including, but not limited to, water, gas, storm and sanitary sewer mains.

(7) Telecommunications Agreements.

(8) Private Roads.

(9) Emergency Vehicle Access Easement.

IV. CONDOMINIUM DOCUMENTS.

A. General. Lake Pointe Preserve was established as a condominium project pursuant to the Master Deed recorded in the Oakland County Records a copy of which is contained in Lake Pointe Preserve 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 VI contains a description of the easements and certain agreements pertaining to the Project (some of which are discussed in this Disclosure Statement). Article VII 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 2022 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, Fuhrmann Woods Estates in Sterling Heights and Char Estates in Macomb Township. 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. Lake Pointe Preserve 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, 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 Condominium consists of 42 residential Units. Each Unit is described in this paragraph with reference to the Condominium Subdivision Plan attached hereto as Exhibit B. Each Unit shall consist of the land contained within the Unit boundaries as shown in Exhibit B hereto, assigned a Unit number, and delineated with heavy outlines, together with all appurtenances thereto.

The Percentage of Value assigned to each Unit shall be equal. The determination that percentages of value should be equal was made after reviewing the comparative characteristics of each Unit in the Project which would affect maintenance costs and value and concluding that there are not material differences among the Units insofar as the allocation of percentages of value is concerned. The Percentage of Value shall be determinative of the proportionate share of each respective Owner in the proceeds and expenses of the Association and the Value of such Owner's vote at meeting of the Association and the undivided interest of the Owner in the Common Elements.

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 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.

3. 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. Further, 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 was notified of the provisions of this subparagraph and that he voluntarily, intelligently and knowingly waived notice of any proceedings brought by the Association to foreclose by advertisement the lien for nonpayment of assessments and hearing on the same prior to the sale of the subject Unit.

4. Other Possible Liabilities. Each purchaser is advised of the following possible liability of each owner under Section 58 of the Condominium Act: Notwithstanding the foregoing, neither a judicial foreclosure action or a suit at law for a money judgment shall be commenced, nor shall any notice of foreclosure by advertisement be published, until the expiration of 10 days after mailing, by first class mail, postage prepaid, addressed to the delinquent Co-owner(s) at his or their last known address, a written notice that 1 or more installments of the annual assessment levied against the pertinent Unit is or are delinquent and that the Association may invoke any of its remedies hereunder if the default is not cured within 10 days after the date of mailing. Such written notice shall be accompanied by a written affidavit of an authorized

representative of the Association that sets forth (i) the affiant's capacity to make the affidavit, (ii) the statutory and other authority for the lien, (iii) the amount outstanding (exclusive of interest, costs, attorney's fees and future assessments), (iv) the legal description of the subject Unit(s), and (v) the name(s) of the Co-owner(s) of record. Such affidavit shall be recorded in the office of the Register of Deeds in the county in which the project is located prior to commencement of any foreclosure proceeding, but it need not have been recorded as of the date of mailing as aforesaid. If the delinquency is not cured within the 10-day period, the Association may take such remedial action as may be available to it hereunder or under Michigan law. In the event the Association elect to foreclose the lien by advertisement, the Association shall so notify the delinquent Co-owner and shall inform him that he may request a judicial hearing by bringing suit against the Association

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

E. Insurance.

i. 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.

ii. Other Insurance. Responsibilities of Owners. Each Co-owner shall obtain insurance coverage at his own expense upon his Unit. It shall be each Co-owner's responsibility to determine by personal investigation or from his own insurance advisors the nature and extent of insurance coverage adequate to his needs and thereafter to obtain insurance coverage for his personal property and any additional fixtures, equipment and trim located within his Unit and for his personal liability for occurrences within his Unit, and also for alternative living expense in event of fire, and the Association shall have absolutely no responsibility for obtaining such coverages

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) Section 1. Residential
- (2) Section 2 Leasing and Rental
- (3) Section 3 Architectural Control
- (4) Section 4 Basketball Hoops
- (5) Section 5 Pools, Hot Tubs
- (6) Section 6 Satellite Dishes and Antennae
- (7) Section 7 Solar Panels
- (8) Section 8 Clothes Lines
- (9) Section 9 Fences
- (10) Section 10 Sight Distance
- (11) Section 11 Alterations and Modifications of Common Elements
- (12) Section 12 Activities
- (13) Section 13 Aesthetics
- (14) Section 14 General Common Elements
- (15) Section 15 Pets; Dog Runs
- (16) Section 16 Storage and Parking
- (17) Section 17 Temporary Structures
- (18) Section 18 Signs
- (19) Section 19 Rules and Regulations
- (20) Section 20 Right of Access of Association
- (21) Section 21 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.

G. 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.

i. 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.

ii. 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. Onetime capital contribution fee. Onetime administrative fee. Mailbox fee. Tree fee if applicable.

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.

F. 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

Lake Pointe Preserve- 42 Units	
Income	Budget
Assessments	\$ 12,625
Special Assessments	\$ -
Late Fees	\$ -
Other	\$ -
Total Income	\$ 12,625
Expenses	
Accounting	\$ 450
Legal	\$ 500
Management	\$ 3,000
Common Electric	\$ 475
Water	\$ 600
Snow Plow	\$ 1,800
Lawn Maintenance \$55 week	\$ 1,350
Landscaping Maintenance	\$ 1,000
Sprinkler System Maintenance	\$ 500
Insurance quoted	\$ 1,800
Replacement Reserve	\$ 1,150
Other	
Total Expenses	\$ 12,625
\$299.00 per month	