
PURCHASER INFORMATION BOOKLET
FOR
PINE RIDGE SITE CONDOMINIUM

A Condominium Project
in
Oceola Township, Michigan

DEVELOPER:
MULTI BUILDING CO., INC.
a Michigan corporation
1330 Goldsmith
Plymouth, Michigan 48170

DISCLOSURE STATEMENT

FOR

PINE RIDGE SITE CONDOMINIUM

A Residential Condominium Project
located in
Oceola Township, Michigan

PINE RIDGE SITE CONDOMINIUM is a fifty-four (54) unit residential site condominium located in the Township of Oceola, Livingston County, Michigan. The Developer of PINE RIDGE SITE CONDOMINIUM, MULTI BUILDING CO., INC., a Michigan corporation (the "Developer"), has reserved the right, in its sole discretion, to expand the Condominium Project by adding additional land and creating up to 57 additional Units as described in Part III of this Disclosure Statement. The Developer's right to expand the Condominium Project will expire six (6) years from the November 24, 2003 recording date of the initial Master Deed of Pine Ridge Site Condominium. This right to expand the Condominium Project may be exercised by the Developer or the Developer's successors or assigns.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE AMENDED AND RESTATED 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.

THIS DISCLOSURE STATEMENT IS NOT REQUIRED TO HAVE BEEN, AND HAS NOT BEEN FILED WITH THE CORPORATION AND SECURITIES BUREAU OF THE MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48913, NOR HAS THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE CONDOMINIUM PROJECT OR TO MAKE ANY RECOMMENDATIONS OR COMMENTS ON THE CONDOMINIUM PROJECT.

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: MULTI BUILDING CO., INC.
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1330 Goldsmith
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Effective Date: November 30, 2004

DISCLOSURE STATEMENT
PINE RIDGE SITE CONDOMINIUM

I. INTRODUCTION.

Under Michigan law, the Developer of a condominium project must fairly and accurately disclose to prospective purchasers the characteristics of the condominium units which it offers for sale. The required disclosure is made by furnishing each purchaser with a Disclosure Statement in a form which summarizes the significant features of the development as well as with copies of the legal documents required for the creation and operation of the condominium. In the following pages, Multi Building Co., Inc., a Michigan corporation, which is the Developer of PINE RIDGE SITE CONDOMINIUM (the "Condominium Project" or "Project"), presents its Disclosure Statement containing the required narrative summary. This Disclosure Statement, along with the legal documents referred to above, constitutes the only authorized description of PINE RIDGE SITE CONDOMINIUM, and none of the Developer's sales agents or other representatives are permitted to vary their terms. To the extent any sales or promotional literature varies from this Disclosure Statement, only the contents of this Disclosure Statement will be binding on Developer.

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. 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 Amended and Restated Master Deed described in Part VI of this Disclosure Statement. (The Amended and Restated Master Deed is sometimes referred to in this Disclosure Statement as the "Master Deed".)

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 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 homeowners' association) of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Part 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 amendment 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. PINE RIDGE SITE CONDOMINIUM 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, and delineated with heavy outlines. 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 PINE RIDGE SITE CONDOMINIUM, each owner holds an absolute and undivided title to his or her Unit and to 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 PINE RIDGE SITE CONDOMINIUM 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. PINE RIDGE SITE CONDOMINIUM is a 54-unit residential site condominium Project located in the Township of Oceola, County of Livingston, State of Michigan. The Project consists of 54 building sites, each of which is a separate residential condominium unit, together with the roadways and other improvements provided for common use by the owners of the units. Access to the 54 Units in the Project is provided over Eager Road, which is located west of the Condominium Project.

On November 24, 2003, Pine Ridge Development Company, L.L.C. ("Pine Ridge Development"), a Michigan limited liability company, recorded a Master Deed (the "Initial Master Deed") in Liber 4255, Pages 372 through 454, both inclusive, Livingston County Records, to

establish the Condominium Project as a residential condominium; the Condominium Project being identified as Livingston County Condominium Subdivision Plan No. 297.

On August 18, 2004, Multi Building Co., Inc. (hereafter referred to as "Developer") acquired all of the 54 Units established in the Condominium from Pine Ridge Development. Pursuant to rights granted to the Developer in Article XI of the Initial Master Deed, the Developer recorded the Amended and Restated Master Deed for the Condominium Project on November 30, 2004 in Liber 4648, Pages 543 through 629, both inclusive, Livingston County Records. The Amended and Restated Master Deed, together with the exhibits attached thereto, entirely supersedes and replaces the Initial Master Deed.

With respect to the initial 54-unit phase of the Condominium, Pine Ridge Development has installed the preparatory infrastructure for the Project, including but not limited to, utilities, roadways and the items designated as "must be built" on the Condominium Subdivision Plan. Multi Building Co., Inc., as the current Developer, has caused the Amended and Restated Master Deed and exhibits to that document to be prepared and recorded. As the Developer of the Condominium, Multi Building Co., Inc. has the right to amend the Amended and Restated Master Deed and attached exhibits in accordance with the terms of the Amended and Restated Master Deed.

Land located adjacent to the Project has been designated as "Future Development Area", as shown on the Condominium Subdivision Plan. The Developer has reserved the right to add all or a part of this land (the "Future Expansion Area") to the Project, from time to time, within a period ending six (6) years from November 24, 2003, the date of recording of the Initial Master Deed, and to create up to 57 additional units in the Future Expansion Area for a maximum total number of units in the Condominium of 111. The Developer has no obligation to further expand the Project. If the Developer elects, in its discretion, to expand the Project, such expansion will be accomplished by the recording of an appropriate amendment to the Master Deed with the Livingston County Register of Deeds in accordance with Section 32 of the Michigan Condominium Act and Article VI of the Master Deed. The Future Expansion Area can be developed for any purpose permitted under the applicable laws and ordinances. No co-owner consent is required to further expand the Project or to otherwise develop the Future Expansion Area.

The Developer has reserved easements over the roads and walkways within the Project to provide access to the Future Expansion Area, as well as easements to install, tap, and tie into the utilities within the Project for the benefit of the Future Expansion Area. These reserved easements are perpetual easements and survive beyond the six (6) year period in which the Developer can unilaterally amend the Amended and Restated Master Deed to expand the Project.

As stated above, Developer has no obligation to include any of the Future Expansion Area in the Condominium. **The Developer makes no representation whatsoever as to when or whether any portion of the Future Expansion Area may be developed or added to the Condominium.**

The Condominium Project and the Future Expansion Area, together with a second condominium development established under the name "Pine Ridge Corners" (hereinafter referred to as the "Duplex Condominium") and certain land that may be added to the Duplex Condominium pursuant to the Master Deed thereof constitute a larger development known as the "Pine Ridge Community", which is being developed as a Planned Unit Development pursuant to a Planned Unit Development Agreement (the "PUD") entered into by Oceola Township with the Developer and the owners of the Future Expansion Area, the Duplex Condominium, and the land that may be added to the Duplex Condominium pursuant to the Master Deed thereof. The Developer has entered into agreements with the owners of the Future Expansion Area, the Duplex Condominium and the land that may be added to the Duplex Condominium to provide for the orderly development of the Pine Ridge Community; however the Developer does not have any affiliation with those other owners. A copy of the PUD Agreement entered into with Oceola Township has been included with the materials provided to prospective purchasers with this Disclosure Statement.

The Duplex Condominium was established by the recording of a certain Master Deed in Liber 4256, Pages 319 through 402, Livingston County Records. The Duplex Condominium has been designated as Livingston County Condominium Subdivision Plan No. 298. The Pine Ridge Community shares certain common recreation facilities which are described in detail in Section F of this Part III.

B. Utilities. PINE RIDGE SITE CONDOMINIUM is served by public water, sanitary sewers, gas, electric and telephone service and each and every Residence constructed in the Condominium Project is intended to be connected to the public water and sanitary sewer systems.

(1) The storm drainage plan for the Project consists of above-ground surface drainage and underground collection lines with on-site retention, as shown on the Condominium Subdivision Plan attached to the Master Deed as Exhibit "B". The Association will be responsible for any and all maintenance associated with the above ground surface drainage areas and underground collection lines as may be necessary to ensure proper drainage.

(2) Gas service is furnished by Consumers Power.

(3) Electricity is furnished by DTE Energy.

(4) Telephone service is provided by SBC.

(5) Sewer and water service is provided by the Marion, Howell, Oceola, Genoa ("MHOG") Sewer and Water Authority.

(6) All utilities, other than utilities provided to service the common elements, will be separately metered for payment by the individual unit owners.

(7) Water and electrical service furnished to the common elements, such as for irrigation of the general common elements, will be billed directly to the Association.

(8) Some or all of the utility lines (including mains and service leads) and equipment may be owned by the local municipal authority or by the company that is providing the pertinent utility services. When residences are constructed, individual service leads from the mains to the residences will be installed by the builder of the residence. The portion of each service lead which is located outside of a particular Unit will be designated as a general common element appurtenant to that particular Unit. Co-owners will be responsible for maintaining and repairing the service leads relating to their individual Residences, to the extent such obligation is not assumed by the local utility company or governmental agency or authority.

(9) Cable television service is generally available in Ocoola Township from the current local franchisee, Comcast. The cable wiring has not been installed in the Project and the Developer does not guarantee if and when it may be installed. If cable wiring is installed, Developer will have no control over when cable service will be activated by Comcast. Developer cannot guarantee any specific activation date because the decision is not within its control.

(10) Co-Owners of both the Condominium Project and the Duplex Condominium shall be responsible to pay a pro rata portion of two special assessments originally imposed by Ocoola Township on the parent tax parcel that includes all of the Units in both projects. The special assessments include a special assessment in the original amount of \$455,000.00 for the installation of sanitary sewer service to the Pine Ridge developments (the "Pine Ridge Special Assessment") and a special assessment in the original amount of \$520,000.00 for the improvement of Eager Road (the "Road Special Assessment"). These special assessments are being charged to the 54 Units in the Condominium Project and the 22 condominium units in the initial phase of the Duplex Condominium. Co-Owners of Units in the Condominium Project should be aware that annual installments of \$399.12 for the Pine Ridge Special Assessment and \$456.14 for the Road Special Assessment will be charged against their Unit directly by Ocoola Township or through the Pine Ridge Site Condominium Association for each year through 2015, together with interest at a rate of five (5%) per annum, with the installments payable for each calendar year being initially due and payable to Ocoola Township on December 1 of such calendar year.

C. Roads. The internal roads in PINE RIDGE SITE CONDOMINIUM are not intended to be dedicated to the Township of Ocoola, the Livingston County Road Commission or any other governmental entity. The roads within the Project will be private and will be required to be maintained by the Association. The roads currently existing within the Condominium Project were constructed by the original developer of the Condominium Project, Pine Ridge Development Company, LLC, and not the current Developer.

Although it is intended that the roads constructed within the Condominium or any expansion thereof shall remain private roads, Developer has reserved the right to dedicate the roads in the Project without the consent of any Co-owner or mortgagee. If such dedication were to occur, the Developer would record an Amendment to the Master Deed to reflect the dedication and to remove the roads as general common elements of the Project. The Developer does not expect or intend to dedicate the roads within the Condominium Project to public use.

D. Reserved Rights of Developer; Assignment. Certain rights have been reserved to Developer under the Master Deed and By-Laws. A summary of the rights is set forth below.

Developer has reserved the right to assign (in whole or in part) some or all of these rights. **Each purchaser should carefully review the rights reserved to the Developer in the Amended and Restated Master Deed and By-Laws to assure a complete understanding of those rights.**

(1) Right to Approve Improvements. No structure, Residence or other improvement may be constructed, nor may exterior modifications of any type be made without the prior approval of Developer. Minimum construction and architectural standards have been established by Developer, which may be amended from time to time.

(2) Conduct of Commercial Activities. Developer has reserved the right, until all of the Units have been sold in the Project as it may be expanded in accordance with the Master Deed, to maintain within the Condominium sales offices, business offices, model Units, storage areas, and reasonable parking incident to the use of such areas, and such access to, from and over the condominium premises as may be reasonable to enable development and sale of the entire Project, as it may be expanded. Developer has reserved this right on behalf of itself and any builders designated by the Developer. Developer is obligated to restore the areas utilized by each of them to habitable status upon termination of use.

(3) Right to Amend. Developer has reserved the right to amend the Master Deed without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose. Any amendment that would materially alter the rights of an owner or mortgagee may be made only with the approval of not less than two-thirds (2/3) in value of the owners and first mortgagees. Any amendment which would materially alter the rights of a Co-owner of a specific Unit would also require the consent of the Unit's Co-owner.

(4) 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 the Project as a condominium, 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.

(5) Enforcement of By-Laws and Approval Rights. Developer has reserved the right to enforce the By-Laws as long as it owns any Unit in the Project. Additionally, upon the later of: (i) the expiration of the Construction and Sales Period (as defined in the Master Deed); and (ii) the date when certificates of occupancy have been issued for Residences on one hundred (100%) percent of the Units that may be created in the Project, as the same may be expanded pursuant to Article VI of the Master Deed (or earlier upon the written assignment of the Developer, in its sole discretion), the Board of Directors of the Association shall exercise all such powers, and Developer shall have no further responsibilities with respect to any matters of approval or enforcement set forth herein.

(6) Preparatory Infrastructure. As noted above, the entire preparatory infrastructure of the Project, including but not limited to the placement and construction of all utility mains and roadways are designated as "must be built" or as "built" on the Condominium Subdivision Plan. No other improvements have been designated as "must be built", including, without limitation, the construction of Residences within Units.

E. Easements and Encumbrances. Article X of the Amended and Restated Master Deed describes a number of easements and encumbrances that affect the Condominium and the Units established within the Condominium. Those easements and encumbrances include the following, some of which are discussed here in more detail than others:

(1) Easement for Utilities and Maintenance of Encroachments. If any portion of a Unit or Common Element encroaches upon another Unit or Common Element due to shifting, settling, or moving of a building, or due to survey errors or construction deviations, reconstruction or repair, reciprocal easements shall exist for the maintenance of such encroachment for as long as such encroachment exists, and for maintenance thereof after rebuilding in the event of any destruction. The foregoing easement shall not, however, be construed to permit any encroachment by a Common Element or Unit upon another Unit or upon the airspace and subsurface contained in the other Unit as shown in the Condominium Subdivision Plan. There shall be easements to, through and over Units for the installation, maintenance and servicing of all utilities in the Condominium, including, but not limited to, lighting, heating, power, sewer, water and communications including telephone and cable television lines, and no such easements for utilities shall be construed to be encroachments upon a Unit.

(2) Easements Reserved by Developer.

(a) Utility Easements. The Developer reserves for itself and its agents, employees, representatives, guests, invitees, licensees, independent contractors, successors and assigns, easements to enter upon the Condominium Premises to utilize, tap, tie into, extend and enlarge and otherwise install, maintain, repair, restore, renovate and replace any and/or all utility improvements located within the Condominium Premises, whether for the benefit of the Condominium Project or the Future Expansion Area, including, but not limited to, gas, water, sanitary sewer, storm drains (including without limitation any other sediment, retention and detention ponds), telephone, electrical, and cable television and other telecommunications, subject to the approval of the applicable public or private utility company and any governmental authorities having jurisdiction. If any portion of the Condominium Premises shall be disturbed by reason of the exercise of any of the rights granted to the Developer, its successors or assigns under this provision, the party that caused the disturbance or damage shall restore the disturbed portion of the Condominium Premises to substantially the condition that existed prior to the disturbance. Except as otherwise specified in the Amended and Restated Master Deed, the Co-Owners of the Condominium shall be responsible from time to time for the payment of a proportionate share of the expenses of maintaining utility improvements installed within the Condominium (to the extent said expenses are not the responsibility of a governmental agency or public utility).

(b) Additional Easements. The Developer reserves for itself and its 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 installation, utilization, repair, maintenance, decoration, renovation, restoration and replacement of rights-of-way, pathways, the Storm Water Drainage Facilities (including any other sediment, retention or detention ponds), electrical transmission mains and wiring, telephone system, gas distribution system, cable

television and other telecommunication systems and other public and private utilities, including all equipment, facilities and appurtenances relating thereto. The beneficiaries of the easements granted pursuant to this provision may include the owners and developers of any of the land included within the Pine Ridge Community, including the Duplex Condominium and the land that may be added thereto. The Developer and its successors and assigns shall also have the right, in furtherance of its construction, development and sales activities, whether within the Condominium or the Future Expansion Area, to go over and across, to permit its agents, contractors, subcontractors and employees to go over and across, any portion of the Common Elements and the building set-back areas within individual Units from time to time as Developer may deem necessary for such purposes and to connect or expand any easements as may be desirable to develop the Condominium or the Future Expansion Area. If the area to be traversed is designated as a wetland area, the Developer shall first obtain the prior written approval of Ocoala Township and any other necessary approval. The Developer reserves the right to assign any such easements to governmental units or public utilities or, as to the Storm Water Drainage Facilities, Co-Owners of affected Units, and to enter into maintenance agreements with respect thereto. Any of the foregoing easements or transfers of title may be conveyed by the 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 easement document, which may subsequently be reflected in a recorded amendment to the Amended and Restated Master Deed and the Condominium Subdivision Plan attached to that document as 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 such documents or amendments of the Amended and Restated Master Deed to effectuate the foregoing easements or transfers of title. All such interested persons irrevocably appoint the Developer as agent and attorney to execute such amendments to the Amended and Restated Master Deed and all other documents necessary to effectuate the foregoing.

(c) Ingress and Egress Easement for Purposes of Development. The Developer reserves for itself, its successors and assigns, the owners of all of the land included in the Pine Ridge Community, including the Future Expansion Area, and all of their successors and assigns, a nonexclusive easement for ingress and egress on, over and across the private roads constructed within the Condominium, but only to the extent reasonably required for the development and construction of their respective developments. If any portion of the Condominium Premises shall be disturbed by reason of the exercise of any of the rights described in this provision, the party responsible for such disturbance shall restore the disturbed portion of the Condominium Project to substantially the condition that existed prior to the disturbance.

(3) Grant of Easements by Association. The Association, acting through its Board of Directors, 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 the Developer during the Construction and Sales Period. No easements created under the Condominium Documents may be substantially modified, nor may

any of the obligations with respect to such easements be substantially varied, without the consent of each person benefited or burdened thereby. Easements for dedicated public utility services shall not be modified in the absence of the prior written consent of Oceola Township.

(4) Easements for Maintenance, Repair, Restoration, Renovation and Replacement. The 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 (including, without limitation of the foregoing, the private roads within the Condominium), as may be necessary to fulfill any installation, maintenance, repair, decoration, renovation, restoration 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 during reasonable hours and upon reasonable notice, for purposes of inspecting the dwelling constructed on a Unit and/or appurtenances constructed therein to ascertain that they have been designed and constructed in conformity with standards imposed and/or specific approvals granted by the Developer (during the Construction and Sales Period) and thereafter by the Association.

(5) Telecommunications Agreements. The Association, acting through its Board of Directors and subject to the Developer's approval during the Construction and Sales Period, 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, through its Board of Directors, 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 the Association.

(6) Emergency Vehicle Access Easement. The Developer reserves for the benefit of the Township of Oceola, the local school district, and any emergency service agency, an easement over the roadways for use by the Township of Oceola, the local school district, and/or emergency vehicles. Said easement shall be for purposes of ingress and egress to provide, without limitation, school bus service, fire and police protection, ambulance and rescue services and other lawful governmental or private emergency services to the Condominium Project and Co-Owners thereof. The foregoing easement shall in no way be construed as a dedication of any streets, roads, or driveways to the public, nor shall the foregoing confer upon members of the public any right to use the easement described herein.

(7) Association Assumption of Obligations. Upon assignment by the Developer to the Association, the Association, on behalf of the Co-Owners, shall assume and perform all of the

Developer's obligations under any easement pertaining to the Condominium Project or Common Elements.

(8) Easements with Respect to the Pine Ridge Community. There shall be a permanent, non-exclusive easement for the use of the private roads and sidewalks within the Condominium and any expansion thereof by the owners of such units as may be established within the Duplex Condominium, including any expansion thereof, and the family members, tenants and guests of such owners, for ingress and egress to and from any and all of the Common Recreation Facilities constructed or installed within the Condominium, as the same may be expanded, and for ingress and egress to the land that may be added to the Duplex Condominium and all of the units constructed thereon. There shall also be a permanent, non-exclusive easement for the benefit of the owners of units within the Duplex Condominium and any expansion thereof and the family members, tenants and guests of such owners for the use and enjoyment of all Common Recreation Facilities constructed or installed within the Condominium and any expansion thereof, including the tot lot, the picnic area, the fishing pier, the activity field, the walking paths and the natural open space areas. The owners of units in the Duplex Condominium and their family members, guests and tenants, shall have use and enjoyment rights with respect to the Common Recreation Facilities that are equal to the use and enjoyment rights of the Co-owners and their family members, guests and tenants. With respect to the walking paths, the use of those improvements shall be limited to foot traffic and no motorcycles, scooters, all terrain vehicles, cars or trucks will be allowed thereon. The use of the natural open areas shall be limited to passive recreational use of a type that will not disturb or damage the natural state of those areas. The easements set forth herein are also set forth in the Declaration of Covenants, Conditions, Easements and Restrictions for the Pine Ridge Community dated November 18, 2004 (the "Pine Ridge Community Declaration"), which reflects and reserves permanent, non-exclusive easements for the benefit of the Co-owners and their family members, guests and tenants, for the use and enjoyment of such Common Recreation Facilities as may be constructed or installed within the Duplex Condominium as expanded (comprising two tot lots, an open park area and any portion of the walking trails constructed therein) and for ingress and egress over the roads within the Duplex Condominium to the extent required for access to the aforesaid Common Recreation Facilities. The Pine Ridge Community Declaration was recorded on November 22, 2004 in the Livingston County Records at Liber 4643, Pages 944 through 962, both inclusive. Copies of that document may be obtained upon request to the Developer.

(9) Termination of Easements. Developer reserves the right to terminate and revoke any utility or other easement granted in or pursuant to the Amended and Restated Master Deed at such time as the particular easement has become unnecessary, subject to the written approval of Oceola Township. (This may occur, by way of illustration only, when a utility easement is relocated in connection with 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 effected by the recordation of an appropriate termination instrument or, where applicable, an amendment to the Amended and Restated Master Deed in accordance with the requirements of the Michigan Condominium Act.

F. Common Recreation Facilities. The General Common Elements of the Condominium Project shall include a tot lot and picnic area, with pavers and a sitting area or gazebo installed therein. Pursuant to the PUD, the General Common Elements of the Condominium, as expanded, shall also include a fishing pier, an activity field, walking trails and additional open space, all or some of which may be constructed and included in the Condominium by the Developer at any time in the future, regardless of whether any additional units have then been included in the Condominium by the expansion thereof. Pursuant to the terms and conditions of the PUD, the tot lot and picnic area, the fishing pier, the activity field, the walking trails and the additional open space shall all comprise common recreation facilities (the "Common Recreation Facilities") that shall be available for the common use and enjoyment by both the Co-owners and their family members, guests and tenants and the owners of units in the Duplex Condominium, as the same may be expanded, and the family members, guests and tenants of all such owners. The Common Recreation Facilities shall also include a tot lot and park area that are to be constructed or installed within the initial phase of the Duplex Condominium as General Common Elements of that condominium development, a tot lot that is to be constructed within the land that may be added to the Duplex Condominium, and any part of the walking trail that may be constructed or installed within part of the Duplex Condominium, as the same may be expanded. (A portion of the above referenced activity field will also be located within the land that may be added to the Duplex Condominium.)

The Association and the Duplex Condominium Association, through their respective Boards of Directors, shall establish a joint committee that will be responsible for adopting annual budgets for overseeing the operation, maintenance, repair and replacement of the Common Recreation Facilities located in the Condominium Project and in the Duplex Condominium and for adopting such rules and regulations as may be established for the use and enjoyment of those facilities, with any such rule or regulation having equal application to both the Co-owners and the owners of units in the Duplex Condominium. The Board of Directors of each of the Association and the Duplex Condominium Association shall appoint members to serve on the aforesaid joint committee with the number of committee members appointed by each Board being approximately proportionate to the number of units contained in each of the Condominium Project and the Duplex Condominium. Unless a different number of committee members is identified by mutual agreement of the Board of Directors of both the Association and the Duplex Condominium Association, the aforesaid joint committee shall be comprised of five (5) members, with three (3) of the members being appointed by the Board of Directors of the Association and the remaining two (2) members being appointed by the Board of Directors of the Duplex Condominium Association. The responsibilities of the joint committee described herein shall also include the adoption of budgets and oversight of the maintenance, repair and replacement of certain portions of the roads to be constructed in the Future Expansion Area for the benefit of both the owners and occupants of Units in the Condominium Project, as it may be expanded, and the owners and occupants of units constructed on the land that may be added to the Duplex Condominium, all as provided in the Pine Ridge Community Declaration and in the Master Deeds of both the Condominium and the Duplex Condominium as amended and restated.

Prospective purchasers of Units in the Condominium Project should note that pursuant to the Amended and Restated Master Deed and the above referenced Pine Ridge Community Declaration, that all Co-owners of completed units in the Condominium Project and all owners of completed units in the Duplex Condominium shall each be required to pay a prorata share of

the costs of maintaining, repairing and replacing all of the Common Recreation Facilities, including those constructed or installed within the Duplex Condominium, as the same may be expanded, as well as those constructed or installed within the Condominium Project, as the same may be expanded. The condominium association established to administer the common affairs of the Duplex Condominium shall have the right to collect such assessments as are duly imposed on the Co-owners of Units in the Condominium Project to help defray the cost of maintaining, repairing and replacing the two tot lots, park area and portions of walking trails to be constructed or installed as "Common Recreation Facilities" within the Duplex Condominium, and any expansion thereof.

IV. LEGAL DOCUMENTATION.

A. General. PINE RIDGE SITE CONDOMINIUM was established as a Condominium Project pursuant to the initial Master Deed recorded with the Livingston County Register of Deeds by the previous "Developer", Pine Ridge Development, on November 24, 2003. The current Developer recorded the Amended and Restated Master Deed with the Livingston County Register of Deeds on November 30, 2004. The Amended and Restated Master Deed supersedes and replaces the Initial Master Deed in its entirety. A copy of the Amended and Restated Master Deed is contained in the Purchaser Information Booklet. The Amended and Restated Master Deed includes the By-Laws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. Amended and Restated Master Deed. The Amended and Restated 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 deals with the expansion of the Condominium Project and defines the Future Expansion Area. Article X contains a description of the easements, restrictions and agreements pertaining to the Project (some of which are discussed in this Disclosure Statement). Article XI covers the process of amending the Master Deed.

C. By-Laws. The By-Laws 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 Project. Article XVI of the By-Laws beginning on page 29 of the By-Laws contains restrictions upon the ownership, occupancy and use of the Project which should be reviewed by prospective purchasers. Article II, Section 2.3(b) provides procedures for the establishment of special assessment for additions to the common elements and other appropriate purposes that could not be covered by the annual assessment. Article XVIII of the By-Laws contains specific requirements regarding the initiation and pursuit of civil litigation by the Association that are designed to reduce both the cost of litigation and the risk of improvident litigation being pursued at the Association's expense.

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.

V. THE DEVELOPER AND OTHER SERVICE ORGANIZATIONS.

A. Developer. Multi Building Co, Inc., is a Michigan corporation whose address is 1330 Goldsmith, Plymouth, Michigan 48170. Multi Building Co., Inc. is currently the Developer of the Condominium Project as a result of its purchase of all of the land and units established as the Condominium Project from the original developer, Pine Ridge Development, and the acceptance of an Assignment of Developer's Rights from Pine Ridge Development. (The Assignment of Developer's Rights has been recorded at Liber 4566, Pages 690 through 693, both inclusive, Livingston County Records.) Although Pine Ridge Development constructed and installed the roads and infrastructure of the Condominium Project as initially established, Multi Building Co., Inc., as the current Developer, caused the Amended and Restated Master Deed to be recorded and intends to complete the development of the Units within the Condominium Project as currently established. Multi Building Co., Inc. also intends to construct and install many of the Common Recreation Facilities described above in Section F of Part III in conjunction with the development of the Condominium Project.

Multi Building Co., Inc. was established in 1984. Over the last 20 years, Multi Building Co., Inc. has developed and built both single-family homes and multi-family developments in a number of southeast Michigan communities. **NO LEGAL CONNECTION EXISTS BETWEEN THE DEVELOPER AND ANY AFFILIATED COMPANY OR INDIVIDUAL WITH REGARD TO THIS PROJECT. THIS INFORMATION IS BEING PROVIDED SOLELY TO ILLUSTRATE THE BACKGROUND AND EXPERIENCE OF THE PRINCIPALS OF THE DEVELOPER. PURCHASERS OF UNITS IN PINE RIDGE SITE CONDOMINIUM SHOULD LOOK ONLY TO THE DEVELOPER TO ASSUME ANY LEGAL RESPONSIBILITY FOR THE DEVELOPMENT, MARKETING AND CONSTRUCTION OF THE CONDOMINIUM PROJECT.**

B. Brokers. Developer is not currently planning to use an outside broker, although it reserves the right to do so in the future.

C. Legal Proceedings Involving Condominium Project, Developer. Developer is not aware of any pending judicial proceedings involving the Condominium Project or the Developer. The Developer is currently participating in the arbitration of a dispute with a party in connection with a terminated purchase agreement involving a residence and site condominium unit in another development.

D. Residential Builder. The Developer currently intends to construct the Residences within the Units in the Condominium. However, the Developer does have the right to convey Units to other residential builders for the purpose of reselling the Units to consumer purchasers once Residences have been constructed on them.

VI. OPERATION AND MANAGEMENT OF THE CONDOMINIUM PROJECT.

A. The Condominium Association. Responsibility for the management and maintenance of the Condominium Project is vested in the PINE RIDGE SITE CONDOMINIUM ASSOCIATION, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation of the Association are contained in the Purchaser Information Booklet. The By-Laws include provisions that govern the procedural operations of the

Association. The Association is governed by its Board of Directors, the initial members of which are designees of Developer.

Within 120 days after closing the sales of 25% of the units, one of the three directors will be selected by the non-Developer owners, and within 120 days after closing the sales of 75% of the units, the non-Developer owners will elect all three directors, except that the Developer or its assignee will have the right to designate at least one director as long as it owns at least ten percent of the units in the Project. Regardless of the number of units conveyed, 54 months after the first conveyance, non-Developer owners may elect directors in proportion to the number of units they own. The initial meeting of the members of the Association at which non-Developer owners may elect a majority of the members of the Board of Directors is referred to in the Master Deed and By-Laws as the "First Annual Meeting" and the time for convening the First Annual Meeting is specified in Article IX, Section 2 of the By-Laws.

Within 120 days after closing the sales of 33% of the units or one year from the date of the first conveyance, whichever first occurs, the advisory committee must be established to serve as liaison between the non-Developer owners and the Developer.

The Developer's voting rights are set forth in Article VII, Section 7.2 of the By-Laws recorded with the Amended and Restated Master Deed.

B. Percentages of Value. The percentages of value for PINE RIDGE SITE CONDOMINIUM were computed on the basis of the relative areas of the units in the Project. Because of the similarity of the units it was decided that it would be most equitable if all units were assigned the same value. The percentage of value assigned to each unit determines, among other things, the value of each owner's vote and his or her proportionate share of regular and special Association assessments and of the proceeds of administration of the Project. The percentages of value are equal.

C. Project Finances.

(1) Budget. Article II of the By-Laws requires the Board of Directors to adopt an annual budget for the operation of the Project. The initial budget was formulated by the Developer, and 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 parties. To the extent that estimates prove inaccurate during actual operation and to the extent that the cost of goods and services necessary to service the Condominium Project change 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 Exhibit "A" to this Disclosure Statement and covers the proposed fifty-four (54) Units. **THIS BUDGET IS FOR ILLUSTRATION PURPOSES ONLY, AND REPRESENTS THE DEVELOPER'S BEST ESTIMATE AT THIS TIME AS TO THE POSSIBLE COSTS AND EXPENSES ASSOCIATED WITH THE UNITS. THE ACTUAL COSTS MAY BE HIGHER OR LOWER.** The Developer makes no representation or warranty whatsoever as to the accuracy of the projections on which the attached projected budget is based and Developer has no control

over the costs and expenses that might affect the assessments required to support the Association's budget.

(2) Assessments. Each owner of a Unit must contribute to the Association to defray expenses of administration. The Developer's responsibility for assessments is set forth in Article II, Section 2.9 of the Condominium By-Laws. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2.3(b) of the By-laws. Assessments for Association dues will be collected from Co-Owners either in twelve equal monthly installments, quarterly or semiannually, in the discretion of the Board of Directors, subject to Article II, Section 3 of the Condominium By-Laws.

(3) Assessments in Support of Common Recreation Facilities. The annual assessments collected by the Association shall include a pro-rata share of the cost of operating, maintaining, repairing and replacing the Common Recreation Facilities, including the amounts required for the operation, maintenance, repair, and replacement of those Common Recreation Facilities that are located within the Duplex Condominium; which amounts shall be paid over by the Association to the Duplex Condominium Association as provided in the Article 9, Section 9.4(b) of the Master Deed.

(4) Foreclosure of Lien. The Association has a lien on each Unit to secure payment of Association assessments. The By-Laws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law. By closing on the purchase of a Unit, each purchaser will be deemed to have waived notice of any proceedings brought by the Association to foreclose its lien by advertisement and notice of a hearing prior to the sale of his Unit.

(5) Potential Assessment Increases due to Mortgage Foreclosures. According to Section 58 of the Condominium Act, as recently amended, the holder of a first mortgage interest in a Unit that takes title to the Unit through foreclosure of the mortgage and any other purchaser of a Unit from a mortgage foreclosure have no liability for unpaid assessments that are chargeable against the Unit and that become due prior to the foreclosure of the mortgage. The Association's inability to collect such assessments could result in subsequent increases in the amounts assessed against all Units in the Condominium if the Association does not have sufficient reserves to offset the uncollectible assessments.

D. Management of Condominium. The Developer intends to retain a professional management company to manage the Condominium, although it has no obligation to do so. The management fees payable pursuant to the contract with the management company will be administrative expenses payable by the Association. The contract with the management company may also require certain fees payable by Co-owners, such as one time setup fees charged at the closing on the purchase of a Unit and transfer fees charged in connection with the resale of a Unit.

E. Insurance.

(1) Title Insurance. The Purchase Agreement used by Developer provides that Developer shall furnish its purchaser a commitment for an owner's title insurance policy 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 Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his or her choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

(2) Other Insurance. The Condominium Documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workers' compensation insurance, if applicable, with respect to all of the common elements of the Project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The Board of Directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the annual assessment. The Association insurance policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the condominium Project will be furnished to each owner upon request.

Each Co-owner is responsible for obtaining fire and extended coverage and vandalism and malicious mischief insurance on his or her Unit, the Residence, and other improvements located thereon and the appurtenant limited common elements, as well as personal property, liability and other individual insurance coverage to the extent indicated in Article IV of the By-Laws. Each owner must deliver a certificate of insurance to the Association annually in order to confirm that the required insurance coverage is being maintained. If an owner fails to maintain any such insurance coverage or to provide evidence thereof to the Association, the Association may obtain such insurance and collect the cost thereof from the delinquent owner, however, the Association has no responsibility or obligation to obtain such insurance. The Association should periodically review all insurance coverage to be assured of its continued adequacy and owners should each do the same with respect to their individual insurance.

F. Restrictions on Ownership, Occupancy and Use. Article XVI of the By-Laws sets forth specific restrictions on the ownership, occupancy and use of a Unit in the Condominium Project, as well as specific approval processes and requirements before any construction or improvement can be made on a Unit. Each purchaser is strongly encouraged to review Article XVI of the By-Laws. 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 Developer and the purchaser of a Unit in the Project prior to closing are set forth in the Purchase Agreement or Building Contract and the accompanying Escrow Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition at closing of the earnest money deposit advanced by the purchaser, anticipated closing adjustments, and other important matters. In accordance with Section 103b of the Condominium Act, the Escrow Agreement provides 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. Improvements that "must be built" with relation to Units in PINE RIDGE SITE CONDOMINIUM are shown on the Condominium Subdivision Plan and include the roads and utilities, but do not include the costs of constructing the Residence

itself. Accordingly, the initial earnest money deposit will be placed in escrow with TRANSNATION TITLE INSURANCE COMPANY, by TITLE ONE, INC., a Michigan corporation, its Agent ("Escrow Agent"), and any progress payments or payments for construction upgrades will be paid directly to Developer, in accordance with the terms of the Escrow Agreement between Developer and Escrow Agent, a copy of which is attached to the Building Contract as an exhibit and incorporated therein. Funds retained in escrow are not to be released until conveyance to a purchaser of title to a Unit and confirmation by the escrow agent that all improvements labeled "must be built" are substantially complete.

B. At Closing. Each 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 in the Condominium Documents and title insurance commitment.

C. After Closing.

(1) General. Subsequent to the purchase of the Unit, the legal relationship between the Developer of a Project and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Building Contract are intended to survive the closing.

(2) Condominium Project Warranties. Developer's only warranty regarding the Residence constructed by the Developer within the Units is contained in the Limited Warranty to be provided at closing. The terms and conditions of the Limited Warranty are intended to survive the closing. **OTHER THAN AS SET FORTH IN THE LIMITED WARRANTY, DEVELOPER MAKES NO WARRANTIES OR REPRESENTATIONS REGARDING THE UNITS, THE COMMON ELEMENTS AND THE RESIDENCES TO BE CONSTRUCTED WITHIN THE UNITS. THE DEVELOPER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE ROADS, STREETS OR UTILITIES INSTALLED BY THE PREVIOUS DEVELOPER, PINE RIDGE DEVELOPMENT COMPANY, LLC.**

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 which it believes satisfy the requirements of the average purchaser. Each purchaser is urged to engage a competent lawyer or other advisor in connection with his or her decision to purchase a Unit. In accepting title to the Unit in the Condominium Project, each purchaser shall be deemed to have waived any claim or right arising out of or relating to any immaterial defect, omission or misstatement as contained within or omitted from this Disclosure Statement.

The Michigan Department of Consumer and Industry Services published The Condominium Buyers Handbook that has been delivered to you. Neither the Developer nor the Developer assumes 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 documents contained herein are a summary only and may or may not completely and adequately express the content of the various Condominium documents described. Many of the terms used herein are defined in the Condominium Act and in the Master Deed and other Condominium documents. Each purchaser and his counsel are referred to the original Master Deed as recorded and copies of other original instruments as contained within the Purchaser Information Booklet which the Developer has provided to each purchaser. It is the purpose of this Disclosure Statement to inform and advise purchasers and to highlight those provisions of the documents and those facts which are believed to be material to a prospective purchaser's decision to acquire a Condominium Unit.

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