



PURCHASER INFORMATION BOOKLET

FOR

ANGELS CROSSING

A Condominium Project

in the

Village of Vicksburg, Township of Schoolcraft, Kalamazoo County

Developed by:
South County Residential Development, L.L.C.
2211 East V Avenue
Vicksburg, Michigan 49097

ANGELS CROSSING

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Developer: South County Residential Development, L.L.C.
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Angels Crossing is a residential condominium subdivision located in the Village of Vicksburg, Township of Schoolcraft, Kalamazoo County, Michigan, proposed to be developed in multiple phases. The initial phase of the project will contain 38 residential units (lots). The Developer has the ability to expand the project in the future up to a maximum of 100 units.

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.

IT IS RECOMMENDED THAT PROFESSIONAL ASSISTANCE BE SOUGHT PRIOR TO PURCHASING A CONDOMINIUM UNIT.

Effective September, 2003

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DISCLOSURE STATEMENT

ANGELS CROSSING

I. Introduction.

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended (the Condominium Act)

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are furnished to each purchaser pursuant to the requirement of Michigan law that the developer of a condominium project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

II. The Condominium Concept.

Condominium is a form of real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents.

Each owner receives a deed to his individual unit (lot) Each owner owns, in addition to his unit, an undivided interest in the common facilities ("common elements") which service 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 unit in the Master Deed described in Section VI 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 which are set aside for use by less than all unit owners. General common elements are all common elements other than limited common elements.

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 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.

Although the foregoing is generally accurate as applied to most residential condominium

developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to carefully review all of the documents contained in the Purchaser Information Booklet for Angels Crossing, as well as any other documents that have been 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 own lawyer or other professional advisor.

III. Description of the Condominium Project.

A. General. Angels Crossing is a residential condominium subdivision consisting of multiple phases, 38 units in the first phase, and up to an additional 62 units in subsequent phases.

B. Reserved Rights of Developer. The Developer has reserved easements and rights of use of the roads, driveways and any walkways in the project for the purpose of ingress and egress to and from the condominium property until the Developer has sold all condominium units in the project. The Developer intends to dedicate the roadways in the project to the public, so that such roadways would become public streets, owned and maintained by the Village of Vicksburg.

C. Utilities and Roads. Angels Crossing is served by public water, sanitary sewer, gas, electricity and telephone service. Water, gas and electrical service will be separately metered to a residence constructed on each unit, and are furnished by the Village of Vicksburg or by the local public utilities.

The road surfaces will be bituminous asphalt, and the Developer makes no warranty or representation as to the wearability and serviceability of the road surfaces. The initial road surfaces will be built in compliance with the minimum standards of the Village of Vicksburg for residential public roads. It is likely that the road surfaces will require periodic servicing and future repaving, all of which will be the responsibility of the Village of Vicksburg. Snow plowing from the roads located within the project will also be the responsibility of the Village of Vicksburg. The storm water disposal system located within the project may be required to be maintained by the Condominium Association.

D. Recreational Facilities. There are a few small open space common areas, including water retention areas. The Developer contemplates no specific recreational facilities within the Project. There is a golf course being developed on property adjacent to the project. The golf course is not part of this project and the Developer does not contemplate that unit owners will have any preferential rights to use the golf course or its facilities.

E. Easements Affecting Project. The project is affected by several public and private utility easements as are set forth on Exhibit "B" of the Master Deed or in the title insurance commitment to be furnished to each co-owner prior to the closing of individual unit sales. The project is also subject to easements for roadway purposes, public utilities, and water retention areas, all as shown on the Condominium Subdivision Plan attached as Exhibit "B" of the Master Deed.

IV. Legal Documentation.

A. General. Angels Crossing was established as a condominium project pursuant to the Master Deed for the project, and amendments thereto, as recorded in the Kalamazoo County records and contained in Angels Crossing Condominium Purchaser Information Booklet. The Master Deed includes the Condominium 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 connection with the project, the percentage of value assigned to each unit in the 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 VIII of the Master Deed covers easements and Article V reserves in favor of the Developer the right to amend the condominium documents to modify the number, size and/or location of unsold condominium units, from time to time. Article VII of the Master Deed reserves to the Developer the right to further expand the condominium, and Article VI reserves to the Developer the right to contract the project. Article X of the Master Deed reserves in favor of the Developer the right to amend the condominium documents to make immaterial changes therein, to provide for the correction of errors and to comply with the requirements of certain lending institutions.

C. Condominium Bylaws. The Condominium 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 purpose of paying the costs of operation of the condominium project. Article VI references certain restrictions upon the ownership, occupancy and use of the condominium project. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

D. Condominium Subdivision Plan The Condominium Subdivision Plan is a 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 Affiliates

A. Developers' Background and Experience. The Developer is a Michigan limited liability company, the principals of which are Robert L. Thompson and Jill M. Thompson. Mr. and Mrs. Thompson have limited experience with regard to the business of developing and subdividing property.

B. Affiliates. No affiliates of the Developer are involved in any aspect of the

development of this project.

C. Legal Proceedings Involving the Condominium Project, the Developer or its Affiliates. The Developer is not presently aware of any pending judicial or administrative proceedings involving the condominium project, the Developer or any of Developer's affiliates.

VI. Operation and Management of the Condominium Project.

A. The Condominium Association The ultimate responsibility for the management and maintenance of the condominium project is vested in Angels Crossing Condominium Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation and Bylaws of the Association are contained in the Purchaser Information Booklet and govern the procedural operations of the Association. The Condominium Bylaws provide for the establishment of an Advisory Committee of three (3) non-developer co-owners within one hundred twenty (120) days after conveyance to non-developer co-owners of one-third (1/3) of the units planned for the project, or within one (1) year after the initial conveyance of legal or equitable title to a non-developer co-owner of a unit in the project, whichever first occurs. The Advisory Committee is initially appointed by the Developer, although the Bylaws provide that under certain circumstances the members of the Advisory Committee may be elected by the non-developer co-owners. The purpose of the Advisory Committee is to facilitate communications between the Developer and the non-developer co-owners. The Condominium Bylaws also provide that the non-developer co-owners shall be entitled to elect members of the Board of Directors of the Condominium Association in increasing numbers as condominium units are sold. Section 1.8 of the Condominium Bylaws sets forth these rights.

B. Percentages of Value. The percentages of value for the individual units in Angels Crossing are equal. The percentage of value assigned to each unit determines, among other things, the value of each co-owner's vote and his proportionate share of regular and special assessments and of the proceeds of administration of the project.

C. Project Finances.

1. Budget. Article II of the Condominium Bylaws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget for the project 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 replacement of certain components of the project in the future. Inasmuch as the budget must necessarily be prepared prior to the commencement of operation of the project, it reflects the estimates of expenses made by the Developer based in part on bids and in part upon the estimates of others. 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. A current or proposed budget of the Association has been included as an attachment to this Disclosure Statement.

2. Assessments. Except as set forth below with respect to the Developer, each co-owner of a unit in the project must contribute to the Association in proportion to the percentage of value assigned to the unit(s) owned by him to defray expenses of administration. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 3 of the Condominium Bylaws.

3. Possible Additional Liability. Pursuant to Section 101 of the Condominium Act, each purchaser is advised of the following possible liability of each co-owner under Section 58 of the Condominium Act:

If the holder of the first mortgage or other purchaser of a condominium unit obtains title to that unit by foreclosing the mortgage, the holder of the first mortgage or other purchaser is not liable for unpaid assessments which are chargeable against that unit and which had become due prior to foreclosure. These unpaid assessments are common expenses which are collectible from all unit owners including the holder of the first mortgage who has obtained title to the unit through foreclosure.

D. Condominium Association Management Contracts. The Condominium Bylaws do not require that the Association employ a professional management agent to manage the affairs of the condominium. The hiring of such an agent is within the discretion of the Association.

E. Insurance.

1. Title Insurance. The Purchase Agreements provide that the Developer shall furnish each purchaser with a commitment for an owner's title insurance policy issued by Metropolitan Title Company, 7117 S. Westnedge, Suite 1, Portage, Michigan 49002, or another qualified 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 choice prior to closing to make certain that it conforms to the requirements of the Preliminary Reservation or Purchase Agreements.

2. Other Insurance. The condominium documents require that the Association carry liability and workers' compensation coverage, if applicable. The Board of Directors is responsible for obtaining such insurance coverage for the

Association. Each owner's pro rata share of the annual Association insurance premiums is included in the monthly assessments. The Association should periodically review all insurance coverage to be assured of its continued adequacy. In the event of loss or injury, each owner should refer to Articles IV and V of the Condominium Bylaws.

Each unit owner is responsible for obtaining fire, casualty and extended coverage insurance with respect to any residence or other improvements constructed on a unit, as well as liability insurance for injury or damage occurring in or on his unit, or the limited common elements appurtenant thereto.

F. Restrictions on Development and Use. Article VI of the Condominium Bylaws contains, or references comprehensive restrictions on the use of the condominium units and the common elements. It is impossible to paraphrase these restrictions without risking the omission of some portion that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use.

The following is a list of certain of the more significant restrictions:

1. Units are to be used only for single family residential purposes.
2. All residences to be constructed on any unit are subject to minimum size requirements and also minimum setbacks. The construction of any residence must be completed within twelve (12) months after issuance of a building permit for the same.
3. Any residences or other structures are subject to certain restrictions and limitations with respect to minimum size, type of construction materials, time period of construction, and other matters. All construction activity on a unit, including grading, construction and installation of any kind, is subject to prior review and approval by the Developer's Review Committee, in accordance with the procedures referenced in the Condominium Bylaws.
4. The keeping of animals on or in the condominium, other than household pets, is prohibited. Certain conditions with respect to household pets are also provided.
5. There are restrictions and limitations on the parking and storage of motorized and non-motorized vehicles, including commercial vehicles and trucks.
6. Each owner of a unit is required to install and operate an automated lawn sprinkler unit within each unit, irrigating on a regular basis, at a minimum, all

lawn areas within such unit.

7. Reasonable regulations may be adopted by the Board of Directors of the Association (without vote of the co-owners) concerning the use of common elements such as parking areas and other matters falling within the authority of the Association.

None of the restrictions apply to the sale or commercial activities of the Developer.

VII. Rights and Obligations as Between Developer and Co-Owners.

A. Before Closing. The respective obligations of the Developer and the purchaser of a condominium unit in the project prior to closing are set forth in the Preliminary Reservation or Purchase Agreements and the accompanying Escrow Agreement. Each of these documents should be closely examined by all purchasers in order to ascertain the disposition of earnest money deposits advanced by the purchaser at the time of closing, anticipated closing adjustments, and the obligations of both parties with respect to modifications to the standard unit and extra installations.

B. At Closing.

1. General. Each cash purchaser will receive, by warranty deed, fee simple title to his 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.

2. Escrow Funds. Section 103(a) of the Condominium Act (M.C.L.A. 559.203(a)) requires that sums held in escrow pursuant to a Preliminary Reservation or Purchase Agreement and accompanying Escrow Agreement are to be released by the Escrow Agent to the Developer only upon all of the following:

a. Substantial completion of certain improvements by the Developer, as set forth in a Preliminary Reservation or Purchase Agreement.

b. Conveyance of legal or equitable title to the Unit to the purchaser.

c. Confirmation by the Escrow Agent that the items labelled in the condominium documents as "must be built" are substantially complete, or that sufficient funds to finance substantial completion of those items are retained in the escrow account, or satisfactory substitute arrangements to insure that completion is

made in accordance with the statute. Substitute arrangements might include the furnishing by the Developer of an irrevocable letter of credit, lending commitment, indemnification agreement, bond or other similar collateral. The Developer contemplates that the improvements labelled in the condominium documents as "must be built", with the exception of individual condominium units, will be substantially completed prior to the closing of the sale of any condominium unit. If such improvements are not substantially completed, the Developer contemplates the use of an irrevocable commercial letter of credit or other similar collateral to secure the completion of the same in accordance with Section 103(a) of the Condominium Act.

C. After Closing. Subsequent to the purchase of the unit, the relationship between the Developer and the co-owner are governed by the Master Deed, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

The recorded restrictions applicable to the project provide that the Developer shall have the right to repurchase from the original purchaser of a unit in the project at any time prior to construction of a home on such unit.

VIII. Purpose of Purchaser Information Booklet.

The Developer has prepared this Purchaser Information Booklet in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the project. 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 in this Booklet. The terms used herein are defined in the Condominium Act.

The Michigan Department of Commerce has published the Condominium Buyer's Handbook, which the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from the Condominium Buyer's 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 contained in the Purchaser Information Booklet. In accordance with the rules of the Michigan Department of Commerce, 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 this

Disclosure Statement and the rules of the Michigan Department of Commerce.

ANGELS CROSSING CONDOMINIUM ASSOCIATION
ESTIMATED BUDGET

(Proposed) First Year of Operation

EXPENSES:

Administration/Management	\$600.00
Auditing	\$100.00
Legal	\$200.00
Electrical- street lights	\$2,500.00
Sidewalk maintenance	\$340.00
Grounds Maintenance	\$5,900.00
Property and Liability Insurance	\$500.00
Miscellaneous	\$260.00
Operating Reserve	\$1,000.00
TOTAL	\$11,400.00

Cost per Unit: $\$11,400.00 \div 38 = \300.00 per year

\$75.00 per quarter