

MAPLEWOOD VILLAGE CONDOMINIUM DISCLOSURE STATEMENT

INTRODUCTION

Condominium development in Michigan is governed largely by a statute called the Michigan Condominium Act, MCLA 559.101 et seq., MSA 26,50(101) et seq., and by rules adopted by the Michigan Department of Licensing and Regulatory Affairs, the state agency that administers the Act. In this document, Maplewood Village Development, LLC, as the Developer (“Developer”) of Units within Maplewood Village Condominium (the “Condominium” or “Project”), states the material facts about the Project and the parties involved in its development that it believes will satisfy the needs of the average buyer. This disclosure statement, together with copies of the legal documents intended for the creation and operation of the Project, are furnished to each buyer to fulfill the requirement of the Act that the Developer disclose to prospective purchasers the characteristics of the Condominium Units that are offered for sale. These documents constitute the only authorized description of the Project, and none of the Developer's sales agents or other representatives may vary the terms.

THE CONDOMINIUM CONCEPT

A condominium is a form of real property ownership. Under Michigan law, a condominium unit has the same legal attributes as any other form of real estate and may be sold, mortgaged, or leased subject to the restrictions in the condominium documents. A condominium project is established by recording a master deed with the register of deeds of the county where the project is located.

Each owner of a condominium unit, or co-owner, owns part of the building that includes the co-owner's residence, for which the co-owner receives a warranty deed, A co-owner is one of a number of mutual owners of common facilities, the common elements, that serve both the co-owner's unit and other units in the project. The units and the common elements (which are legally inseparable from the units) are generally described in the master deed. Each unit's boundaries are shown in the condominium subdivision plan, which is attached as an exhibit to the master deed. All parts of the project that are not included within the units constitute the common elements and are owned by all co-owners in undivided proportions equal to the percentages of value assigned to each unit in the master deed. Limited common elements are those common elements that are set aside for the use of less than all unit owners. All other common elements are general common elements.

The relatively close proximity of residents dictates that certain restrictions and obligations be imposed on each owner for the mutual benefit of all. Such restrictions are stated in the condominium bylaws, which are recorded as part of the master deed. All the condominium documents are prepared with the goal of allowing each co-owner a maximum amount of individual freedom without allowing any one co-owner to infringe on the rights and interests of the group at large. All co-owners and residents must be familiar with and abide by the restrictions if a condominium project is to be an enjoyable place to live.

DESCRIPTION OF THE PROJECT

Maplewood Village Condominium is a residential condominium project located in the City of Holland, Allegan County, Michigan (the "Project"). The Project includes 46 residential units.

All units in the Project are constructed with a main floor on a concrete slab. The units may have between one, two or three bedrooms, and all have an enclosed garage and an individual entry. All units have a separate furnace and hot-water heater, and may have separate central air-conditioning at the option of the purchaser.

The land, walkways, drives, landscaping, common utility systems, and structural elements of buildings are all General Common Elements, owned and used in common by all Co-owners. Individual Co-owners also have exclusive rights to use the Limited Common Elements of the Project, such as parking areas, garages, decks, and stoops.

LEGAL DOCUMENTS

The Project has been established as a Condominium Project pursuant to a Master Deed, as amended, recorded with the Allegan County Register of Deeds, a copy of which is delivered with this Disclosure Statement. The Master Deed includes the Condominium Bylaws as Exhibit "A" and the Condominium Subdivision Plan, a three-dimensional survey establishing the physical relationship and location of each of the units in the Project, as Exhibit "B". Other Condominium Documents include the Articles of Incorporation and the rules and regulations of the Association.

The Master Deed contains the definitions of terms used in the legal documents, the Percentage of Value assigned to each unit, a general description of both the Limited and the General Common Elements, and a statement about the responsibilities of the individual owners and of the Association for maintaining the Common Elements. The Master Deed also reserves to the Developer the right to contract the Project within defined limits and to modify the number, size, style, and location of any units or Common Elements in the Project that have not been built in the Condominium Subdivision Plan, by an amendment or a series of amendments to the Master Deed. Such amendments do not require the consent of any owner or mortgagee as long as the changes do not unreasonably impair or diminish the appearance of the Project or the view, privacy, or other significant attribute of any unit that adjoins a modified unit or Common Element.

The Condominium Bylaws contain provisions relating to the operation, management, and fiscal affairs of the Condominium, including provisions relating to both regular and special assessment of the members to pay for the costs of operating the Project. Restrictions on the ownership, occupancy, and use of Condominium Units in the Project are listed together with provisions allowing the Association to adopt additional rules and regulations governing the use of the units and the Common Elements.

The Condominium Subdivision Plan contains a survey of the Condominium land showing the location of all buildings and utilities. Floor plans and elevations of individual units are also depicted in the Condominium Subdivision Plan, together with those Common Elements that can be shown on the drawings.

THE DEVELOPER'S BACKGROUND AND EXPERIENCE

The Project's Developer is Maplewood Village Development, LLC (the "Company"), 107 E 18th Street, Holland, Michigan 49423. The Project is the Company's only endeavor in condominium development. The Member of the Company, however, Ace Builders, Inc., has significant experience in Condominium development and sales, including Copper Ridge Condominium in Zeeland Township, Summer Grove Condominium in Holland Township, Bayou Pointe Condominium in Grand Haven Township, and Riley Woods in Zeeland.

The Project's realtors are Jerry Nienhuis and Jean Groenhof of Keller Williams, 363 Settlers Road, Holland, Michigan 49423. (616) 494-6911. Mr. Nienhuis and Ms. Groenhof also have extensive experience in the sale and marketing of condominium units.

ADMINISTRATION OF THE PROJECT

The responsibility for managing and maintaining the Project is vested in the Maplewood Village Condominium Association, which has been incorporated by the Developer as a nonprofit corporation under Michigan law. Each Condominium owner automatically becomes a member of the Association when the person purchases a unit in the Project. The owner of each unit is entitled to one vote at all meetings of the Association.

The Association Bylaws permit it to hire a professional manager or a management company to manage the Project. The Association has not hired a property management company, and is managing the Project itself.

Additional information about the organization and operation of condominiums in Michigan may be found in the Condominium Buyer's Handbook published by the authority of the Michigan Department of Licensing and Regulatory Affairs, a copy of which has already been furnished to you by the Developer.

PROJECT WARRANTIES

As described in the Condominium Addendum to West Michigan Purchase Agreement, the Developer warrants the work and materials of all units it constructs (other than consumer products, as defined in the Magnuson-Moss Warranty Federal Trade Commission Improvement Act, that are included within a purchaser's unit) for one year from the date of occupancy. If a Co-owner notifies the Developer in writing of a defect before the warranty period expires, the Developer will inspect the unit and, if the inspection reveals defects in work or materials, will make reasonable repairs to

fix the defects without cost to the Co-owner. The Developer is also responsible for defects in work and materials in the buildings and other Common Elements of the Project about which it receives written notice within one year after the particular Common Element is completed.

The Developer's warranty does not include alleged defects that result from characteristics common to the materials used, such as the warping of wood; the fading or checking of paint due to sunlight; hairline cracks caused by the drying and curing of concrete, stucco, plaster, bricks, or masonry; the drying, shrinking, or cracking of caulking and weather stripping; the heaving of cement; snow or ice buildup on roofs causing leakage in a unit or in the Common Elements; or the initial settlement of buildings or material shrinkage commonly associated with new construction.

The Developer's warranty is not assignable to subsequent purchasers of a Condominium Unit. In addition, any warranty given by the manufacturer of an appliance or other manufactured item installed in the Condominium Unit by the Developer will be assigned to the purchaser of that unit. The Developer makes no other warranties about such items.

All notices regarding warranty claims should be addressed to the Developer at the address noted on the first sheet of this statement.

There are no warranties on this Condominium Project other than those described in this statement; express warranties are not provided unless specifically stated. You, individually or as a member of the Association, may be required to pay for the replacement or repair of any defects in this Condominium Project that are not covered by warranty. Under no circumstances will the Developer be liable for incidental or consequential damages.

ESCROW REQUIREMENTS

MCL 559.184, MSA 26.50(184) provides that all payments received from prospective purchasers under purchase agreements must be deposited in an escrow account with an authorized escrow agent and must be refunded if the purchase agreement is canceled within nine business days after the purchaser receives the Condominium Documents that the Developer must give the purchaser under MCL 559.184a, MSA 26.50(184a). When the withdrawal period expires, the Developer must retain sufficient amounts in the escrow account or provide other adequate security as provided in MCLA 559.203b, MSA 26.50(203b) to ensure the completion of the uncompleted structures and improvements labeled "must be built" in the Condominium Documents.

As indicated in the Condominium Subdivision Plan attached as Exhibit B to the Master Deed, Units 1-2 together with all utilities and improvements needed for them must be built. All other buildings and utilities need not be built. Sufficient funds will therefore need to be retained in escrow to ensure completion of any utility mains and leads, all major structural components of the buildings, all building exteriors, and all sidewalks, driveways, landscaping, and access roads identified as must be built.

BUDGET AND ASSESSMENTS

The Condominium Bylaws require that the Board of Directors adopt an annual budget for operating the Project. A copy of the most recent budget is attached to this statement as Exhibit "A". The amount projected as expenses of the Association does not include expenses for gas, cable television, interior electric, or telephone services, which are individually metered and must be paid directly by each Co-owner.

Because the budget must necessarily be prepared in advance, it reflects estimates of expenses based on past experience. These estimates may prove to be inaccurate during actual operations on account of such factors as increases in the cost of goods and services, the need to repair or replace Common Elements, or property improvements. If such cost increases occur, the budget will need to be revised accordingly.

Until such time as the regular annual assessments paid by Co-Owners shall be sufficient to support the total costs of administration for the Project (excluding reserves), the Developer shall pay the balance of such administrative costs on account of the Units owned by Developer. After the time that the regular annual assessments paid by Co-owners other than the Developer are sufficient to support the total costs of administration (excluding reserves), the Developer shall not be responsible for contribution to the Association budget for Units which it owns.

Each Co-owner must pay an annual assessment which is determined by dividing the projected budget expenses by the number of units in the Project. This assessment must be paid in 12 equal monthly installments on the first day of each month.

The Board of Directors may also levy special assessments to cover expenses that are not anticipated in the budget.

RESTRICTIONS

Owners of Condominium Units will be bound by various use and occupancy restrictions applying to both the Condominium Units and the Common Elements. For example, there are restrictions against altering the structure or the exterior appearance of any unit or Limited Common Element; parking recreational vehicles, boats, and trailers on the Condominium Property; and keeping pets without written permission from the Board of Directors of the Association.

It is impossible to paraphrase all the restrictions without risking the omission of some restriction that might be significant to a particular purchaser. Consequently, each buyer should carefully review the Master Deed and Condominium Bylaws to be sure that an important intended use is not restricted. None of the restrictions prohibit the Developer from carrying on sales activities as long as the Developer is selling units in the Condominium.

ENFORCEMENT PROVISIONS

Compliance with use restrictions may be enforced by the levy of fines or by a legal action seeking damages or an injunction against the offending owner. The board may also take direct action to correct any condition that violates these Bylaws or elect to discontinue furnishing services to the unit involved on seven days' notice to the Co-owner in default. If an owner does not pay monthly assessments when they are due, the Association may charge the owner reasonable interest and/or assess late charges from the due date. The Association is also given a lien on the unit that may be enforced as described above or by foreclosure proceedings as provided by the Michigan Condominium Act. Owners should be aware, however, that MCL 559.158, MSA 26.50{158} provides that if the holder of a first mortgage or other purchaser obtains title to a unit as the result of a foreclosure of that mortgage, the holder of the first mortgage or a subsequent purchaser is not liable for unpaid assessments for that unit that became due before the foreclosure. Such unpaid assessments are common expenses that are collectible from all Co-owners.

INSURANCE

The Condominium Documents require that the Association carry fire and extended coverage insurance for vandalism and malicious mischief and liability insurance and worker compensation insurance (if applicable) for all the Common Elements of the Project. Such policies may contain deductible clauses, which may result in the Association bearing part of a loss. The Board of Directors is responsible for obtaining this insurance coverage for the Association and each Co-owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance policies will be available for inspection at its office.

The insurance coverage provided by the Association will not cover the interiors of the Condominium Units or the Unit contents. Coverage will not include property of an owner that is located outside the unit on the grounds of the Project or on a Limited Common Element appurtenant to a unit. All owners are cautioned, therefore, that it is their responsibility to insure the interior of their units (including subsequently acquired appliances and fixtures), their contents, and any improvements paid for by the owner. Each owner must also obtain personal liability coverage against injury to persons or damage to property resulting from accidents in and around the owner's Condominium Unit. An insurance agent should be consulted to decide what coverage will be needed. Without such coverage, an owner is uninsured for any loss that occurs within the owner's unit or to the owner's property or guests.

PRIVATE DRIVES AND EASEMENTS

The Project is served by a private road known as Maplewood Court, which has access to and from 40th Street. Maplewood Court is private road, and all costs to maintain the shared driveway are the responsibility of the Association. No public funds are available to maintain Maplewood Court. Maplewood Court will not be maintained by the City of Holland or Allegan County.

The private road within the Project, as well as open parking areas and walkways, are General Common Elements of the Project and must be cleared, maintained, and repaired as needed by the

Association. Expenses for these services will ultimately be paid by the Co-owners as part of their monthly assessment fees. The drives and parking areas are asphalt or concrete and will require some routine maintenance, although it is impossible to estimate just how much maintenance might be required in any given year since their life expectancy will vary depending on the type of use, weather conditions, and degree of maintenance.

The Condominium premises will also be subject to a number of easements. The Master Deed describes certain reciprocal easements granted to Co-owners and to the Association. There are various easements relating to drainage and utilities, which will be described in each title insurance commitment and title insurance policy furnished to buyers.

Until the development of the land described in the Master Deed has been completed, the Developer has reserved the right to unrestricted use of all roads, driveways, and walkways of the Condominium and easements to use, tap into, extend, and enlarge all utility mains on Association property without any charge or fees except for the reasonable cost to the Association of work performed, utilities consumed, and maintenance necessitated as a direct result of the Developer's use.

REAL ESTATE TAXES

Taxes on the Condominium Units are assessed by the State of Michigan, City of Holland, Allegan County, and the local School District. Under Michigan law, taxes must be assessed on the basis of 50 percent of true cash value.

RECREATIONAL FACILITIES

There are no recreational facilities in the Project.

LEGAL MATTERS

There are no pending proceedings, either legal or administrative, that involve either the Condominium Project or the Developer and its officers and shareholders in their capacity as such, and the Developer has no knowledge of any such proceedings that might be threatened.

The law firm of Property Law Solutions, PLC, of Holland, Michigan, served as legal counsel in connection with the preparation of the Condominium Documents. Legal counsel has not passed on the accuracy of the factual matters in these documents.

The matters discussed in this Disclosure Statement are intended to highlight only a few of the more important facts relating to the Project. Buyers are urged to read all Condominium Documents carefully and to engage a lawyer or another adviser in connection with the purchase of a unit in the Project.

Exhibit A

**Maplewood Village Condominium
Proposed Budget**

	46 Units
Expense:	Annual Amount
Accounting	\$ 250.00
Bank Charges	\$ 50.00
Exterior Grounds Maintenance	\$ 28,000.00
Insurance	\$ 15,000.00
Licenses and Fees (Annual Report)	\$ 20.00
Management Fee	\$ 11,040.00
Office Supplies and Postage	\$ 120.00
Detention Pond Maintenance	\$ 500.00
Reserve Fund	\$ 10,500.00
Repairs and Maintenance	\$ 4,000.00
Snow Removal (includes shoveling)	\$ 14,000.00
Utilities (water, sewer, common area electric)	\$ 19,000.00
Well Maintenance	
Total	\$ 102,480.00
Total Per Unit	\$ 2,227.83
Total Per Unit Per Month	\$ 185.65