DISCLOSURE STATEMENT

COTTAGE POINTE

Developer: Cottage Pointe, LLC
5071 Gull Road
Kalamazoo, MI 49048

Cottage Pointe (the "Project") is a residential condominium project located off East C Avenue, east of North 32^{nd} Street, in Richland Township, Kalamazoo County, Michigan. The Project consists of up to forty two (42) residential condominium units (the "Units") in the first phase. The completion date for the Project will be determined by the rate at which the Units are constructed and sold.

The Developer has reserved the right to expand the Project by adding up to two (2) parcels of land, one of them adjacent to the south of the Project and the other located south and west of the Project. The rights to expand the Project include increasing the total number of Units in the Project by no more than an additional eighty (80) Units, for a total number of not more than one hundred twenty two (122) Units. Such rights must be exercised, if at all, on or before six (6) years from the date of the initial recording of the Master Deed.

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 TO THE PROJECT.

THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED WITH THE ANY DEPARTMENT OR BUREAU OF THE STATE OF MICHIGAN BECAUSE, AS THE RESULT OF ENACTMENT OF ACT NO. 538 OF THE PUBLIC ACTS OF MICHIGAN OF 1982, POPULARLY KNOWN AS THE CONDOMINIUM DEREGULATION ACT, EFFECTIVE JANUARY 17, 1983, SUCH FILINGS CAN NO LONGER BE MADE. THE STATE HAS NOT UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE PROJECT AND HAS NOT MADE ANY RECOMMENDATION AS TO THE MERITS OF THE PROJECT OR THE PURCHASE OF ANY UNITS IN THE PROJECT.

WE RECOMMEND THAT YOU CONSULT WITH AN ATTORNEY OR OTHER PROFESSIONAL ADVISER PRIOR TO PURCHASING A CONDOMINIUM UNIT.

This Disclosure Statement is effective Sept 2, 2016.

This instrument drafted by :
Mark C. Hanisch
Kluczynski, Girtz, & Vogelzang
5005 Cascade Rd SE, Suite A
Grand Rapids, MI 49546

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INTRODUCTION

Michigan's Condominium Act (the "Act") governs condominium development in Michigan. Cottage Pointe (the "Project") was established by the Developer's recording a Master Deed in the office of the Kalamazoo County Register of Deeds. The Master Deed and other documents which the Developer caused to be drafted for the Project (which are referred to as the "Condominium Documents" in this Disclosure Statement) govern the use and operation of the Project.

A "condominium" is a form of ownership of real estate. In a condominium project, real estate is divided into two distinct interests: Condominium Units and Common Elements. The portions of a condominium project which are individually owned (the "Units") have the same legal attributes as other forms of real estate and may be sold, mortgaged or leased, subject to the restrictions contained in the Condominium Documents. The Master Deed and Condominium Subdivision Plan (attached to the Master Deed as Exhibit B) describe the dimensions and characteristics of the Units and Common Elements.

Each owner of a Unit (a "Co-owner") is conveyed (usually by deed) ownership of the Unit and is one of a number of mutual owners of common facilities (the "Common Elements") which serve both the Co-owner's Unit and other Units in the Project. In Cottage Pointe, each Unit originates as a cube of air or building site, extending twenty-five (25) feet below grade and fifty (50) feet above grade in which the house and garage shall be constructed, as shown in the Condominium Subdivision Plan. After the house is constructed within a building site, the vertical boundaries of the Unit generally will be the exterior surfaces of the exterior walls of the house. Each Co-Owner is responsible for maintaining, repairing, replacing, and insuring that Co-Owner's house.

All portions of the Project not included within the Units constitute the Common Elements. Each Co-owner receives title to his or her individual Unit and an undivided ownership interest in the Common Elements which service the Project. Each Co-owner's proportionate share of the Common Elements is determined by the percentage of value assigned to his or her Unit in the Master Deed. Title to the Common Elements is included as part of, and is inseparable from, title to the individual Units.

There are two types of Common Elements in the Condominium Project: General Common Elements and Limited Common Elements. Limited Common Elements are those for which use is reserved in the Master Deed to fewer than all of the Co-owners. Examples of Limited Common Elements in the Project are the driveways leading to the garages and the sidewalks, stoops, front porches, decks and patios servicing the houses.

General Common Elements are all Common Elements other than Limited Common Elements. The open land and the private roads are examples of General Common Elements in the Project.

The interrelationship of individual ownership of Units and joint ownership of Common Elements requires that certain restrictions be imposed on the use of the Units and the Common Elements for the mutual benefit of all owners and occupants of Units. Such restrictions are contained in the Condominium Bylaws which are recorded as Exhibit A to the Master Deed. All of the Condominium Documents for the Project have been prepared with the goal of allowing each Co-owner considerable individual freedom and discretion without permitting any one Co-owner to infringe materially upon the rights and interests of the other Co-owners and residents. All

Co-owners and residents must be familiar with and abide by such restrictions to maximize the enjoyment of condominium living.

Except for the year in which the Project is established, real property taxes and assessments will be levied individually against each Unit. These taxes and assessments will cover the Unit and its proportionate share of the Common Elements. No separate tax bill or assessment will be levied directly against the Common Elements.

A summary such as the one contained in this Disclosure Statement cannot fully set forth all of the details of a condominium development. Therefore, each purchaser is advised to review carefully all of the Condominium Documents for the Project. Each purchaser is also advised to consult his or her lawyer or other professional adviser.

SIZE AND SCOPE OF THE PROJECT

Cottage Pointe is a residential condominium project located in Richland Township, Kalamazoo County, Michigan. The Project initially will contain a maximum of forty two (42) Units on a parcel of land approximately thirteen (13) acres in size. The Project is now under construction, with initial Units anticipated to be ready for occupancy in 2017. The Developer has reserved the right to expand the Project by adding to the Project two parcels of land, one approximately seven and one quarter acres in size, south of the Project, and the other approximately three and three quarter acres in size south and west of the Project. If the land is added to the Project, the Developer may create up to eighty (80) additional Units within those parcels, for a total number of Units in the Project not to exceed one hundred twenty two (122).

Several different floor plans, sizes and styles of Units are planned for Cottage Pointe.

The Act requires the Developer to inform potential purchasers of the Developer's construction obligations through the use of the terms "Must Be Built" and "Need Not Be Built." The Developer is obligated to construct only those Units and improvements labeled "Must Be Built" in the Condominium Subdivision Plan attached to the Master Deed. Only Unit 1 and all appurtenances to that Unit (including the house and garage within the Unit), the private roads, the gazebo, the gravel turnaround at the south end of the private road known as "Cottage Pointe," the hard surface pedestrian path and those utilities shown as "must be built" on the Condominium Subdivision Plan are "Must Be Built" items. All other Units, appurtenances and utilities are labeled "Need Not Be Built." Most of the "Must Be Built" items have either been completed or are under construction. The Developer has provided the escrow agent with adequate assurances that financial arrangements have been provided for completion of all structures and improvements labeled "Must Be Built."

The Condominium Subdivision Plan depicts a clubhouse which, if constructed, would be available for use by owners of Units in Cottage Pointe and, perhaps, others. The clubhouse has been designated as a "Need Not Be Built" improvement. At closing, each initial purchaser of a Unit from the Developer will pay, in addition to the purchase price for the Unit and other fees and costs, a "Clubhouse Fee" which will be paid to the Association so that the Association, if desired, can cause a clubhouse to be constructed for the use and benefit of the Co-owners.

DEVELOPER'S BACKGROUND AND EXPERIENCE

The Project is being developed by Cottage Pointe, LLC (the "Developer"), a Michigan limited liability company created in August 2015 to develop this, its first, condominium project. While this will be the first condominium project developed by the Developer, the Developer is owned and controlled by various members of the Watts and Balkema families, well-known for their participation in real estate projects in western Michigan for many years.

Don and Joyce Watts have been involved in the development and construction business for more than thirty five years and their adult children are also very active in their business ventures. The Watts family, through multiple business entities such as Watts Construction Company and Joyce & Don, LLC, have developed many successful residential projects including Hunter's Creek, Hunter's Place, Hunter's Run, Hunter's Run No. 2, Merrybrook, and Fleetwood.

Balkema Excavating is a family-owned and operated company that was founded in Kalamazoo, Michigan in 1911. It specializes in water main, sanitary sewer, storm sewer, directional drill, pump stations, dewatering and jack and bore construction. The company has completed projects for municipal units throughout southwest Michigan. Balkema Excavating also has experience in landfill development, site clearing, site development, road building, drainage improvement, and grading.

The names, addresses and previous experience with condominium projects of the Developer and of any management agent, real estate broker, residential builder, escrow agent, project engineer and attorney involved in the Project are described on Exhibit B attached to this Disclosure Statement.

ADMINISTRATION OF THE PROJECT

The business, property and affairs of the Project are administered by a non-profit corporation known as the Cottage Pointe Homeowners Association (the "Association"). Each Co-owner automatically becomes a member of the Association when he or she purchases a Unit. In this Project, the owner of each Unit is entitled to one vote per Unit owned. If a Unit is owned by multiple owners, only one vote may be cast on behalf of the Unit.

The Association was formed by the Developer. Representatives of the Developer now make up the Board of Directors of the Association and will control the affairs of the Association until a new

Board of Directors is elected. The election of Directors to the Board of Directors by non-Developer Co-owners will be phased in with the non-Developer Co-owners electing some of the Directors based on the number of Units which have been sold. An advisory committee of non-Developer Co-owners will be established either one hundred twenty (120) days after conveyance to non-Developer Co-owners of legal or equitable title to forty one (41) Units or one (1) year after initial conveyance to a non-Developer Co-owner of legal or equitable title to a Unit, whichever shall first occur, to act as liaison between the Developer and the Co-owners until the majority of the Board of Directors is elected by non-Developer Co-owners as provided in the Condominium Bylaws. This election will take place at the initial meeting of the members of the Association, which must be held within one hundred twenty (120) days after legal or equitable title to seventy five percent (75%) of the Units in the Project that may be created has been conveyed to non-Developer Co-owners, but in no event later than fifty-four (54) months after the first conveyance of title to a Co-owner has been effected. Additional information about the organization and operation of condominiums in Michigan may be found in the Condominium Buyer's Handbook published by the Michigan Department of Commerce, a copy of which has been furnished to you by the Developer.

A reserve fund for major repairs and replacements of Common Elements must be maintained by the Association pursuant to Section 105 of the Act and Article IV, Section 4.07 of the Condominium Bylaws of the Project. The Act and the administrative rules enacted pursuant to the Act require the Association to maintain in the reserve fund a minimum of ten percent (10%) of the Association's current annual budget on a noncumulative basis. The minimum standards required by Michigan law may prove to be inadequate for this Project. From time-to-time, the Association should carefully analyze the Project to determine if a greater amount should be set aside or if additional reserve funds should be established for other purposes.

CONDOMINIUM ASSOCIATION MANAGEMENT CONTRACTS

The Condominium Bylaws of the Association permit the hiring of a professional agent to manage the Project. The Developer may cause the Association to enter into a management contract for management of the Project prior to the time control of the Association is turned over to its members. Section 55 of the Act provides that a management contract with the Developer or its affiliates is voidable by the Board of Directors of the Association on or within ninety (90) days after the date control of the Association is assumed by non-Developer Co-owners (the "Transitional Control Date") and on thirty (30) days' notice at any time thereafter for cause. To the extent any management contract extends beyond one (1) year after the Transitional Control Date, the entire term of the management contract beyond one (1) year after the Transitional Control Date may be voided by the Association's Board by notice to the management agent at least thirty (30) days before the expiration of the one (1) year post-Transitional Control Date period. It is anticipated that management of the Project will be handled by the Developer or its affiliates until the Association determines otherwise.

PROJECT WARRANTIES

The Developer anticipates that prior to the conveyance of many Units to Co-owners, the builder affiliated with the Developer, Watts Construction Company ("Watts"), will have constructed houses within those Units. Other conveyances to Co-owners may be made before or during construction of homes within the Units. Regardless of whether the Unit is sold containing a house completed by Watts or one under construction by Watts, the Developer will cause Watts to provide to each Co-owner who buys a Unit from the Developer containing a Watts home, Watts' Express Limited Condominium Unit Warranty. Generally, Watts warrants the home and appurtenant Common Elements against any defects, including latent defects, in material or workmanship for a period of one (1) year from the date of closing or occupancy, whichever is earlier, and all other Common Elements installed by Watts for a period of one (1) year from the date of initial construction or one (1) year after the first closing of the sale of a Unit in Cottage Pointe, whichever is later as to the Common Elements in question. The Developer will not provide any construction warranties but will provide to each Co-owner who purchases a Unit from the Developer a Warranty Deed conveying legal title to the Unit. In any case, express warranties are not provided unless specifically stated.

ESCROW

All amounts paid by a prospective purchaser to the Developer prior to conveyance of the Unit to the prospective purchaser shall be held in escrow by Chicago Title Insurance Company, by and through its representative, Chicago Title of Michigan ("Chicago Title") in accordance with an Escrow Agreement, a copy of which is attached to each Purchase Agreement as Exhibit A. The Act requires that deposits made by a prospective purchaser prior to closing be held in escrow. Unless the Developer furnishes Chicago Title with evidence of adequate security for the substantial completion of those uncompleted structures and improvements designated as "Must Be Built" by the Condominium Documents, or a purchaser executes a document specifically authorizing the release of funds from escrow, the amounts required to be retained in escrow in connection with the purchase of a Unit shall be released to the Developer only upon all of the following:

1. Issuance of a certificate of occupancy for the Unit (if required by local ordinance) and conveyance of legal or equitable title to the Unit to the purchaser or default by the purchaser under the Purchase Agreement.

2. Receipt by Chicago Title of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the condominium Unit is located which are labeled "Must Be Built" by the Subdivision Plan are substantially complete or determining the amount necessary for substantial completion of such "Must Be Built" improvements.

3. Receipt by Chicago Title of a certificate signed by a licensed professional engineer or architect either confirming that any recreational or other facilities labeled "Must Be Built" by the Subdivision Plan are substantially complete or determining the amount necessary for substantial completion of such "Must Be Built" facilities (if any).

If all items which are labeled "Must Be Built" are not substantially complete and purchaser has not executed a document specifically authorizing the release of funds from escrow, the purchase price of a Unit will be paid to the Developer only to the extent there are amounts retained in escrow, or the Developer provides to Chicago Title satisfactory security in an amount sufficient to substantially complete those items. A licensed professional engineer or architect will make the determination of the amount necessary to substantially complete those items.

Additional details of the escrow arrangements made in connection with Cottage Pointe are contained in the Escrow Agreement.

BUDGET AND ASSESSMENTS

A budget for the operation of the Association has been estimated by the Developer on a projected basis. A copy of this estimated budget for fiscal (and calendar) years 2016 and 2017 is attached to this Disclosure Statement as Exhibit A and forms the basis for the initial assessment to be charged to the Co-owners. It must be kept in mind, however, that this is an estimate only and there can be no guarantee that the budget will be sufficient to meet all expenses of the Association. The amount projected as expenses for the operating budget of the Association is One Thousand Nine Hundred Dollars ($1,900.00) for 2016 and Twelve Thousand Dollars ($12,000) for 2017.

The Association's budget does not include expenses for the consumption of utilities by individual Units. Electricity, gas, telephone, water, sewer, internet, telephone service, and cable television will be individually metered and must be paid directly by each Co-owner to the utility companies servicing the Project. Also, each Co-owner will be required to insure, maintain, repair and replace the house, garage and other improvements constructed within, or connected to, the Co-owner's Unit.

Until such time as enough Units have been sold to make the Association self-supporting, the Developer is required to supplement the income received by the Association to the extent necessary to keep the budget balanced and the Association "in the black." After the votes of Co-owners unaffiliated with the Developer exceed those of the Developer, the Developer and any Residential Builder shall be responsible for payment of the regular annual assessment, and all special assessments, for all completed Units owned by them, but in no event will the Developer be liable for any assessment levied in whole or in part to finance litigation or other claims against the Developer or certain other similar costs as more fully described in Section 5.08 of the Condominium Bylaws. A "completed Unit" is one containing a house with respect to which a certificate of occupancy has been issued by the local public authority, or which is occupied as a residence, but does not include a "sales office" or model home.

The Association's primary source of revenue to fund the Association's budget is by assessment of its members. After the sale of all Units containing completed residences, each member will annually be assessed an equal share of the Association's expenses. The Association will determine whether this annual assessment must be paid in one lump sum or in quarterly, monthly, or semi-annual installments. The Board has determined that initially the assessment will be paid semi-annually and that each non-Developer Co-owner's semi-annual installment will be $500.00.

To provide working capital, each purchaser must pay to the Association at the closing of the purchase of his or her Unit from the Developer or a Residential Builder the sum of One Thousand Dollars ($1,000.00) known as the "Buy-In Fee." This payment is not refundable and will not apply as a credit against any future monthly installment or annual assessment, nor is such payment applied or credited to the reserve fund.

The budget does not include the "Clubhouse Fees" to be paid to the Association for the construction by the Association of a clubhouse to benefit the Co-owners because those funds are intended to be used by the Association for the costs of construction of a clubhouse, should it elect to do so, and not for general operating expenses or reserves.

Co-owners should be aware that Section 58 of Michigan's Condominium Act provides that if the holder of a first mortgage or other purchaser of a Condominium Unit obtains title to that Unit by foreclosing such 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 acquisition of title to that Unit. These unpaid assessments are common expenses which may be collected from all Co-owners in the Project, including the holder of the first mortgage who has obtained title to the Unit through foreclosure, or the loss of revenue may be absorbed by the Association if the unpaid assessments aren't collected from the delinquent Co-owner.

Because the day-to-day operations of the Association are dependent upon the availability of funds, it is important that each Co-owner pay his or her assessment in a timely manner. Assessments will be due semi-annually or as otherwise designated by the Association. The Condominium Bylaws provide that the Association may impose and foreclose a lien upon a delinquent Co-owner's Unit, collect interest on delinquent assessments, impose other penalties and/or file a lawsuit to collect money owed by a delinquent Co-owner. The Condominium Bylaws should be reviewed for additional details.

While the Developer controls the Association, the Developer will pay to the Association enough money, if any is needed, to ensure that the Association has enough money to pay its bills and maintain a proper reserve account balance. After the non-Developer co-owners select most of the Board of Directors, the Developer and any Residential Builders will not be required to pay to the

Association regular and special assessments on the Units they own until the Unit contains a house for which a certificate of occupancy has been issued or the house is occupied for residential use, whichever is earlier, but in any case the Developer is not required to pay to the Association any assessments or other money for Units which don't contain completed and occupied houses or which are used as model homes or offices.
Each Co-owner could be required to pay special assessments, if special assessments are levied by the Board of Directors of the Association. Special assessments may be levied by the Board of Directors in the event that, among other things, the regular assessment proves to be inadequate, Common Elements need to be replaced or expanded, or an emergency occurs. The Condominium Bylaws should be reviewed for additional details about special assessments.

Like most expenses today, the expenses in the budget are subject to change as a result of changing costs in the economy. The budget represents the Developer's estimate of those expenses at this time. However, these costs may increase from year to year because of such factors as cost increases, the need for repair or replacement of Common Elements, property improvements, and unexpected developments. Such cost increases will result in increased assessments.

RESTRICTIONS APPLICABLE TO THE PROJECT

Co-owners of the Units will be bound by various restrictions applying to both the Units and the Common Elements. Some of these restrictions include the following: Units are restricted to residential use, with "home occupations" being permitted only in limited situations; Co-owners may not make alterations which affect the exterior appearances of their homes without prior written approval of the Board of Directors and the Developer; no more than two domesticated cats and/or dogs are permitted in any Unit and owners of those and other permitted animals must comply with the Association's rules pertaining to animals or risk the revocation of permission for the animal(s), fines, or other enforcement of the rules; operation and/or parking of certain types of vehicles within the Project are restricted or prohibited; overnight parking on the private roads within the Project during the "winter months" is prohibited so as to enhance snow removal and safe travel; and Co-owners may be permitted to landscape only defined areas behind their homes, subject to restrictions and prior written approval from the Developer.

The provisions of this Disclosure Statement which provide general examples of applicable restrictions do not constitute an exhaustive list or description of the restrictions pertaining to the Project. The Master Deed and the Condominium Bylaws (particularly Article VII of the Bylaws) should be reviewed for more detail on these restrictions and for additional restrictions.

In addition to the restrictions contained in the Condominium Bylaws, the Association's Board of Directors is permitted to adopt rules and regulations (known as Rules) concerning the use of the Units and the Common Elements and governance and operation of the Project and the Association. Most of the restrictions do not apply to the Developer and Residential Builders during the construction of homes and the development of the Project and the restrictions do not prohibit the

Developer from carrying on sales activities as long as the Developer is attempting to sell Units in the Project. Given the importance to the Developer of the long-term appearance of the Project, the Developer has reserved in the Condominium Documents for up to thirty (30) years certain rights, including the right, but not the obligation, to decide whether to permit or approve certain requested changes, and whether to enforce certain provisions of the Condominium Documents, which could affect the appearance of the Project.

ENFORCEMENT PROVISIONS

The use restrictions and other provisions of the Condominium Documents may be enforced by a variety of remedies including, depending on the circumstances, legal action seeking damages and/or injunction. The Board of Directors of the Association may also take direct action to correct certain violations of the Condominium Documents such as specially assessing and fining the offending Co-owner. In some circumstances, the Board may elect, upon seven (7) days notice, to discontinue furnishing services to the Unit of a Co-owner in default. If any assessment is not paid by a Co-owner, the Association is given a lien on the delinquent Co-owner's Unit which may be enforced among other ways, by a lawsuit for the money owed or by foreclosure proceedings in the manner provided by the Condominium Act. Generally, the Condominium Documents permit the Association to recover from a Co-owner in default the costs, including attorney fees, of enforcing the Condominium Documents. The Developer is also given the power to enforce the Condominium Documents, but is not obligated to exercise that power.

INSURANCE

The Condominium Documents require that the Association carry fire and extended coverage for vandalism and malicious mischief with regard to the Common Elements of the Project, liability insurance and worker's compensation insurance (if applicable). Such policies may contain deductible clauses which, in the event of a loss, may result in a portion of such loss being borne by the Association. The Board of Directors is responsible for obtaining such insurance coverage for the Association, and each Co-owner's pro rata share of the annual Association insurance premiums is included in the assessment each Co-owner pays. The Association's insurance policies will be available for inspection at the offices of the Developer, at the address shown on the first sheet of this Disclosure Statement.

The insurance coverage provided by the Association will not cover the Condominium Units and the improvements constructed within the Units such as houses and garages and certain attached Limited Common Elements such as porches, decks, and patios. No coverage will be provided by the Association for property of a Co-owner located outside the Unit on the grounds of the Project, including Limited Common Elements appurtenant to a Unit. All Co-owners are cautioned that it is each Co-owner's own responsibility to insure the house, garage and other improvements within or attached to his or her Unit and their contents and to make certain that there are no "gaps" between the Association's and Co-owner's coverages. Each Co-owner must also obtain personal liability coverage against injury to persons or damage to property resulting from accidents in and about his or her Unit, naming the Cottage Pointe Homeowners Association as an additional insured. An insurance agent should be consulted in order to decide just what coverage will be needed for your protection, because without proper coverage, a Co-owner could be uninsured for any loss that might occur within his or her Unit, to the Co-owner's property or to the Co-owner and/or the Co-owner's family and guests. Each Co-owner is required to provide the Association with proper proof of insurance, and if a Co-owner fails to provide proper proof of insurance, the Association may, but is not required to, purchase such insurance at the Co-owner's expense.

PRIVATE DRIVES AND EASEMENTS

The Project is served by a "main" private road known as "Cottage Pointe" and by six very short private roads running east and west and connected to Cottage Pointe known as "Cottage Glen," "Cottage Trail," "Cottage Bend," "Cottage Crossing," "Cottage Gate," and "Cottage Place." The Association is responsible for maintaining and repairing the private roads and the Limited Common Element driveways leading to the garages and the costs of such undertakings are expenses of administering the Project, assessable to Co-owners as provided by the Master Deed. Each Co-owner is specifically advised that each Unit in the Project is accessed over private roads which are not required to be maintained by the Kalamazoo County Road Commission.

The Condominium Project is also subject to easements which are shown on the Condominium Subdivision Plan. These easements include, without limitation, easements for public utilities and quasi-utility services such as gas, telephone, electricity, cable television, sanitary sewer and storm sewer. The Developer has reserved the right to grant additional easements throughout the Project for a variety of purposes without having to obtain permission to do so from the Co-owners, the mortgagees or any other person or entity and, if compensation is paid for any such easement, to retain such compensation. Some of the Developer's rights may last as long as twenty five (25) or thirty (30) years after the Master Deed is recorded. For more detailed information concerning the easements and licenses which affect the Project, you are encouraged to review the Condominium Documents, especially Article VII of the Master Deed and your title insurance commitment. The Master Deed also describes other easements which may benefit the Developer, Co-owners and/or the Association.

The title insurance commitment and title insurance policy furnished to each buyer should describe any additional previously recorded easements and agreements affecting the Project.

Recorded documents benefit and burden the Association and the Co-owners, so each prospective buyer is advised to review carefully his or her title insurance commitment and its attachments.

RECREATIONAL FACILITIES

The Developer has not reserved the right to construct any recreational facilities and the Developer does not plan to construct any recreational facilities in the Project. However, the Association might construct a clubhouse, which has been labeled as a "need not be built" improvement, and Co-owners who purchase their Units directly from the Developer are required to pay "Clubhouse Fees" which the Association may apply toward the costs of constructing the clubhouse. If people outside the Project will have right to use the clubhouse, if constructed, an agreement will be drafted to describe the rights and obligations with respect to the clubhouse held by the co-owners, the Association and third parties outside the Project.

EXPANSION, CONTRACTION AND CONVERSION

In the Master Deed, the Developer has reserved the right to elect, on or before the expiration of six (6) years after the initial recording of the Master Deed, to add to the Project two (2) parcels of land south and west of the Project (the "Proposed Future Development Area") and to add up to eighty (80) more Units if part or all of the Proposed Future Development Area is added to the Project. Prior to the same six (6) year deadline, the Developer may contract, or remove, from the Project, generally any of the land west of Cottage Pointe Drive and the land south of the southernmost Units, but the Project cannot be contracted to contain fewer than eighteen (18) Units. The Developer has also reserved the right to convert any Common Element into a Unit, to relocate Unit boundaries and to convert Units to Common Elements. These expansion, contraction and conversion rights may be exercised by the Developer by an amendment or series of amendments to the Master Deed without the consent of any Co-owner, mortgagee or other person, except that no Unit which has been sold by the Developer or which is the subject of a binding purchase agreement may have its boundaries relocated without the consent of any owner, purchaser or mortgagee of the Unit (except that when a house is constructed within each Unit/building site, generally, the vertical boundaries of the Unit are changed automatically to follow the exterior perimeter walls of the house, without the need of any consent or amendment to the Master Deed). For more detailed information concerning the rights generally described in this section of the Disclosure Statement, you are encouraged to review the Condominium Documents, especially subsection 3.1i of the Master Deed and Article VI of the Master Deed.

LEGAL PROCEEDINGS

There are no pending proceedings, either legal or administrative, which involve either the Condominium Project or the Developer in its capacity as such and the Developer has no knowledge as to any such proceedings which have been threatened to be commenced in the future.

THE MATTERS DISCUSSED IN THIS DISCLOSURE STATEMENT ARE INTENDED TO HIGHLIGHT ONLY A FEW OF THE MORE IMPORTANT FACTS RELATING TO THE PROJECT. BUYERS SHOULD READ ALL CONDOMINIUM DOCUMENTS TO FULLY

ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATING TO THE PROJECT.

The Developer's attorneys, Kluczynski, Girtz & Vogelzang, P.C., served as legal counsel in connection with the preparation of this Disclosure Statement and related documents. Legal counsel has not passed upon the accuracy of the factual matters contained in this Disclosure Statement.

EXHIBIT A

COTTAGE POINTE HOMEOWNERS ASSOCIATION

ESTIMATED OPERATING BUDGET*

Fiscal Years:
January 1, 2016 – December 31, 2016
and January 1, 2017- December 31, 2017

Operating Expenses	2016	2017
Lawn Care	$300.00	$3,000.00
Snow Removal	$500.00	$2,450.00
Casualty/Liability Insurance	$600.00	$600.00
Miscellaneous Sprinkling	$200.00	$1,500.00
Trash Removal	$0.00	$250.00
Reserves	$200.00	$3,600.00
Legal and Accounting Fees	$100.00	$600.00

Expected Income (2017):

6 Units @$500 semi-annually = $6,000.00

Buy in Fees @ $1,000 per Unit = $6,000.00

*Estimated by Cottage Pointe, LLC on the basis of six (6) assessment paying Units for 2017. It is unlikely that exactly this number of Units will be sold and occupied during that fiscal year, but the Developer believes that revenues and expenses will be reduced roughly equivalently for each Unit not sold and occupied.

EXHIBIT B

DEVELOPMENT TEAM

Function	Name and Address	Previous Condominium Experience
Developer	Cottage Pointe, LLC 5071 Gull Road Kalamazoo, MI 49048	First*
Real Estate Broker	Berkshire Hathaway Home Services Michigan Real Estate Watts Realty Team 5071 Gull Rd Kalamazoo, MI 49048	Numerous
Residential Builder	Watts Construction Company 5071 Gull Rd Kalamazoo, MI 49048	Numerous
Escrow Agent	Chicago Title of Michigan 941 West Milham Rd Portage, MI 49024	Numerous
Project Engineer	Wightman & Associates, Inc. 9835 Portage Road Portage, MI 49002	Numerous
Project Attorney	Mark C. Hanisch Kluczynski, Girtz & Vogelzang 5005 Cascade Rd SE, Suite A Grand Rapids, MI 49546	Numerous

* The members of the Developer have extensive experience with Condominium Development.