

BLUE HERON RESORT
INFORMATION STATEMENT

Notice to Purchasers. Paraphrased below are provisions of Section 84a of the Michigan Condominium Act (the "Act"), which is being submitted to purchasers to comply with the requirements of the Act. By signing below, a purchaser acknowledges that he or she reviewed this statement and received from the developer a copy of the recorded master deed, exhibits thereto, a signed purchase agreement, Condominium Buyers Handbook and disclosure statement.

Section 84a of the Act provides in pertinent part:

(1) the developer shall provide copies of all the following documents to a prospective purchaser of a condominium unit, other than a business condominium unit:

(A) the recorded master deed.

(B) a copy of the purchase agreement that conforms with section 84a of the Act, and that is in a form in which the purchaser may sign the agreement, together with a copy of the escrow agreement, if applicable.

(C) a Condominium Buyers's Handbook. The handbook shall contain, in a prominent location and in bold face type, the name, telephone number, an address of the person designated by the State administrator of the Act to respond to complaints. The Handbook shall contain a listing of the available remedies as provided in section 145 of the Act.

(D) a disclosure statement relating to the project containing all the following:

(i) an explanation of the association of co-owners' possible liability pursuant to section 58 of the Act.

(ii) the names, addresses, and previous experience with condominium projects of each developer, any management agency, and residential maintenance and alteration contractor, including persons who are

"affiliated" with any of the above, as that term is defined in Section 3(2) of the Act.

(iii) a projected budget for the first year of operation of the association of co-owners.

(iv) an explanation of the escrow arrangements, if any.

(v) any express warranties undertaken by the developer, together with a statement that express warranties are not provided unless specifically stated.

(vi) if the condominium project is an expandable condominium project, an explanation of the contents of the master deed relating to the election to expand a project prescribed in section 32 of the act, and an explanation of the material consequences of expanding the project.

(vii) if the condominium project is a contractible condominium project, an explanation of the contents of the master deed relating to the election to contract the project prescribed in section 33 of the act, an explanation of the material consequences of contracting the project, and a statement that any structures or improvements proposed to be located in a contractible area need not be built.

(viii) if section 66(2)(j) of the Act is applicable, an identification of all structural improvements labeled pursuant to section 66 of the Act as "need not be built."

(ix) if section 66 (2)(j) of the Act is applicable, the extent to which financial arrangements have been provided for completion of all structures and improvements labeled pursuant to section 66 of the act "must be built."

(x) other material information about the condominium project and a developer that the administrator requires by rule.

(2) A purchase agreement may be amended by agreement of

purchaser and developer before or after the agreement is signed. An amendment to the condominium documents effected in the manner provided in the documents or provided by law may afford the purchaser any right or time to withdraw in addition to that provided in section 84(2) of the Act.

(3) At the time the purchaser receives the documents required in subsection (1), the developer shall provide a separate form that explains the provisions of this section. The signature the purchaser upon this form is prima facie evidence of the documents required in subsection (1) were received and understood by the purchaser.

(4) With regard to any documents required under this section, a developer shall not make an untrue statement of a material fact, or omit to state a material fact necessary in order to make that statement made in the light of the circumstances under which it was made, not misleading.

(5) The developer promptly shall amend a document required under this section, to reflect any material changes or to correct any omission in the documents.

(6) In addition to other liabilities and penalties, a developer who violates this section is subject to section 115 of the Act, which section imposes penalties upon a developer or any other person who fails to comply with the Condominium Act, any rule promulgated thereunder, or a master deed; and may make a developer liable to a purchaser of a unit for damages.

Dated:

PURCHASER STATEMENT: UNIT ____

I acknowledge receiving the following documents: 1. Master Deed, with exhibits thereto consisting of the Condominium Bylaws, Plans; First, Second, and Third Amendments thereto, 2. Disclosure Statement, 3. Condominium Buyer's Handbook, 4. Purchase Agreement w/ any addenda, 5. Escrow Agreement, and 6. Association Bylaws and Articles of Incorporation. This is Booklet #____ and Purchaser agrees to provide a copy or permit inspection by and lender or subsequent buyer of Purchaser's Unit. Replacement of any lost or destroyed

booklets may be requested to the Association at a cost of \$25 per booklet.
