

STRATHMORE CONDOMINIUM

BUILDER'S SUPPLEMENT TO DISCLOSURE STATEMENT

I. Builder's Background and Experiences.

Builder, Pulte Homes of Michigan Corporation, a Michigan corporation, whose address is 450 W. Fourth Street, Royal Oak, Michigan, 48067, is a licensed residential builder. Pulte Homes of Michigan Corporation has substantial home building experience, including home building in Country Club Village in Northville, Michigan, Country Club Village in Plymouth, Michigan and Copper Creek Village Condominium, Cross Creek Village Condominium and Maple Ridge Creek Village Condominium in the City of Rochester, Silvercreek and Belmonte in Oakland Township, Woodlands South in Northville, Stirling Lake Estates in Pontiac, Claremont Condominium in Huron Township, Kirkway Village in the City of Woodhaven, The Preserve of Riverside, The Woodlands of Riverside and The Villas of Riverside in Holly Township, and The Hamlet and The Villas at Hamlet in Canton Township.

II. Rights and Obligations Between Builder and Owners.

A. **Before Closing.** The respective obligations of the Builder and the purchaser of a home on a site in Strathmore Condominium prior to closing are set forth in the Construction Agreement, which agreement should be closely examined by all purchasers.

B. After Closing.

(1) **Limited Warranty.** Express warranties are not provided unless specifically stated in the Construction Agreement. The only warranty provided by Builder is the Pulte Protection Plan provided to purchaser with the Construction Agreement. Among other things, the Pulte Protection Plan does not apply to defects or damages which are the result of normal expansion or contraction or the result of other normal characteristics of building materials. Prior to closing the purchaser must carefully inspect the home built by Builder on the site. In the event any defects in material or workmanship exist which are covered by the Pulte Protection Plan, a written list of such defects must be made and presented to Builder prior to closing. Builder shall not be required to correct defects which are covered by the Pulte Protection Plan prior to closing but shall do so as promptly as possible after the closing at Builder's own expense. After the closing, Builder's obligation to correct defects in the home shall be strictly limited to those defects which are covered by the Pulte Protection Plan and were listed by the purchaser in writing prior to the closing and those defects which are covered by the Pulte Protection Plan and which are latent and could not have been discovered by the purchaser prior to closing. The Pulte Protection Plan on purchaser's home shall extend for a period of one year after closing. The Pulte Protection Plan applies only to the home purchased, not to any common elements of Strathmore Condominium such as roads, detention basins or

utilities. Written notice of any defect in the home or in the common elements must be given to Builder within the applicable one-year period in order to be covered by the Pulte Protection Plan. Builder's obligations under the warranty are limited to repair and replacement. As to items not of Builder's manufacture, such as any air conditioner, water heater, refrigerator, range, dishwasher or other appliances, Builder will assign to purchaser the manufacturer's warranty, without recourse. Builder makes no warranty on such items. THE PULTE PROTECTION PLAN DESCRIBED HEREIN IS THE ONLY WARRANTY APPLICABLE. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATE LAW OR THE MAGNUSON MOSS WARRANTY ACT, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY OR HABITABILITY, ARE DISCLAIMED AND EXCLUDED.

(2) **Limitation of Builder's Liability.** The Construction Agreement strictly limits Builder's liability whether in contract, tort, under any warranty, in negligence or otherwise, to the obligations provided in Pulte Protection Plan. Builder is not liable to purchaser for or responsible to compensate or indemnify purchaser for any damages, claim, demand, loss, cost, or expense resulting from an alleged claim of breach of warranty, whether relating to injury to persons, property, or otherwise, or relating to the presence of any toxic or hazardous waste, substance or contaminant, including without limitation radon gas, in, on, or under the purchaser's site and home, Strathmore Condominium development, or the real estate adjacent to or in close proximity with Strathmore Condominium development. The Construction Agreement further provides that Builder shall in no circumstances be liable for any consequential, incidental, special or secondary damages, even if Builder has been advised of the possibility of such damages. All of purchaser's rights relating to the Construction Agreement, the Pulte Protection Plan, the site and appurtenant common elements may be asserted only by purchaser and not by any association or class representative. Builder makes no representations or warranties (other than the Pulte Protection Plan described above) in the Construction Agreement or otherwise concerning the site, Strathmore Condominium, the value or resale value of the site, the real estate adjacent to or in close proximity with Strathmore Condominium or the condition of the air, the soils, surface waters, and groundwaters in, on or under the site, Strathmore Condominium or such adjacent or proximate real estate. Purchaser should make its own investigation prior to executing the Construction Agreement with respect to each of the foregoing. Without purchaser's agreement to and acknowledgement of the provisions of the Construction Agreement and Pulte Protection Plan described above, Builder would not agree to construct the residence on the site purchased by purchaser.

III. Radon Gas.

Radon is a naturally-occurring, colorless and odorless radioactive gas formed by the breakdown of uranium and radium deposits in the soil. Radon can escape from the soil and enter buildings. Preliminary studies by the United States Environmental Protection Agency (EPA) suggest that prolonged exposure to radon may result in adverse health consequences.

The extent to which an area or site may be exposed to radon depends upon a number of factors, including natural geologic conditions, prior land use, groundwater, construction materials and techniques, ventilation and air-conditioning systems, and homeowner maintenance. Because of the multitude of factors involved, it is difficult to predict whether a specific residence may be subject to high radon levels unless specific tests are conducted by experts in the area.

Builder neither has nor claims any expertise in radon, and it does not provide advice to homeowners about the acceptable levels or possible health hazards of radon. It is possible that tests or studies might disclose information which a purchaser might consider significant in deciding whether to purchase a site in Strathmore Condominium. Builder assumes no responsibility to make any tests or studies.

The EPA, as well as state and local regulatory authorities, are best equipped to render advice regarding the risks which may exist in a particular area, the risks associated with radon exposure, the methods available to detect and measure radon levels, and whether remedial measures may be advisable in particular circumstances to reduce the risk of radon exposure. The EPA has published two guides which are available to interested persons: "A Citizen's Guide to Radon: What It Is and What To Do About It" and "Radon Reduction Methods: A Homeowner's Guide."

IV. Purposes of Builder's Supplement to Disclosure Statement.

This Builder's Supplement to Disclosure Statement paraphrases various provisions of the Construction Agreement, Pulte Protection Plan and other documents required by law. It is not a complete statement of all the provisions of those documents which may be important to purchasers. In an attempt to be more readable, this Builder's Supplement omits most legal phrases, definitions and detailed provisions of the other documents. Certain of the terms used herein are defined in the Michigan Condominium Act, as amended. This Builder's Supplement is not a substitute for the legal documents which it draws information from, and the rights of purchasers and other parties will be controlled by the other legal documents and not by this Builder's Supplement to Disclosure Statement.

Builder has prepared this Builder's Supplement to Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about this transaction. Builder disclaims liability to any purchaser for misstatements in the Builder's Supplement to Disclosure Statement (or for omissions which make statements herein appear misleading) if such misstatements were made by Builder in good faith, or were immaterial in nature, or were not relied upon by the purchaser, or did not result in any damages to the purchaser.

Each purchaser is urged to engage a competent lawyer or other advisor in connection with the purchaser's decision to purchase a site. In accepting title to a site in Strathmore Condominium, 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 Builder's Supplement to Disclosure Statement. In preparing this Builder's Supplement to Disclosure Statement, and the other condominium documents, Builder's counsel has not undertaken professional responsibility to the association or to any owners or mortgagees for the completeness, accuracy, or validity of the condominium documents.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook which has been delivered to you. The Builder assumes no obligation, liability, or responsibility as to the statements contained therein or omitted from The Condominium Buyers Handbook.