



Forest Dunes Fact Sheet
Updated 8.1.09

This fact sheet was last updated August 1, 2009 to help briefly acquaint you with Forest Dunes. While we strive to keep the information as current as possible, changes do occur from time to time, and this fact sheet may not be interpreted as a contractual agreement or any part of a contractual agreement. For the most current version, please contact the Forest Dunes Welcome Center at (866) 843-3863. Please review the Master Deed and Declaration, any Amendment to the Master Deed and Declaration, the Forest Dunes Condominium By-Laws, Forest Dunes Golf Club By-Laws, and the Design Review Guidelines for complete details. To the extent that this fact sheet conflicts with any of the foregoing documents, the foregoing documents shall control. These are contained in a bound Green Binder prepared by Forest Dunes and available for every prospective buyer prior to purchasing property. No federal agency has judged the merits or value if any of this property. This does not constitute an offering where prohibited by law.

FOREST DUNES

Property Description: A semi-private recreational community consisting of approximately 500 acres of pristine northern Michigan countryside. The property is surrounded by the Huron National Forest and the Mason Tract, further insulating it from future development. The community, when completed, will feature primary and vacation single family homes, custom homesites and custom golf cottages.

Location: Roscommon, Michigan, approximately eight miles from I-75 exit 239. The local municipalities are Roscommon and Grayling, Michigan, with nearby water sports recreation along famed Higgins Lake and the AuSable River system within 10 minutes of Forest Dunes.

Size: Approximately 500 acres with plans for approximately 350 residences at completion.

Address: Forest Dunes Drive off of state route M-18. The property is within South Branch Township and Crawford County and is adjacent to the historic Mason Tract and the Huron National Forest. The Welcome Center is located at 3641 Gleneagles Court, Roscommon, MI 48653. Please call (866) 843-3863 for more details and directions.

Founded: 1998

Development Company: In 2006, the Owner retained Troon Golf Management of Scottsdale, Arizona to provide the leadership necessary to develop the club experience at Forest Dunes into a nationally recognized destination. Under their careful financial management of the club assets and operations, Forest Dunes has been elevated to a #2 ranking in the State of Michigan golf and #18 in the nation as reported by Golf Digest. Forest Dunes Golf Club continues to be operated as a refundable deposit membership by the Owner of the Club.

Real Estate Information: Forest Dunes offers a wide variety of residential properties including Waterfront homesites on Lake AuSable, Championship Golf Park views along the Tom Weiskopf golf course and Wooded Preserve homesites. There are also a selection of custom homes, custom pre-designed golf cottages and fractional home ownership interests to choose from. Initially the four types of property will be classified as:

Lake AuSable homesites – Estate homesites from ½ - 1 acre, many with lakefront and beach club frontage with views spanning our 26-acre fresh water lake. Pricing is from \$225K and up in our first property release.

Championship Golf Park homesites – These are estate homesites from ½ - 1 acre found along many of the striking golf course fairways at Forest Dunes. Long range views over several fairways at once typify these custom homesites, and many look beyond the golf course over neighboring Huron National Forest and the Mason Tract. These sites typically offer the greatest privacy from other neighbors and range from \$60K - \$225K in our first offering.

Wooded Preserve homesites – Traditional parkland style homesites from ½-1+ acres typified with distinctive hardwood hemlock, pine and aspen trees that have stood on the property for generations. These homesites range from \$45K - \$70K in our first offering.

Pre-Designed Custom Golf Cottage Homes – Cottage Homes at Forest Dunes will be reminiscent of cabins and lodge homes built throughout the Great Lakes region for generations. These homes showcase local materials and designs using Craftsman, Adirondack, Victorian, and lodge style architecture that embrace the local heritage and complement outdoor living. Cottage homes are typified with large common areas for get-togethers with friends and family around beautifully appointed kitchens, and all have spacious outdoor terraces for entertaining through the long summer evenings. Many owners have added outdoor fire pits, Adirondack chairs and cozy teak furniture create the perfect respite from the city. These will typically be very low maintenance residences and low impact on the surrounding natural environment. Cottage Homes range from \$425,000 to \$485,000 in our current offering.

Annual Assessments: All property owners will belong to the Forest Dune Co-Owners Association to cover the expenses of operating and maintaining the common infrastructure including but not limited to the roads, guard service, community trails, common area maintenance, and snow removal within the community. Association dues currently are \$125 per month for each property. Some of the neighborhoods within Forest Dunes may be subject to a Sub-Association assessment as well as the Master Association, for neighborhood-specific maintenance and amenities. Assessments are payable on a quarterly basis.

Utilities: All utilities will be installed underground and will include electric, telephone, well water and private septic systems at each home. Each owner will be responsible for the cost of installing a private well and septic service for their home, as well as any costs associated with connecting to community utilities at the street. Electric, telephone and natural gas services have been installed by the Developer to an access point along the street for each property.

Roads: All roads will be paved with asphalt surfaces. The intent of Forest Dunes is to protect the rural character of the community by encouraging roads and paths that encourage pedestrian traffic and calm automobile traffic as much as possible.

Community Amenities: There are many amenities for the enjoyment of all owners that are maintained and managed by the Co-Owners Association through regular homeowners association dues. Such amenities may include: walking trails, biking trails, caretaker services at the Caretaker's Cottage and snow removal.

Club Amenities (Forest Dunes Golf Club): The Forest Dunes Golf Club is a recreational club retreat for Members and their guests to enjoy while in residence at the community. Currently during the marketing phase of the Club, the Developer allows a limited number of invited guest play on the golf course to promote sales of memberships and real estate. The Club is not an equity membership and all memberships are a refundable deposit membership. Upon resignation, Club Members will receive a refund of their Initiation Deposit paid, subject to the Club's reissuance policy for Club Memberships. A portion of the amenities at Forest Dunes will be operated as a refundable deposit membership club within the community, including the Forest Dunes Golf Club and the associated Clubhouse and Golf Course. Property owners may elect to join the club if they wish to use the Golf Club amenities. Additional membership fees and dues will apply for use of the Golf Club, Clubhouse and Beach Club amenities. As the centerpiece for activities of the Club, the Golf Clubhouse at Forest Dunes is approximately 22,000 square feet of recreational space and include a variety of dining options, day spa, men's and ladies lounges, fitness center, private meeting facilities, club offices, and the Lake AuSable Beach Club. All property owners at Forest Dunes will be given a Social membership to the Club to enjoy these facilities. Additional golf amenities include a practice facility with private members hitting area, short game practice area, practice bunker and putting green.

Currently, the Developer has contracted with Troon Golf Management, Private Club Division, to manage all staffing and services for the Forest Dunes Golf Club. In just two years time, Troon has elevated the Club, the course conditions and the service level of Forest Dunes to national recognition, including #18 in the nation by Golf Digest and #2 in the state of Michigan.

Club dues and Initiation fees: The Initiation Deposit is currently at \$15,000 for Full Golf Membership. Golf Membership dues are currently \$400 per month for Full Golf Membership and are billed annually. Upon resignation to the Club, members are entitled to a refund of their membership deposit, subject to the Club's membership reissuance policy. Membership deposits are refunded on a rotating basis based upon every fourth membership sold will be one from the resigned membership list. Please contact the Club's General Manager for full details on Club policies at (989) 275-0700.

Categories of Club Membership: The Club currently offers Full Golf Membership, Annual Golf Membership, Social Membership and Corporate Golf

Memberships. Please call the Welcome Center or the Membership office at Forest Dunes for full details on each type of Membership offered.

Property Taxes: Property taxes are prorated as of the date of closing on a homesite. South Branch Township/Crawford County property taxes are approximately \$3.70 per \$1,000.00 of taxable value for a second home at Forest Dunes. The taxable value is approximately .50 of full value of the property. For example, at a rate of \$3.70 per \$1,000.00 of taxable value, the annual taxes on a \$100,000.00 homesite would be approximately \$1,850.00. For residents who declare a homestead on their home at Forest Dunes, Crawford County property taxes are reduced to a rate of approximately \$2.60 per \$1,000.00 of taxable value. At this rate, a \$100,000.00 homesite would be approximately \$1,300.00 per year. Please contact the Crawford County Assessor's Office for more information on taxes. Purchaser is encouraged to consult with their own tax advisor for specific details regarding tax implications of purchasing property at Forest Dunes. The above information is for informational purposes only and is not to be considered tax advice.

Medical Services: Medical facilities are some of the best in Northern Michigan, with the Mercy Hospital and Medical Center located in Grayling on highway M72. Ambulance services are available through 911. The community is served by the Crawford County Sheriff's Department and South Branch Township Volunteer Fire Department, also by dialing 911.

Schools: Forest Dunes is served by the Gerish-Higgins Schools District including Roscommon High School and Middle School supervised by the Michigan Department of Education. Our Lady of the Lake private school for k-8 is located in nearby Houghton Lake. Please visit <http://www.ghsd.net> for more information regarding public schools.

Architectural Review Committee: Forest Dunes has made great efforts to protect the architectural character of the region as reflected in our Architectural Review Committee Handbook (Green Binder). The "Lodge Style" home architecture we envision is timeless and exhibits a simpler lifestyle that allows residents to connect with one another and life along the AuSable River. The original vision of Forest Dunes was to create a community that would leave a lasting legacy as the last great lodge community "Up North" while leaving a very light footprint on the land. Our efforts have garnered Forest Dunes numerous conservation accolades including the Audubon Gold Circle Award for community conservation, one of only 20 communities in the world to achieve such high standards. We take the same pride and minimalist vision into every home built at Forest Dunes. Currently, the Developer manages the Architectural Review Committee. Please contact the Forest Dunes Welcome Center for details.

Signature Builder Program: To allow customers the best resources in the region when building a new home at Forest Dunes, the development company has created a Signature Builder Program. These builders clearly understand the design principles found in the Architectural Review Committee Handbook (Green Binder). These custom home artisans have met certain quality standards set by the Developer and will be building several homes in the community to allow customers to better understand the lodge style character of Forest Dunes. Please visit the Forest Dunes Welcome Center for more details or to schedule a private tour of these fine homes.

Priority Program: Forest Dunes has established a priority program for customers who choose to purchase in a later release of developer properties. Any owner who purchases a property from the development company will be made aware of future releases prior to the public, and offered an opportunity to purchase these properties as well. This program is subject to the existing Founder Member program in place at Forest Dunes. Please see the Forest Dunes Welcome Center for more details on the Priority Program.

Exchange Program: Forest Dunes has established a homesite exchange program to allow customers who purchase a developer-owned homesite to exchange their initial unimproved property back to Forest Dunes Realty Company as a credit towards the simultaneous purchase of another developer-owned property. Purchasers who choose to purchase must trade up by a minimum amount to qualify for the program and the exchange value is calculated at the original purchase price. Please see the Forest Dunes Welcome Center for more details. This program may be changed at any time by Developer without notice.

Closing Costs: The Developer's escrow agent is Crawford County Abstract located at 108 Burton Court, (PO Box 581) Grayling, MI 49738 (989) 348-9832. Closings can be readily done either in person at or through overnight delivery services.

Financing: Highly competitive developer homesite financing is available through Developer's preferred lender. Please contact the Forest Dunes Welcome Center for complete details.

Resale Activity at Forest Dunes: ERA Houghton Higgins Realty (Broker) has had a long history of successful real estate development and sales in the Higgins Lake area of northern Michigan. Forest Dunes has contracted with ERA Houghton Higgins to manage all sales of Developer-owned properties at Forest Dunes and will also be offering full service resale brokerage as well. The services of the Broker will be available to any owner of residential real estate within Forest Dunes and resale offerings will be in conjunction with any ongoing Developer real estate offerings by the company. Please see the Forest Dunes Welcome Center for more details.

Local Area Attractions:

Within 10 miles of Forest Dunes's Gate:

Mason Tract Trail – South and North branches of the famed Au Sable River system – Huron National Forest – Mio Amish community – Higgins Lake – North and South Higgins Lake State Parks — Cross Country Ski Headquarters, Roscommon – Several Canoe Liveries with Au Sable River Access – Gates AuSable Lodge for world famous fly fishing – Municipal Airport – Village of Roscommon

Within 20 miles of Forest Dunes's Gate:

Kirtland Center for the Performing Arts - Hartwick Pines State Park Hanson Hills Ski Park - Shore-to-Shore Hiking Trail – Historic Pines Movie Theatre, Houghton Lake - Lake Saint Helen – Lake Marguerite – Houghton Lake and Tip-Up Town Festival – Mio Amish Community– Numerous bed and breakfasts, inns, and hotels in the Grayling area – Camp Grayling Army/Air National Guard Training Facility – Kirtland Community College – Houghton Lake and Grayling Municipal Airports.

Within an hour of Forest Dunes' Gate: West Brach Outlet Mall - Turtle Creek Hotel and Casino – the historic Alpine City, Gaylord, MI, with village shopping district – Lake Oscoda - Tawas Point State Park on Lake Huron – Rifle River.

Within a short morning's drive of Forest Dunes: Mackinac Island & Lilac Festival - Mackinaw Bridge – Lake Michigan – Lake Huron - Boyne Mountain Ski Resort – Traverse City: Cherry Capitol Airport, State Theater Film and Cherry Festivals - Grand Traverse Bay – Leelanau Peninsula Wineries - Sleeping Bear Dunes & National Lakeshore parks – Bay Harbor and Harbor Springs resort districts at Petoskey - Charlevoix – Sunrise Side Lighthouse Tour Route – Numerous casinos - Upper Peninsula Waterfall tour route - Saginaw & MBS Airport – Arcadia Bluffs – Grand Rapids – Lansing – Flint & Airport - Metro Detroit & Airport.

Weather: the climate is four well-defined seasons.

The average annual rainfall is 52 inches and the average annual snowfall is 120 inches.

The average temperatures for summer and winter are reported in the table below.

	<u>Avg. High</u>	<u>Avg. Low</u>	<u>Mean</u>	<u>Water Temp (Lake AuSable)</u>
Summer	83	53	74	75
Winter	30	14	20	-0