

**DISCLOSURE STATEMENT**  
**FOR**  
**FENNER GLEN, A SITE CONDOMINIUM**  
**LAKETON TOWNSHIP, MICHIGAN**

Developer:

Fenner Glen, Inc.  
175 W. Apple Avenue  
Muskegon, Michigan 49440  
616.722.1621

Fenner Glen, a Site Condominium is an expandable and contractible residential site condominium development that is located in Laketon, Muskegon County, Michigan. Construction of the first phase of the Project, consisting of 134 units, commenced on October 1, 1997, and is expected to be completed by March 1, 1998.

The effective date of this disclosure statement is October 1, 1997.

THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED OR OTHER LEGAL DOCUMENTS, AND ALL BUYERS SHOULD READ ALL DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT AND THEIR RIGHTS AND RESPONSIBILITIES RELATED THERETO.

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

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED AND DISTRIBUTED PURSUANT TO THE REQUIREMENTS OF THE MICHIGAN CONDOMINIUM ACT.

**ARTICLE I**  
**INTRODUCTION**

Fenner Glen, a Site Condominium (sometimes referred to as "Fenner Glen" or the "Project") is located on Fenner Road, in the Township of Laketon, County of Muskegon, State of Michigan, and consists of 134 units spread over 111.7 acres. The Project may be expanded to include other contiguous land. Fenner Glen is conveniently located on land contiguous to the Reeths Puffer Elementary and Junior High Schools and is four miles east of Lake Michigan and Muskegon State Park, which includes camping, white sandy beaches and lighted cross country skiing trails. Fenner Glen Property Management, Inc., ("Association") shall have certain rights to the amenities located at Fenner Glen as specifically described in the Condominium Documents as later defined.

Condominium development in Michigan is governed largely by the Michigan Condominium Act (the "Act"). This Disclosure Statement, together with copies of the legal documents pertaining to the creation and operation of the Project (the "Condominium Documents") are furnished to each purchaser pursuant to the requirements of Michigan law that the Developer of a Condominium Project disclose to prospective purchasers the characteristics of the condominium units which are offered for sale.

Fenner Glen is different from other residential condominium projects because the condominium units in this Project consist only of individual building sites ("Units"). The Developer does not intend, and is not obligated to erect any buildings or structures whatsoever within the Units or the common elements. Each purchaser of a Unit, (a "Co-owner" or "Member") must construct his or her own single family residence in accordance with the applicable zoning ordinance of Laketon Township and other regulations and restrictions set forth in the Condominium Documents.

As condominium units, all of the Units in the Project have the same legal attributes as any other form of real property and may be sold, mortgaged, leased or rented subject only to such restrictions as are contained in the Condominium Documents and the Act. Each Co-owner receives a deed to his or her individual Unit and owns an undivided interest in the common areas of the Project. The Condominium Documents permit the Developer to hire a qualified professional manager to provide expertise and assist with the management of the Project.

All portions of the Project not included within the Units constitute the common elements. Limited common elements are those common elements which are reserved in the Master Deed for use by less than all Co-owners. There are common elements, but no limited common elements within Fenner Glen.

Except for the year in which the Project is established, real property taxes and assessments will be levied individually against each Unit at Fenner Glen. These individual taxes and assessments cover the Unit and its proportionate share of the common elements and limited common elements. No taxes or assessments are levied independently against the common elements or limited common elements. In the year in which the Project is established, the taxes and assessments for the Units covered by the Master Deed are billed to the Association and are paid by the Co-owners of such Units in proportion to the number of Units owned by them.

No summary such as the one contained in this Disclosure Statement can fully state all of the details of a condominium development. Each purchaser is therefore urged to carefully review all of the Condominium Documents for Fenner Glen, the Act and all applicable building and zoning ordinances. Any purchaser having questions pertaining to the legal aspects of the Project is advised to consult his or her own lawyer or other professional adviser.



## ARTICLE II LEGAL DOCUMENTATION

Section 1. **General.** Fenner Glen was established as a condominium project pursuant to a Master Deed recorded in the office of the Muskegon County Register of Deeds. A copy of the Master Deed has been provided to you with this Disclosure Statement. The Master Deed includes the Condominium Bylaws attached as Exhibit A and the Condominium Subdivision Plan attached as Exhibit B. All of these documents should be reviewed carefully by prospective purchasers.

Section 2. **Master Deed.** The Master Deed contains definitions of terms used within the Project, the percentage of value assigned to each Unit in the Project, a general description of the Units and common elements and limited common elements included in the Project and a statement regarding the relative responsibilities for maintaining the common elements and limited common elements. The Master Deed covers easements, convertible area and contains a statement of when and how the Master Deed may be amended.

Section 3. **Condominium Bylaws.** The Condominium Bylaws contain provisions relating to the operation, management and fiscal affairs of the Project and, in particular, set forth the provisions relating to assessments of Association Members for the purpose of paying the costs of operation of the Project. The Bylaws contain certain restrictions upon the ownership, occupancy and use of the Units within the Project and contain provisions permitting the adoption of rules and regulations governing the common elements and limited common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association. The Bylaws also contain a statement of the limited restrictions upon the leasing of Units at Fenner Glen. The restrictions meet the requirements of the Act.

Section 4. **Condominium Subdivision Plan.** The Condominium Subdivision Plan is a two-dimensional survey depicting the physical location and boundaries of each of the Units and all of the common elements and limited common elements in the Project.

## ARTICLE III SUMMARY OF PROJECT

Fenner Glen is located in Muskegon County, Michigan. Fenner Glen is a residential site condominium project which at its inception includes 134 Units, which will be developed in three phases. Phase I will consist of 68 units, phase II will consist of 42 units and phase III will consist of 24 units. Construction of the infrastructure for these Units commenced on October 1, 1997, and is expected to be completed by March 1, 1997.

Overall management responsibility for Fenner Glen is vested in the Association. A Co-owner or Member may participate in the affairs of the Association by voting and, if elected, by serving as an officer or director. The Condominium Documents permit the Developer to hire a professional manager to assist with the management of the Project.



Fenner Glen is situated upon a parcel of property that is currently owned by Fenner Glen, Inc. This property is unique in many ways including the trees and vegetation indigenous to the area and its proximity to Reeths Puffer Schools.

The Developer has reserved the right to expand the Project subject to approval by state and local governmental authorities.

#### **ARTICLE IV DEVELOPER**

Fenner Glen, Inc. a Michigan corporation, is the Developer of the Project. Its President is Christopher L. Kelly and its Vice President is James S. Tyler. The President and Vice President are the owners of Bo & Stacey, Inc., a corporation that has previously developed Westwood Shores, a Site Condominium in Norton Shores, Michigan.

#### **ARTICLE V REAL ESTATE BROKER**

The real estate broker for Fenner Glen is Westwind Realty, L.L.C., a Michigan Limited Liability Company. The address and principal place of business of Westwind Realty, L.L.C. is 493 W. Norton Avenue, Muskegon, Michigan 49444. The principal broker who will be responsible for the sale of Units at Fenner Glen is Steve M. Mastella. Westwind Realty, L.L.C. has previously acted as the real estate broker for Westwood Shores, a Site Condominium in Norton Shores, Michigan.

#### **ARTICLE VI FINANCIAL ARRANGEMENTS**

Purchasers may arrange permanent financing for their Units through the financial institution of their choice.

#### **ARTICLE VII STRUCTURES AND IMPROVEMENTS WHICH NEED NOT BE BUILT**

The Michigan Condominium Act, as amended, requires the Developer to clearly inform potential purchasers what its construction obligations are through the use of labels "Must Be Built" and "Need Not Be Built." The Developer is obligated to construct all roadways for access to each Unit and the following utilities: water, sewer, cable television, natural gas, street lights, telephone, and electricity. The Developer is under no obligation to construct any other structures, utilities or infrastructure.

#### **ARTICLE VIII ESCROW OF FUNDS**

In accordance with Michigan law, all funds received from prospective purchasers of Units at Fenner Glen will be deposited in an escrow account with an escrow agent. The escrow agent



for Fenner Glen is First American Title Insurance Company of 3130 Glade Street, Muskegon, Michigan 49444.

Funds held in the escrow account will be returned to the prospective purchaser within three business days upon such purchaser's withdrawal from a Purchase Agreement within the specified period. After the expiration of the nine business-day withdrawal period described in the Purchase Agreement, all funds received from the purchaser will be retained in escrow to assure completion of those improvements required to be built by the Developer. Pursuant to Michigan law, if the Developer does not furnish the escrow agent with evidence of adequate security (such as an irrevocable letter of credit, lending commitment, indemnification agreement, or other security which the escrow agent determines to be adequate), funds received from the purchaser will be released to the Developer only upon default by purchaser in his or her obligations under the Purchase Agreement or upon receipt by the escrow agent of a certificate signed by a licensed professional engineer or architect, either confirming that those improvements required to be built on those portions of the phase of Fenner Glen in which the Unit is located and which on the Condominium Subdivision Plan are labeled "Must Be Built" or which are required to be built by local ordinance are substantially complete, or determining the amount necessary for substantial completion thereof.

A roadway, common element, or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use, and shall not be required to be constructed, installed or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certificate as to the quality of the items to which it relates.

Upon receipt of a certificate signed by a licensed professional engineer or architect determining the amount of funds necessary for substantial completion, the escrow agent shall release to the Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, the escrow agent shall release to the Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, of the amounts remaining in escrow (after such certificate for substantial completion of any remaining items for which funds have been deposited in escrow) only the amount in escrow in excess of such estimated cost to substantially complete shall be released by the escrow agent to the Developer.

The escrow agent in the performance of its duties shall be deemed an independent party not acting as the agent of the Developer, any purchaser, Co-owner or other interested party. So long as the escrow agent relies upon any certificate, cost estimate or determination made by a licensed professional engineer or architect, the escrow agent shall have no liability whatsoever to the Developer or to any purchaser, Co-owner or other interested party for any error in such certificate, cost estimate or determination, or for any act or omission by the escrow agent in reliance thereon. The escrow agent shall be relieved of all liability upon release of all amounts deposited in accordance with the Act.



A licensed professional architect or engineer undertaking to make a certification to the escrow agent shall be held to the normal standards of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion, but such architect or engineer shall not be required to have designed the improvement or item or to have inspected or to have otherwise exercised supervisory control thereof during the course of construction or installation of the improvement or item with respect to which the certificate is delivered.

Also pursuant to Michigan law, if the Developer has not substantially completed the improvements for which escrowed funds have been retained or security has been provided within nine months after closing the sale of the first Unit in a phase of Fenner Glen, the escrow agent, upon the request of the Association or any Co-owner at Fenner Glen shall notify the Developer of the amount of funds or security that remain in the escrow account, and of the date upon which those funds can be released. If after six months have passed the Developer has not completed the specified improvements, or otherwise acted to gain release of the escrowed funds, the escrow agent may release the funds for the purpose of completing the incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and the Developer.

Any interest earned on funds held in the escrow account will be released to the party who is entitled to receive the funds upon which the interest has accrued, except that interest on funds released from the escrow account due to a prospective purchaser's withdrawal from a Purchase Agreement shall be paid to the Developer.

Additional details of the escrow arrangements made in connection with Fenner Glen are contained in the Escrow Agreement which is included in the Condominium Documents.

## **ARTICLE IX RECREATIONAL FACILITIES**

Fenner Glen includes no recreational facilities.

## **ARTICLE X ORGANIZATION AND CONTROL OF THE CONDOMINIUM**

Section 1. **The Condominium Buyers Handbook.** General information about the governance and organization of condominiums in Michigan may be found in the Condominium Buyers Handbook, published by the Michigan Department of Commerce, and is included in the Condominium Documents.

Section 2. **Fenner Glen Property Management.** Fenner Glen Property Management has been incorporated under the laws of the State of Michigan as a not-for-profit corporation named Fenner Glen Property Management, Inc. ("Association"). It will be responsible for the management, maintenance and administration of the Project. A person will automatically become a Member of the Association upon closing on the purchase of a Unit.



The Articles of Incorporation and Bylaws of the Association which are included in the Condominium Documents govern the procedural operations of the Association. The Association is governed by a three-person Board of Directors whose initial Members have been appointed by the Developer. The initial directors are empowered to serve pursuant to the provisions of the Condominium Bylaws until the first annual meeting of Members of the Association, which must be held on or before the expiration of 120 days after legal or equitable title to 34 Units has been conveyed to non-Developer Co-owners or 54 months after the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner, whichever occurs first ("Transitional Control Date"). Article III of the Condominium Bylaws sets forth the complete requirements for election of directors.

At the first annual meeting of Members of the Association, the Association will elect Directors, and the Directors in turn will elect officers for the Association. The Developer will be entitled to cast votes at any meeting with respect to all Units then remaining titled in its name. Hence, the Developer may have the right to determine the composition of a majority of the Board at the time of the first meeting.

Section 3. **Annual Meetings.** Following the first annual meeting, annual meetings of the Association will be held each year in accordance with the Condominium Bylaws for the purpose of conducting the business of the Association and electing directors for the succeeding year. Prior to each annual meeting, Co-owners will receive notice stating the time and location of the meeting and the matters to be considered at the meeting as prescribed by the Condominium Bylaws.

Section 4. **Advisory Committee.** The Board of Directors of the Association must establish an Advisory Committee of non-Developer Co-owners upon the passage of: (a) 120 days after legal or equitable title to 45 Units have been conveyed to non-Developer Co-owners; or (b) one year after the first conveyance of legal or equitable title to a Unit to a non-Developer Co-owner, whichever first occurs. The Advisory Committee will meet with the Board of Directors to facilitate communication with the non-Developer Co-owners and to aid in transferring control from the Developer to non-Developer Co-owners. The Advisory Committee will be composed of not less than one nor more than three non-Developer Co-owners, who will be appointed by the Board of Directors in any manner it selects, and who shall serve at the pleasure of the Board of Directors. The Advisory Committee will automatically dissolve following the appointment of a majority of the Board of Directors by non-Developer Co-owners. The Advisory Committee must meet at least semi-annually with the Board of Directors.

Section 5. **Percentage of Value.** Each of the 134 Units at the Project has been assigned 1/134th of the total value of the Project based upon its size and anticipated allocable expenses of maintenance. The total value of the Project is 100%. The percent of value assigned to each Unit is determinative of the proportionate share of each Unit in the proceeds from and expenses of the administration of the Project, the value of such Unit's vote at meetings of the Association of Co-Owners and of the Unit's undivided interest in the common elements.



Section 6. **Management.** The Developer will be retained as managing agent for the Project until the Transitional Control Date. Thereafter, the Association must provide for its own management. The Developer will be paid a fee of \$10.00 per Unit per month for its services as managing agent.

As manager, the Developer will have general responsibility for the day-to-day management of the Project. The Developer will assign personnel to manage the Project and will handle complaints from and problems of Co-owners. Co-owners who have a complaint or a problem should transmit it in writing to the Developer, which will attempt to resolve the problem or will refer it to the Board of Directors of the Association.

## ARTICLE XI CONTRACTION OF THE CONDOMINIUM

All or any portion of Units 1 - 134 may be removed from the Project by the Developer, in its sole discretion. The Units which may be removed from the Project are referred to as the "Contraction Property." Any portion or all of the Contraction Property may be removed from the Project by one or more amendments to the Master Deed. Such amendments may be made by the Developer in its discretion, without the consent of the Association or any Co-owners. The Developer's contraction rights are not subject to any restrictions except a time restriction. The Developer has the sole right to determine whether any contraction of the Project will occur and the sole right to determine the disposition of any land contracted out, subject only to applicable land use laws. All decisions regarding contraction of the Project must be made within six years of the date of the initial Master Deed.

The Developer has reserved the right to create easements within any portion of the Project, including the Contraction Property, for the benefit of the Contraction Property, if any of it is ever removed from the Project. At any time any Unit is removed from the Project, the percentage of value assigned to each individual Unit will be proportionately readjusted to preserve a total value of 100% for the entire Project. The precise determination of the readjustment in percentages of value is within the sole judgment of the Developer. Such readjustments must, however, reflect a continuing reasonable relationship between a Unit's percentage of value and the portion of the expenses of administration attributable to it. At the time of the recording of the initial Master Deed, an equal percentage of value was assigned to each of the Units. If the total number of Units included in the Project decreases, the percentage of value assigned to each remaining Unit in the Project will increase. This will in turn increase the value of each Co-owner's vote at meetings of the Association and the proportionate share of each Co-owner in the expenses of administering the Project (although the Developer anticipates that the total expenses of administering the Project would decrease to minimize any increase in assessments on remaining Units). The common elements serving only a Unit or Units removed from the Project need not be built as long as no other Unit is adversely affected by the absence of such common elements.



## **ARTICLE XII EXPANSION OF THE CONDOMINIUM**

The Master Deed of Fenner Glen provides that the number of Units and the amount of land included in the Project may be expanded by the addition of land for additional Units. Any land may be added to the Project by further amendments to the Master Deed. Such amendments may be made by the Developer in its discretion, without the consent of any Co-owners.

The Developer's expansion rights are not subject to any restrictions, except a time restriction. The Developer has the sole right to determine whether any further expansion of the Project will occur, and the nature, appearance and location of any additional Units. Fenner Glen may be expanded beyond a total of 134 Units. All decisions regarding expansion must be made on or before May 31, 2003.

The Developer also has the right, in its sole discretion, to create limited common elements, convertible area and contractible area within any additional land added to the Project and to designate general common elements therein, which may subsequently be assigned as limited common elements.

Each time the Project is expanded by the addition of Units, the percentages of value assigned to each individual Unit will be proportionately readjusted in order to preserve a total value of 100 percent for the entire Project. The precise determination of the readjustment in percentages of value is within the sole judgment of the Developer. Such readjustments must, however, reflect a continuing reasonable relationship among Unit size and allocable expenses of maintenance of the various Units. At the time of the recording of the initial Master Deed, an equal percentage of value was assigned to each of the Units in the Project. If the total number of Units included in the Project increases, the percentage of value assigned to each Unit in the Project will decrease. This will in turn decrease the proportionate share of each Co-owner in the expenses of administering the Project and the value of each Co-owner's vote at meetings of the Association.

The expansion of the Project could increase the usage of certain common elements included in the Project. Expansion would also mean that there would be more common elements within the Project leading to higher fixed maintenance and repair expenses, and an increase in the total budget of the Association.

## **ARTICLE XIII SUMMARY OF LIMITED WARRANTIES**

Fenner Glen is a site condominium development, consisting of building sites within which a residential dwelling must be constructed. The Developer has completed site preparation except for building of roads and connecting the project to the public water and sewer system, which are all scheduled for completion by December 1, 1997. The Units are being offered for sale in their present condition without any warranty or representation of any kind, express or implied, and each purchaser is buying his or her Unit "AS-IS" in its present condition.



Each prospective purchaser is responsible for determining that the Unit he or she is purchasing is suitable for building a residence. The results of soil tests which have been performed are available from the Developer's sales office. Some tests indicate a water table higher in some locations in the Condominium than in other places. The Developer urges a prospective purchaser to test the level of the water table for the Unit he or she is considering purchasing and to include drainage provisions in his or her construction plans. Developer has not analyzed the results of such soil tests or water table tests nor verified their accuracy. Each purchaser will be responsible for securing necessary permits and complying with building codes and ordinances governing the construction and occupancy of a residential dwelling or other improvement within the Unit.

Neither the Township of Laketon nor Muskegon County employ a regular inspection program for site condominium projects, and to the Developer's knowledge, no inspection of the Project for compliance with local codes and ordinances has been made.

**CAUTION: THERE ARE NO WARRANTIES ON THIS CONDOMINIUM PROJECT OTHER THAN THOSE DESCRIBED IN THE CONDOMINIUM DOCUMENTS.**

#### **ARTICLE XIV BUDGET AND ASSESSMENTS**

At closing, each purchaser of a Unit at the Project will pay two quarters' assessment as a nonrefundable working capital contribution. After the closing, each Co-owner will pay a quarterly assessment as his or her share of the common expenses of the Project. The quarterly amounts collected from Co-owners are used to operate and maintain the Project. Because the day-to-day operation of the Project is dependent upon the availability of funds, it is important that each Co-owner pay his or her quarterly assessment in a timely manner. The quarterly assessments at the Project are due by the first day of each calendar quarter. In the event a Co-owner fails to pay this amount in a timely manner, the Condominium Bylaws provide that the Association may impose a lien upon a delinquent Co-owner's Unit, collect interest at the maximum legal rate on delinquent assessments, and impose other penalties. The Condominium Bylaws should be consulted for further details.

The amount of the quarterly assessment will be determined by the amount of the common expenses. Under the budget of the Association for calendar year 1998 (the fiscal year of the Association will be a calendar year), adopted by the Developer in the exercise of its best judgment, each Co-owner will pay \$49 per quarter. This will generate an annual revenue from 134 Units of \$26,264.

For fiscal year 1998, the estimated revenues and expenses of the Project are attached as Exhibit A.

Each Co-owner must also pay other charges in connection with his or her ownership of a Unit at Fenner Glen. For example, each Co-owner will be responsible for paying real estate taxes levied on his or her Unit and his or her undivided interest in the common elements. The amount



of such taxes will be determined by the assessor of the Township of Laketon. The Association will pay no real estate taxes, except in the first year of the Project as described above.

Though a Member of the Association, the Developer is not required to pay assessments.

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 should prove inadequate, common elements need to be replaced or expanded, or an emergency occurs. The Bylaws attached to the Master Deed should be examined for further details about special assessments.

Like most expenses, the expenses in the budget are subject to change as a result of changing costs in the economy. This budget represents the Developer's best estimate of those expenses at this time. However, these costs may increase from year to year on account of such factors as cost increases, the need for repair or replacement of common elements, and property improvements. Such cost increases will result in increased quarterly assessments.

There are no fees, payments or services which are paid or furnished directly or indirectly by the Developer which will later become an expense of administration, except that the Developer is providing management service for a fee that may be below the prevailing rate for such services. Management fees paid by each Co-owner could therefore increase if the Developer ceases to manage the Project.

## **ARTICLE XV RESTRICTIONS ON USE**

In order to provide an environment conducive to pleasant living at Fenner Glen, the Condominium Bylaws contain certain limitations upon the activities of Co-owners which might infringe upon the right to quiet enjoyment of all Co-owners. You should read the Condominium Bylaws to ascertain the full extent of the restrictions.

The use restrictions at Fenner Glen are enforceable by the Association, which may take appropriate action to enforce the restrictions, such as legal actions for injunctive relief and damages. The remedies available in the event of default are contained in the Condominium Bylaws.

## **ARTICLE XVI INSURANCE**

The Association is responsible for securing liability insurance, and, when necessary, worker's compensation insurance pertinent to the ownership, use, and maintenance of the common elements of the Project. Such insurance policies contain deductible clauses which, in the event of a loss, could result in the Association's being responsible for a certain portion of the loss.



Co-owners, as Members of the Association, would bear any such loss in proportion to their percentage ownership of the common elements. The Association has procured an all-risk policy of insurance on the common elements. A copy of the all-risk policy is available at the sales office for inspection by prospective purchasers. Workers' compensation insurance will not initially be secured by the Association, since Fenner Glen will not initially have employees. Co-owners should regularly review the insurance coverage of the Project to insure it is adequate.

The insurance coverage provided by the Association will not cover events occurring within Units, any residence, articles contained therein or any personal property of a Co-owner on the grounds of a Unit. Each Co-owner must therefore secure his or her own insurance to insure against loss to the Unit. A Co-owner should consult with his or her insurance adviser to determine the amount of coverage required for his or her particular needs. In the event a Co-owner fails to procure his or her own insurance, he or she will be uninsured for any loss that might occur to his or her Unit, to himself or herself and his or her property.

If the Project is destroyed, in whole or in part, the Condominium Bylaws attached to the Master Deed provide a plan for reconstruction or repair.

## **ARTICLE XVII PRIVATE ROADS AND EASEMENTS**

The roads within the Condominium will be private roads. They are general common elements of the Condominium for the use of the co-owners and their guests. The roads will not be patrolled by public police forces as long as the roads are private. The Developer may, but has not yet sought, the dedication of the roads to Muskegon County Road Commission. Until the roads are so dedicated the Association must maintain the roads which have an estimated useful life of 20 years from the date of construction per guidelines established by Michigan Department of Transportation. The Developer anticipates dedication to the Laketon Township and has constructed the roads in such a manner so that the roads meet the required specifications of Laketon Township, the County of Muskegon and the Muskegon County Road Commission. Until such time, however, the Association will have to pay all costs of road repairs and maintenance including snow plowing in the winter. Each co-owner will be responsible for plowing his or her own driveway including that portion built upon the road right of way.

The Developer, Fenner Glen, Inc., a Michigan corporation or its authorized representative(s), is permitted to enter the Project for the purpose of sale and preparation of Units for sale and to maintain an office and/or a model Unit or Units at the Project. The usual public utility easements, such as telephone, electricity, and natural gas, shall be granted to those companies and municipalities responsible for the furnishing of utilities to the Project. As set forth more fully in the Master Deed, the Developer has also reserved the right to connect to utilities serving the Project.

Representatives of the Association are entitled to enter a Unit in the case of an emergency or to make necessary repairs to a common element. While such an entry may cause inconvenience, it is necessary to the well-being of all the Co-owners.



## ARTICLE XVIII SEWER AND WATER FACILITIES

The Developer anticipates construction of both public water and public sewer facilities at Fenner Glen. Each unit in Fenner Glen will be required to hook into both the water and sewer system. The Developer will provide at the Developer's cost the water and sewer service to the Project. Provided however, the Co-owner shall be responsible for the cost of connecting the house to be built within each Unit to those systems. In addition, the Unit purchased is subject to a connection fee for access to the water system owned by the Muskegon County Northside Water Authority in the amount of \$2,500 ("Water Connection Fee") and a connection fee to the sanitary sewer system owned by Laketon Township in the amount of \$1,800 ("Sewer Connection Fee"). The Developer shall pay both the Water Connection Fee and the Sewer Connection Fee upon occurrence of the following events:

**Spec Homes.** For Units sold to licensed builders who intend to build a home for sale to a third party end user, both the Water Connection Fee and the Sewer Connection Fee shall be paid on or before the day the builder closes on the sale of the Unit to a third party end user.

**Land Contracts.** For Units sold by Developer to a Co-owner on a land contract, both the Water Connection Fee and the Sewer Connection Fee shall be paid on or before the date a warranty deed is delivered to a Co-owner from Developer.

**All Other Sales.** For all other sales of Units, both the Water Connection Fee and the Sewer Connection Fee shall be paid on or before the date a Co-owner applies for a building permit.

The Developer shall have the option of paying both the Water Connection Fee and the Sewer Connection Fee at Closing of this Agreement.



## **ARTICLE XIX CO-OWNER LIABILITY**

If title to a Unit at the Project passes by virtue of a first mortgage foreclosure, the new title holder is not liable for the assessments of the Association which came due prior to the acquisition of the title to the Unit by that person. Any unpaid assessments are deemed to be common expenses collectible from all of the Co-owners, including the Co-owner of the Unit on which the mortgage is foreclosed. This provision is contained in the Condominium Bylaws, as required by the laws of the State of Michigan.

## **ARTICLE XX ARBITRATION**

The Michigan Condominium Act, as amended, provides that the Association may elect to arbitrate any dispute with the Developer concerning the common elements of the Project in which dispute the Association claims \$10,000 or less.

## **ARTICLE XXI UNUSUAL CIRCUMSTANCES**

Unless set forth in this Disclosure Statement, to the Developer's knowledge, there are no unusual circumstances associated with Fenner Glen.

## **ARTICLE XXII LEGAL MATTERS**

Christopher L. Kelly of Parmenter O'Toole, 175 W. Apple, Muskegon, Michigan, served as legal counsel in connection with the preparation of this Disclosure Statement and the Condominium Documents. Legal counsel has not passed upon the accuracy of the factual matters contained in the Disclosure Statement or the Condominium Documents.



## EXHIBIT A

### ESTIMATED REVENUES AND EXPENSES

#### REVENUES

Association Dues - Annually .....	\$ 196
No. of Units .....	<u>68</u>
Total Annual Receipts .....	<u>\$13,328</u>

#### ANNUAL EXPENSES

Maintenance and Landscaping (Common Areas) .....	\$ 1,000
Snowplowing .....	\$ 2,828
Fees & Permits .....	\$ 1,000
Bank Service Charges .....	\$ 500
Legal & Accounting .....	\$ 1,500
Insurance .....	\$ 2,000 <sup>1</sup>
Reserve .....	\$ 1,000 <sup>2</sup>
Garbage Removal .....	\$ 1,000
Administration .....	<u>\$ 2,500</u>
Total Annual Expenses .....	<u>\$13,328</u>

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<sup>1</sup> Estimate is for liability insurance. See discussion of Insurance at pp. 11-12 of this Disclosure Statement.

<sup>2</sup> There is no assurance that the contingency reserve will be adequate.