

BEECHRIDGE CONDOMINIUMS NO. 2
5000 Block---32nd Avenue
Hudsonville, Michigan

DISCLOSURE STATEMENT

Developed By:

Owen Aukeman Builders, Inc.
5623 Balsam Drive
Hudsonville, Michigan 49426

THIS DISCLOSURE STATEMENT HAS BEEN FILED WITH THE CORPORATION AND SECURITIES BUREAU, MICHIGAN DEPARTMENT OF COMMERCE, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48910. THE DEPARTMENT HAS NOT UNDERTAKEN TO PASS ON THE VALUE OR MERITS OF THE DEVELOPMENT NOR TO MAKE ANY RECOMMENDATIONS AS TO THE PURCHASE OF UNITS IN THIS DEVELOPMENT.

Prepared By:

Owen A. Aukeman
3367 Hillcrest
Hudsonville, Michigan 49426

Effective Date:

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owner is a member. The vote of each owner in the Association is proportionate to the percentage of value assigned by the Master Deed to the unit or units which he owns.

The Association is governed by a Board of Directors of not less than 3 nor more than 9 members. The initial board of directors was elected at the organizational meeting of the Condominium Association on October 21, 1980. The directors, five in number at the present time, are elected for three-year terms, on an "at-large" basis. The Board is charged with responsibility for the care, upkeep and maintenance of the common elements, the employment and dismissal of personnel, the handling of insurance and financial matters and the adoption of rules and regulations governing the use of the condominium property.

PROJECT WARRANTIES

All condominium units will be warranted by the Developer for a period of one year from the date of occupancy against defects in workmanship and materials. If written notice of defect is given by a unit owner within the warranty period, the Developer will make an inspection of the unit and, where such inspection reveals defects in workmanship and materials, will make reasonable repairs to cure such defects without cost to the owner. The Developer is also responsible for defects in workmanship and materials in the buildings, drives, walks, shrubbery and other common elements of the Project, as to which he receives written notice within one year from the date on which construction or installation of such common element is completed. The Developer does not guarantee,

families with children below the age of 13 years is also restricted by the By-Laws, the legal validity of such restrictions have never been tested by the courts in Michigan and the enforceability of these restrictions are therefore open to question. A detailed listing of all use restrictions applicable to the Project can be found in Article V, Section 9 of the Condominium By-Laws.

ENFORCEMENT PROVISIONS

Compliance with use restrictions may be enforced by legal action seeking damages or an injunction against the offending owner. The board may also take direct action to correct any such condition or may elect to discontinue furnishing services to the unit involved. If monthly assessments are not paid by the owner of a condominium unit, the Association is given a lien on the unit which may be enforced as described above, or by foreclosure proceedings in the manner provided by the Condominium Documents. Owners should be aware, however, that Section 58 of the Michigan Condominium Act provides that if the holder of a first mortgage or other purchaser of a condominium unit attains 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 foreclosure. These unpaid assessments are common expenses which are collectible from all unit owners.

INSURANCE

The Association is obligated to obtain and pay the premiums

THE MATTERS DISCUSSED IN THIS DISCLOSURE STATEMENT ARE INTENDED TO HIGHLIGHT ONLY A FEW OF THE MORE IMPORTANT FACTS RELATING TO THE PROJECT. THIS DISCLOSURE STATEMENT IS NOT A SUBSTITUTE FOR THE MASTER DEED, THE CONDOMINIUM BUYER'S HANDBOOK OR OTHER LEGAL DOCUMENTS AND BUYERS SHOULD READ ALL DOCUMENTS TO FULLY ACQUAINT THEMSELVES WITH THE PROJECT, AND THEIR RIGHT AND RESPONSIBILITIES RELATING THERETO.

WE RECOMMEND THAT YOU SEEK PROFESSIONAL ASSISTANCE PRIOR TO PURCHASING A CONDOMINIUM UNIT.

EXHIBITS A-1 and A-2 to Disclosure Statement
Beechridge Condominiums No. 2

BEECHRIDGE CONDOMINIUM ASSOCIATION
BUDGET - FISCAL YEAR 4/1/81 to 3/31/82

A. EXPENDITURES	1980-1981 Budget		1981-1982 BUDGET	
	Apt/Mo 53 units	TOTAL	Apt./Mo 68 units	TOTAL
GAS	19.50	12,403.00		18,600
INSURANCE	6.25	3,975.00	5.88	4,800.
LAWN CARE	5.00	3,180.00	5.51	4,500.
MANAGEMENT FEES (Bkp.)	5.00	3,180.00	1.75	1,428.
MISC. SUPPLIES & REPAIRS	2.00	1,272.00	2.00	1,632.
SNOW	4.50	2,862.00	5.00	4,080.
TRASH	2.75	1,749.00	3.25	2,652.
WATER/SEWER	7.75	4,929.00	8.50	6,936.
RESERVE FOR ACCRUALS	5.00	3,180.00	5.00	4,080.
TOTAL PROJECTED EXPENSES	57.75	36,729.00	36.89	48,708
				<u>25.00</u>
				61.89

B. DUES:

(12) Inside without basement	56.00	\$8,064.00	(12)	@	59.00	8,496
(1) End without basement	57.00	684.00	(1)		61.00	732
(22) Inside with basement	58.00	15,312.00	(28)		62.00	20,632
(18) End with basement	59.00	12,744.00	(21)		64.00	16,128
Duplex Apartments (Bldg 12)	40.00		(2)		40.00	960.
Bldg. 13 End Units	39.00		(2)		39.00	936.
Inside Units	38.00		(2)		37.00	888.
		<u>36,804.00</u>	(68)			<u>48,972</u>

You will notice, the raise in monthly rates is mostly for gas. Also, for those who wonder about the lower rates for the Duplex and Bldg. 13, these people will be paying their own gas bills, as they have individual meters.

for fire insurance and insurance for vandalism, malicious mischief and workman's compensation (if applicable) covering the buildings and common elements of the Project. All owners are cautioned, however, that it is their own responsibility to insure the contents of their unit and exterior improvements purchased by the owner. Each owner must also obtain personal liability coverage against injury to persons or damage to property resulting from accidents in and about the condominium unit. An insurance agent should be consulted in order to decide just what coverage will be needed for your protection.

RECREATIONAL FACILITIES

The Developer does not plan to construct any recreational facilities as a part of the Project.

LEGAL PROCEEDINGS

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

MANAGEMENT CONTRACTS

There are no management contracts presently in effect with regard to the maintenance of the condominium properties. During the period of construction the management of the condominium is being handled informally by the Developer, for which a \$5.00 management fee is paid to the Developer by each Unit owner as reflected in the annual budget of the Association attached as Exhibit A.

however, against tile cracks, settlement of a condominium unit or the building in which it is located, the expansion or contraction of wood or cement finishes, cracks or heaving. All Developer warranties are solely for the benefit of the first Owner, and do not extend to any subsequent purchaser of the Unit. In addition, any warranty given by the manufacturer of an appliance installed in the condominium unit by the Developer will be assigned to the purchaser of that unit.

BUDGET AND ASSESSMENTS

Like all condominium developments, Beechridge Condominiums will be supported by assessments against the owners of units in the Project. A general budget for the Project is established each year by the Association's board of directors, and each unit owner will be assessed his pro rata share of the money necessary to support that budget on the basis of the percentage of value assigned to his unit by the Master Deed. As reflected by the 19 81-82 budget for the Project, a copy of which is attached to this Statement as Exhibit A-1, monthly assessments for the Units in the project are in the amount of \$56 to \$64 per month for those units in buildings with a single gas meter. In that case, the monthly fee includes all gas costs. For those buildings with individual gas meters for each unit, the monthly fee ranges from \$37 to \$40 per month. Part of this money is placed in a reserve fund to be used for major repairs and capital expenses. As of _____ this reserve fund was in the amount of _____.

USE RESTRICTIONS

The Condominium By-Laws restrict the use of condominium units in the Project to single family residential purposes, and require that common areas be used only for purposes incidental to residential use. Although the residence of

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SCOPE OF THE PROJECT

Beechridge Condominiums (the "Project"), is located in the 5000 block of 32nd Avenue, Hudsonville, Michigan, and is being constructed in separate phases or "Sections" over a period of approximately five (5) years so as to comprise a maximum of 200 residential condominium units. The first phase contains 38 such units. Phase two, for which a "permit to take reservations" was issued on September 6, 1978, will contain 64 such units. And, although the Developer presently intends to expand the project to the extent noted above, he is under no legal obligation to build more than the 102 units in phases one and two.

THE DEVELOPER

The Project is being developed by Owen Aukeman Builders, Inc. (the "Developer"). President of Owen Aukeman Builders, Inc. is Mr. Owen A. Aukeman, a resident of Hudsonville, Mich.

Mr. Aukeman, individually or in partnership with others, has developed over 420 condominium apartments over the past 15 years, including Sunset Village, Southbrook Court and Beechridge Condominiums in Hudsonville, Michigan; Waterfront Condominiums in Georgetown Township, Michigan; Crestwood Village Condominiums in Zeeland, Michigan; and Central Village Condominiums in Holland, Michigan. He has also been active in residential construction of single-family homes since 1957.

ADMINISTRATION OF THE PROJECT

The business, property and affairs of the Project will be administered by a non-profit corporation, Beechridge Condominiums, Inc. (the "Association"), of which each condominium

