

DISCLOSURE STATEMENT

MILFORD PLACE

DEVELOPER

Tri-Mount/Milford Place Development Co., Inc.

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Novi, Michigan 48375

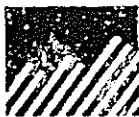
(810) 478-7747

Milford Place Condominium is a 40-unit residential conversion condominium which may not be enlarged.

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

IT IS RECOMMENDED THAT PROFESSIONAL ASSISTANCE BE SOUGHT PRIOR TO PURCHASING A CONDOMINIUM UNIT.

December 1994



Tri-Mount

ANOTHER FINE TRI-MOUNT COMMUNITY

Milford Place

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DISCLOSURE STATEMENT

MILFORD PLACE

I. Introduction

Condominium development in Michigan is governed largely by Act 59 of the Michigan Public Acts of 1978, as amended, (the "Condominium Act").

This Disclosure Statement, together with copies of the legal documents required for the creation and operation of the project, are furnished each purchaser pursuant to the requirement 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.

II. The Condominium Concept

Condominium is a method of subdividing, describing and owning real property. A condominium unit has the same legal attributes as any other form of real property under Michigan law and may be sold, mortgaged or leased, subject only to such restrictions as are contained in the condominium documents or as otherwise may be applicable to the property.

Each owner receives a deed to his individual condominium unit. Each owner owns, in addition to his unit, an undivided interest in the other components ("common elements") of the project. Title to the common elements is included as part of, and is inseparable from, title to the individual condominium units. Each owner's proportionate share of the common elements is determined by the percentage of value assigned to his unit in the Master Deed described in Section IV of this Disclosure Statement.

All portions of the project not included within the units constitute the common elements. Limited common elements are those common elements that are set aside for use by less than all unit owners. General common elements are all common elements other than limited common elements.

The project is administered generally by a non-profit corporation of which all owners are members (the "Association"). The nature and duties of the Association are described more fully in Section VI of this Disclosure Statement.

Except for the year in which the project is established, real property taxes and assessments are levied individually against each unit in the project. The separate taxes and assessments cover the unit and its proportionate

share of the common elements. No taxes or assessments are levied independently against the common elements. In the year in which the project is established, the taxes and assessments for the units covered by the Master Deed may be billed to the Association by the taxing authorities and, if so, are paid by the owners of such units in proportion to the percentages of value assigned to the units owned by them. In Milford Place, there exists a special assessment with respect to the entire condominium previously levied by the Village of Milford for the installation of a pressure boosting station for the water supply system, the approximate unpaid principal balance of which is \$20,244. This balance is required to be paid in three remaining installments of principal plus applicable interest on July 1st of the years 1995, 1996 and 1997 respectively. By purchasing a unit in Milford Place, each purchaser obligates himself or herself to pay off a pro rata portion of this special assessment plus interest over the period mentioned above.

Although the foregoing is generally accurate as applied to most residential condominium developments, the details of each development may vary substantially. Accordingly, each purchaser is urged to review carefully all of the documents contained in the Milford Place Purchaser Information Booklet as well as any other documents that the Developer has delivered to the purchaser in connection with this development. Any purchaser having questions pertaining to the legal aspects of the project is advised to consult his own lawyer or other professional advisor.

III. Description of the Condominium Project

A. Size, Scope and Physical Characteristics of the Project. Milford Place is a 40-unit residential conversion condominium project located in the Village of Milford. The project consists of four buildings constructed during the early 1990s. Each building contains 10 dwelling units, each with a private deck. A garage parking area has been assigned for the exclusive use of the owner of each unit.

B. Utilities. Milford Place is served by public, water, sanitary and storm sewers, gas, electric and telephone service. Gas service is furnished by Consumers Power Co. and is individually metered to each unit for payment by the co-owner. Electricity is furnished by Detroit Edison Company; telephone service is provided by General Telephone Co. These services are individually metered to unit owners and paid respectively by them. The cost of all water consumed in the condominium is shared equally by all co-owners as is the cost of electricity to operate common lighting. The costs of maintaining the sanitary and storm sewer systems serving the project, to the extent those systems are located within the project boundaries, will be borne by the Association.

C. Roads. The roads in Milford Place are private and will be maintained by the Association. Replacement, repair and resurfacing will be necessary from time to time as circumstances dictate. It is impossible to estimate with any degree of accuracy future roadway repair or replacement costs. It is the Association's responsibility to inspect and perform preventative maintenance of condominium roadways on a regular basis in order to maximize the life of project roadways and to minimize repair and replacement costs.

D. Reserved Rights of Developer.

(1) Conduct of Commercial Activities. The Developer has reserved the right, until all of the units in the project have been sold, to maintain on the condominium premises a sales office, a business office, model units, storage areas, reasonable parking incident to the use of such areas, and such access to, from and over the condominium premises as may be reasonable to enable development and sale of the entire project.

(2) Right to Amend. The Developer has reserved the right to amend the Master Deed without approval from owners and mortgagees for the purpose of correcting errors and for any other purpose. Any such amendment that would materially alter the rights of an owner or mortgagee may be made only with the approval of 66-2/3% of the owners and first mortgagees. Further, certain provisions of the Master Deed cannot be amended without the Developer's approval.

(3) Easements. The Developer has reserved such easements over the condominium project (including all units and common elements) as may be required to exercise any of its developmental rights or to perform any of the Developer's or Association's maintenance, repair, decoration or replacement obligations.

(4) Enforcement of Bylaws. The Developer has reserved the right to enforce the Bylaws as long as the Developer owns any unit in the project that it offers for sale.

(5) General. In the condominium documents and in the Condominium Act, certain rights and powers are granted or reserved to the Developer to facilitate the development and sale of the project as a condominium, including the power to approve or disapprove a variety of proposed acts and uses and the power to secure representation on the Board of Directors of the Association.

IV. Legal Documentation

A. General. Milford Place was established as a condominium project pursuant to the Master Deed recorded in the Oakland County Records and contained in the Milford Place Purchaser Information Booklet. The Condominium was recorded as Milford Place No. 2 for technical reasons but the Master Deed provides that the project shall be commonly known for all purposes simply as Milford Place. The Master Deed includes the Bylaws as Exhibit A and the Condominium Subdivision Plan as Exhibit B.

B. Master Deed. The Master Deed contains the definitions of certain terms used in the condominium documents, the percentage of value assigned to each unit in the condominium project, a general description of the units and common elements included in the project and a statement regarding the relative responsibilities for maintaining the common elements. Article VI of the Master Deed covers modification of units and assignment of limited common elements; Article VII covers easements; Article VIII contains the provisions for amending the Master Deed and; Article IX provides that the Developer may assign to the Association or to another entity any or all of its rights and powers granted or reserved in the condominium documents or by law.

C. Bylaws. The Bylaws contain provisions relating to the operation, management and fiscal affairs of the condominium and, in particular, set forth the provisions relating to assessments of Association members for the costs of operating the condominium project. Article VI contains certain restrictions upon the ownership, occupancy and use of the condominium project. Article VI also contains provisions permitting the adoption of rules and regulations governing the common elements. At the present time no rules and regulations have been adopted by the Board of Directors of the Association.

D. Condominium Subdivision Plan. The Condominium Subdivision Plan is a three dimensional survey depicting the physical location and boundaries of each of the units and all of the common elements in the project.

V. The Developer and Other Service Organizations

A. Developer's Background and Experience. The Developer is a Michigan corporation formed specifically for the purpose of developing Milford Place and, accordingly, the entity itself has no prior condominium developmental experience. Its principal, John Vincenti, is an engineering graduate of the University of Michigan and is personally licensed as residential builder. Mr. Vincent, through various entities, has had extensive experience in the development of condominium properties in Michigan.

B. Broker. The broker for the project is Eleanor Alper, whose address is the same as that of the Developer and her telephone number is (810) 684-2281. She has prior experience in the sale of condominium units.

C. Legal Proceedings Involving the Condominium Project or the Developer. The Developer is not aware of any pending judicial or administrative proceedings involving the condominium project or the Developer.

VI. Operation and Management of the Condominium Project

A. The Condominium Association. The responsibility for management and maintenance of the project is vested in the Milford Place Association, which has been incorporated as a non-profit corporation under Michigan law. The Articles of Incorporation of the Association are contained in the Purchaser Information Booklet. The Bylaws include provisions that govern the procedural operations of the Association. The Association is governed by its Board of Directors, the initial members of which are designees of the Developer.

Within 120 days after conveyance of title to ten of the units, one of the three directors will be selected by non-developer owners; and 120 days after conveyance of title to thirty of the units, the non-developer owners will elect all three directors, except that the Developer will have the right to designate at least one director as long as it owns at least four units in the project. Regardless of the number of units conveyed, 54 months after the first conveyance, non-developer owners may elect directors in proportion to the number of units that they own.

Within 120 days after conveyance to purchasers of fourteen units or one year from the date of the first conveyance, whichever first occurs, the Developer must establish an advisory committee to serve as liaison between the non-developer owners and the Developer.

The First Annual Meeting may be convened any time after twenty of the units have been sold and must be held on or before the expiration of 120 days after thirty of the units have been sold or within 54 months after conveyance of the first unit, whichever first occurs. At the First Annual Meeting, the co-owner members of the Association will elect directors, and the directors in turn will elect officers for the Association.

The Developer's voting rights are set forth in Article VIII, Section 2 of the Bylaws.

B. Percentages of Value. The percentages of value in Milford Place are based upon comparative Unit areas. The percentages of value assigned to each unit determines, among other things, the value of each co-owner's vote and his share of regular and special Association assessments and of the proceeds of administration of the project.

C. Project Finances.

(1) Budget. Article II of the Bylaws requires the Board of Directors to adopt an annual budget for the operation of the project. The initial budget was formulated by the Developer and is intended to provide for the normal and reasonably predictable expenses of administration of the project, and includes a reserve for major repairs to and replacement of common elements. Inasmuch as the budget must necessarily be prepared in advance, it reflects estimates of expenses made by the Developer based in part upon experience in similar projects and in part upon the estimates of others. To the extent that estimates prove inaccurate during actual operation and to the extent that the goods and services necessary to service the condominium project change in cost in the future, the budget and the expenses of the Association also will require revision. The current budget of the Association has been included as Appendix I to this Disclosure Statement.

(2) Assessments. Each owner of a unit, including the Developer, must contribute to the Association to defray expenses of administration. Assessments are based upon the percentages of value assigned to the units. The Board of Directors may also levy special assessments in accordance with the provisions of Article II, Section 2(b) of the Bylaws.

(3) Foreclosure of Lien. The Association has a lien on each unit to secure payment of Association assessments. The Bylaws provide that the Association may foreclose its lien in the same fashion that mortgages may be foreclosed by action or by advertisement under Michigan law. By closing on the purchase of a unit, each purchaser will be deemed to have waived notice of any proceedings brought by the Association to foreclose its lien by advertisement and notice of a hearing prior to the sale of his unit.

(4) Other Possible Liabilities. Each purchaser is advised of the possible liability of each owner under Section 58 of the Condominium Act:

If the holder of the first mortgage or other purchaser of a condominium unit obtains title to that unit by foreclosing that mortgage, the holder of the first mortgage or other purchaser is not liable for unpaid assessments that are chargeable against that unit and that became due prior to foreclosure. These unpaid assessments are common expenses that are collectible from all unit owners including the holder of the first mortgage who has obtained title to the unit through foreclosure.

D. Condominium Association Management Contract. The Association has not entered into a management agreement with an independent professional manager for management of the project at the present time. It is anticipated that, at some point, a professional manager will be engaged and the operating budget of the Association has been prepared to include the estimated cost thereof. During some or all of the Development and Sales Period, the Developer may manage the Condominium and may charge a fee for so doing. Also, it may elect to waive a portion of management fees although it is not obligated to do so. The ultimate choice as to whether and to what extent professional management for the condominium will be engaged will be that of the Co-owners. Professional management is not required by the condominium documents.

E. Insurance.

(1) Title Insurance. The Purchase Agreement provides that the Developer shall furnish each purchaser a commitment for an owner's title insurance policy issued by Chicago Title Insurance Company through its agent Philip F. Greco Title Company at or prior to closing, and that the policy itself shall be provided within a reasonable time after closing. The cost of the commitment and policy is to be borne by the Developer. Each purchaser should review the title insurance commitment with a qualified advisor of his choice prior to closing to make certain that it conforms to the requirements of the Purchase Agreement.

(2) Other Insurance. The condominium documents require that the Association carry fire and extended coverage for vandalism and malicious mischief and liability insurance and workers' compensation insurance if applicable, with respect to all of the common elements of the project. The insurance policies have deductible clauses and, to the extent thereof, losses will be borne by the Association. The board of directors is responsible for obtaining insurance coverage for the Association. Each owner's pro rata share of the annual Association insurance premiums is included in the monthly assessment. The Association insurance

policies are available for inspection during normal working hours. A copy of the certificate of insurance with respect to the condominium project will be furnished to each owner upon request.

Each owner is responsible for obtaining personal property, liability and other individual insurance coverage with respect to his unit to the extent indicated in Article IV of the Bylaws. The Association should periodically review all insurance coverage to be assured of its continued adequacy and owner should each do the same with respect to their personal insurance.

F. Restrictions on Ownership, Occupancy and Use.
Article VI of the Bylaws sets forth restrictions upon the ownership, occupancy and use of a unit in the condominium project. It is impossible to paraphrase these restrictions without risking the omission of some provision that may be of significance to a purchaser. Consequently, each purchaser should examine the restrictions with care to be sure that they do not infringe upon an important intended use. The following is a list of certain of the more significant restrictions:

(1) Units are to be used only for single-family residential purposes.

(2) No owner may lease his unit for less than an initial term of six months unless approved by the Association. An owner must disclose his intention to lease a unit and provide a copy of the exact lease form to the Association at least ten days before presenting a lease to a potential lessee. Although it is the Developer's intention to sell all of the units that it owns in the project, it will necessarily require some time for the Developer to achieve this goal. Further, market conditions and other factors beyond the Developer's control may impede the Developer's efforts to complete its sales program and may necessitate the suspension of the sales program from time to time. Accordingly, the Developer hereby notifies all prospective owners that the Developer proposes to lease all unsold units in the project for such terms as may be most compatible with achievement of the Developer's sales program in an effort to keep the project fully occupied throughout the duration of such program. A copy of the Developer's lease form is on file with the Association's records and may be reviewed by the owners during normal business hours.

(3) Only one domestic pet may be maintained by any owner and which must be approved by and registered with the Association in advance. Even though the pet has been properly approved and registered, detailed restrictions are applicable.

(4) There are substantial limitations upon physical changes which may be made to the common elements and to the units in the condominium, and upon the uses to which the common elements and units may be put.

(5) Reasonable regulations may be adopted by the board of directors of the Association concerning the use of common elements, without vote of the owners.

None of the restrictions apply to the commercial activities or signs of the Developer.

VII. Rights and Obligations as Between Developer and Owners

A. Before Closing. The respective obligations of the Developer and the purchaser of a unit in the project prior to closing are set forth in the Purchase Agreement and the accompanying Escrow Agreement. Those documents should be closely examined by all purchasers in order to ascertain the disposition at closing of earnest money deposits advanced by the purchaser, anticipated closing adjustments, and other important matters.

B. At Closing. Each purchaser will receive by warranty deed fee simple title to his unit subject to no liens or encumbrances other than the condominium documents and those other easements and restrictions that are specifically set forth in the condominium documents and title insurance commitment.

C. After Closing.

(1) General. Subsequent to the purchase of the unit, relations between the Developer and the owner are governed by the Master Deed and the Condominium Act, except to the extent that any contractual provisions of the Purchase Agreement are intended to survive the closing.

(2) Condition of Condominium Project; No Warranties. NO ENGINEERING REPORTS HAVE BEEN OBTAINED IN CONNECTION WITH THE CONVERSION OF THE PROJECT TO A CONDOMINIUM AND THE EXACT CONDITION OF THE BUILDING(S), INCLUDING THE PLUMBING, HEATING, ELECTRICAL, ROOFING AND STRUCTURAL COMPONENTS IS, THEREFORE, NOT KNOWN. THE DEVELOPER IS NEVERTHELESS UNAWARE OF ANY

DEFECTS THEREIN. THERE IS NO WARRANTY OF THE UNITS OR THE COMMON ELEMENTS BECAUSE THIS IS A CONVERSION CONDOMINIUM PROJECT RATHER THAN A NEW PROJECT. THE PROJECT IS BEING SOLD IN AN "AS IS" BASIS AND, ACCORDINGLY, AS IN ALL PROJECTS WITHOUT WARRANTIES, PURCHASERS MAY BE REQUIRED TO PAY SUBSTANTIAL SUMS FOR THE REPAIR OF DEFECTS WHICH MAY OCCUR.

(3) Building Code Violations, Etc. The Developer is not aware of any outstanding building code or other municipal regulation violations pertaining to the project. The project was last inspected by the Village of Milford for compliance with building and housing codes in the early 1990s when certificates of occupancy were issued upon completion of construction of the buildings.

VIII. Purpose of Disclosure Statement

The Developer has prepared this Disclosure Statement in good faith, in reliance upon sources of information believed to be accurate and in an effort to disclose material facts about the project. Each purchaser is urged to engage a competent lawyer or other advisor in connection with deciding whether to purchase a unit. In accepting title to a unit, 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 Disclosure Statement. The terms used herein are defined in the Condominium Act.

The Michigan Department of Commerce publishes The Condominium Buyers Handbook that the Developer has delivered to you. The Developer assumes no obligation, liability, or responsibility as to the statements contained in or omitted from The Condominium Buyers Handbook.

The descriptions of the Master Deed and other instruments contained herein are summary only and may or may not completely and adequately express the content of the various condominium documents. Each purchaser is referred to the original Master Deed and other original instruments as contained in the Purchaser Information Booklet. In accordance with the rules of the Michigan Department of Commerce, legal phraseology, technical terms and terms of art have been minimized and brevity has been the objective to the extent consistent with the purposes of the Disclosure Statement and rules of the Michigan Department of Commerce.

APPENDIX I

MILFORD PLACE ASSOCIATION
ESTIMATED INITIAL OPERATING BUDGET
COVERING 40 UNITS

ADMINISTRATIVE:

Accounting/Audit	\$ 250.00
Legal Fees	200.00
Management Fees	4,000.00
Miscellaneous	100.00
Postage	30.00
Copy/Printing	<u>50.00</u>

Total Administrative	4,630.00
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UTILITIES:

Electric-House	750.00
Water/Sewer	<u>10,000.00</u>

Total Utilities	10,750.00
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LANDSCAPE & GROUNDS:

Fertilizer	500.00
Flowers	200.00
Lawn Contract	5,000.00
Shrub/Bed Maintenance	1,000.00
Snow Removal	5,000.00
Sprinkler Maintenance	<u>250.00</u>

Total Landscape/Grounds	11,950.00
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INSURANCE & TAXES:

Property/Liab. Insurance	2,500.00
Misc. Taxes	<u>100.00</u>

Total Insurance & Taxes	2,600.00
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TOTAL OPERATING EXPENSES:	\$29,930.00
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RESERVES FOR DEFERRED MAINTENANCE
AND REPLACEMENT:

3,000.00

TOTAL:

\$32,930.00

Monthly Maintenance Fee Per Unit \$69.00

