

AMENDED
DISCLOSURE STATEMENT

FOR
SUMMIT PARK CONDOMINIUMS

Developer: Mills Property Management
1095 Third Avenue
Muskegon, Michigan

A convertible residential condominium project located in Spring Lake, Michigan. The initial phase of the project consists of Six (6) units. The project may be expanded to include as many as Six (6) additional units. The decision to expand must be made not later than six (6) years after recordation of the Master deed for Summit Park Condominiums

The effective date of the Disclosure Statement is June 7, 1990.

THE DISCLOSURE STATEMENT HAS BEEN FILED WITH THE CORPORATION AND SECURITIES BUREAU, MICHIGAN DEPARTMENT OF COMMERCE, 6546 MERCANTILE WAY, LANSING, MICHIGAN 48913. THE DEPARTMENT HAS NOT UNDERTAKEN TO PASS ON THE VALUE OF MERITS OR THE DEVELOPMENT NOR TO MAKE ANY RECOMMENDATIONS AS TO THE PURCHASE OF UNITS IN THIS DEVELOPMENT.

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 ADVISOR PRIOR TO PURCHASING A CONDOMINIUM UNIT.

DISCLOSURE STATEMENT

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SUMMARY OF PROJECT

Size of Project:

Summit Park Condominium is located in the Village of Spring Lake, Michigan.

Summit Park is a residential condominium which will initially contain Six units. It may be expanded to as many as Six additional units, by converting common elements to residential units and limited common elements. The Developer, Mills Property Management, has the exclusive right to determine whether further expansion will occur. Mills Property Management must, however, determine the size of the project no later than six (6) years after recordation of the Master Deed for Summit Park Condominiums. The convertible area shown on Exhibit B to the Master Deed, and generally is the area designated for Buildings B, E, and F, as shown on the Subdivision Plans.

The initial phase of Summit Park consists of six (6) residential condominiums.

Recreational Facilities

The condominium units are residential in nature. No additional recreational facilities are required of Developer.

ORGANIZATION AND CONTROL OF THE CONDOMINIUM

Information about the government and organization of condominiums in Michigan may be found in the Condominium Buyer's Handbook, published by the Michigan Department of Commerce, and provided to you by Mills Property Management. Control passes from the developer at the time referred to as the transitional control date. The transitional control date occurs at a time designated in the Master Deed following the sale of a designated percentage of the units in the condominium.

Summit Park Association

Summit Park Association is incorporated under the laws of the State of Michigan as a not-for-profit corporation. A person will automatically become a member of Summit Park Association by purchasing a unit in the condominium.

The Developer plans to turn over control of Summit Park to Summit Park Association as soon as possible, although it is not required to do so for eighteen (18) months, from the recording of the Master Deed, as provided in the Condominium Bylaws.

Summit Park Association will, however, be controlled by the Developer, until Eighty percent (80%) of the units in the condominium have been sold.

First Annual Meeting:

The first annual meeting of the members of Summit Park Association may be convened only by the Developer and may be convened at any time after a majority of the units in the condominium have been sold. The Developer must, however, convene the first annual meeting no later than 120 days after 80% of the units in the condominium has been sold or 18 months after the recordation of the Master Deed, whichever first occurs. The first annual meeting was convened and held on June 7, 1990.

Subsequent Annual Meetings:

Annual meetings of the co-owners of Summit Park will be held each year following the first annual meeting 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.

Co-Owners' Advisory Committee:

Within one (1) year of the recordation of the Master Deed, a Co-owners Advisory Committee, consisting of three (3) non-developer co-owners, will be established by the Board of Directors. The Advisory Committee is intended to function as an informal organization with which the Developer can consult on matters concerning Summit Park. The Developer will attempt to meet with an Advisory Committee at least semi-annually. At such meetings, intends to provide the Advisory Committee with information about the development of the condominium and will receive recommendations from the Committee. In the event an Advisory Committee is formed, the members will be appointed by and serve at the pleasure of the Board of Directors.

WARRANTIES

All manufactured items sold with a unit at Summit Park carry those warranties provided by their manufacturers and no other warranties.

All shrubbery in the condominium will be guaranteed for one year from installation by the supplier.

Co-owners will have all remedies and rights as provided by the Michigan Occupational Code.

The Developer will require the general building contractor to warrant the workmanship and materials in each individual unit at for one year following the date of acceptance by the Developer. These warranties are transferable. Any defect in the workmanship or materials of the condominium should be reported immediately in writing to the Management Agent on the premises. The Agent will notify the contractor in writing within days after receipt of same. The Developers in no way guarantees (either with respect to a particular unit or the limited general common elements): cracks or heaving; damage resulting from settlement of a unit or the ground under or around the unit, or under other units or common elements; or the expansion or contraction of materials; or the effect of ice formed during the winter months.

The warranted manufactured items, and the warranties given in connection therewith are as provided by:

THE MANUFACTURERS.

These warranties apply only to those items purchased for the benefit of the co-owner by the developer. Individuals purchasing their own appliances are responsible for determining what, if any warranties exist.

Each of these manufacturer's warranties begins to run upon installation of purchase. Each purchase will, therefore, not necessarily enjoy the benefit of the full manufacturer's warranties on manufactured items. A purchaser should verify the terms of the manufacturers' warranties and determine when the warranties begin to run on items installed in a particular unit before signing a purchase contract. For more detailed information about the warranties, including transferability and claims procedures, the Owners' Guide provided by the manufacturers should be examined. These guides are available for inspection at the sales office and will be furnished to each purchaser at closing.

CAUTION: THERE ARE NO WARRANTIES ON THIS CONDOMINIUM PROJECT OTHER THAN THOSE DESCRIBED HEREIN. YOU, INDIVIDUALLY, OR AS A MEMBER OF THE ASSOCIATION, MAY BE REQUIRED TO PAY SUBSTANTIAL SUMS FOR THE REPLACEMENT OR REPAIR OF ANY DEFECTS IN THIS CONDOMINIUM PROJECT THAT ARE NOT COVERED BY WARRANTY, IF ANY SUCH DEFECTS EXIST.

FLOOD PLAIN

As indicated on the Condominium Subdivision Plans, the site of lies partially within the designated flood plain area.

NOTE: CO-OWNERS SHOULD CONTACT THEIR INSURANCE AGENT TO OBTAIN INFORMATION AND COVERAGE FOR THEIR PERSONAL PROPERTY AND IMPROVEMENTS WITHIN THEIR UNIT.

BUDGET AND ASSESSMENTS

Each co-owner at Summit Park will pay a monthly assessment as the share of the common expenses of the condominium. The basis of assessment is explained in Article IV of the Master Deed. The monthly amounts collected from co-owners are used to operate and maintain the condominium. Because the day-to-day operation of is dependent upon the availability of funds, it is important that each co-owner pay his monthly assessment in a timely manner. Monthly assessments at Summit Park are due by the 10th day of each month. In the event a co-owner fails to pay this amount in a timely manner, the Condominium Bylaws provide that Summit Park Association may impose a lien upon a delinquent co-owner's unit, collect interest at the rate of ten percent (10%) per annum on delinquent assessments, and impose other penalties. Article V of the Bylaws of Summit Park should be consulted for further details.

The amount of the monthly assessment will be determined by the amount of the common expenses. Based upon the first phase of 6 units, it is estimated that in the first year of the condominium operation, this will generate an annual revenue of \$4,320.00. It is anticipated that the first year's revenue and expenses based upon the advance reservations, at the condominium will be as follows:

Income

Assessment	\$4,320.00
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Expenses

Administrative:

Office Expenses	
Telephone	
Management Fee	
Legal and Audit	665.00

Operating:

Salaries and	
Related costs	
Water and Sewer	
Trash Removal	
Supplies	

Repairs and Maintenance:

Decorating	
General Maintenance	650.00
Snow Removal	625.00
Building	
Parking	
Landscaping	
Lawn Care	900.00

Fixed Expenses:

Insurance	830.00
Replacement Reserves*	750.00

Miscellaneous

TOTAL \$4,320.00

*Reserve for major repair and replacement of common elements is based upon the estimated life of certain components. There is no assurance that it will be adequate.

Note: No utilities are provided to the common areas, therefore, there are no estimated expenses for the same.

Each co-owner must also pay other charges in connection with his ownership of a unit at Summit Park. For example, each co-owner will be responsible for paying real estate taxes levied on his unit and his undivided interest in the common elements. The amount of taxes will be determined by the Assessor of the Village of Spring Lake. The Developer expects the Assessor to act on the uniform basis based upon the size and/or price of each unit. Summit Park Association will pay no real estate taxes. Real estate taxes on unsold units in will be paid by the Developers. Real estate taxes on sold units will be prorated to the time of closing.

In the calendar year the Master Deed is recorded the property will still be assessed for real estate taxes as a single unit. Therefore, real estate taxes for that year will be collected by the Association from the co-owners and paid by the Association. Following years taxes will be assessed on an individual unit basis.

Like other unit owners, the Developer is required to pay it assessments when they are due. The Developer will commence paying the monthly assessment for each unsold unit upon the issuance of the Master Deed for the phase in which the units are situated.

Each co-owner could be required to pay special assessment if special assessments are levied by the Board of Directors of Summit Park 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 any emergency occurs. Article V of the Bylaws of attached to the Master Deed should be examined for further details about special assessments.

Like most expenses today, the expenses in the budget are subject to change as a result of changing costs in the economy. The budget contained herein 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, property improvements, and increased size of the condominium. Such cost increases will result in increased monthly assessments.

There are no other fees, payments, or services which are paid or furnished directly or indirectly by the developer which will later become an expense of administration.

DEVELOPERS' BACKGROUND AND EXPERIENCE

The initial developer for Summit Park was a Michigan Partnership known as Summit Park Partners. This partnership consisted of two Michigan corporations, Ross E. Pope Construction Inc., and Investment Property Associates Inc. Summit Park Partners was the Developer for buildings A, D, and F, which contain Units 1, 2, 7, 8, 11, and 12, respectively.

Ross E. Pope Construction, Inc. was formed in 1987 by Ross E. Pope, and is a general contractor in the building industry. Mr. Pope had been involved as an individual in the building industry for approximately four years prior to incorporating his business. The Corporation has done extensive residential construction, both single and multiple family housing. It is also involved in commercial and industrial building.

Investment Property Associates, Inc. was started in 1981 by Denny Cherette, a licensed real estate broker and salesman. Mr. Cherette has been active in real estate sales and development for approximately ten years. He has completed the CCIM designation, which is based on his experience and training in the sale and development of commercial real estate.

The successor Developer is Mills Property Management, a Michigan Partnership, which consists of two individuals, William Mills and David Mills, both of Muskegon, Michigan. Mills Property Management will be the developer for Buildings B, C, and E, which will contain units 3, 4, 5, 6, 9, and 10, respectively.

David Mills and William Mills are brothers who have at least 20 years experience in the residential construction industry. Together they are the owners of Mills Construction Inc., which is a licensed residential construction contractor. The corporation has done extensive residential construction, both single and multiple family housing.

Mills Property Management has previously been involved in another residential condominium, known as Walnut Grove, located in the City of Muskegon. It is currently negotiating for the development of another condominium project, to be located in Whitehall, Michigan.

RESTRICTIONS ON USE

In order to provide a pleasant environment at Summit Park 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. Some of these restrictions are set forth herein. You should read the Condominium Bylaws to ascertain the full extent of the restrictions.

The units in Summit Park may be used solely for the purpose of residential use. Unit owners are permitted to lease their units, subject to the provisions of the Michigan Condominium Regulations. Unit owners are not permitted to modify the common areas of the condominium units or the grounds at Summit Park. A unit owner is permitted to modify his limited common area associated with his unit at but any modification requires prior approval from the Association. No unit owner will be permitted to perform any landscaping at without prior approval from the Association.

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

INSURANCE

Summit Park Association will be responsible for securing fire and extended coverage, vandalism and malicious mischief, and liability insurance; and, when necessary, workmen's compensation insurance pertinent to the ownership, use, and maintenance of the common elements of the condominium. Such insurance policies may 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.

Owners, as members of the Association, would bear any such loss in proportion to their percentage ownership of the common elements. It is anticipated that Association will take out an all-risk policy of insurance on the common elements. Damage by vermin, flood, earthquake, water backing up from sewer and from underground water will be excluded from the coverage of this policy. Glass breakage is

not covered above \$250.00 per occurrence except when caused by such things as fire, lighting, windstorm, and hail. The all-risk policy contains a \$1,000.00 deductible per occurrence. A copy of the anticipated all-risk policy is available at the sales office for inspection by prospective purchasers. Workmens' Compensation Insurance will not initially be secured by the Association, since will initially have no employees. After the first annual meeting, co-owners should review the insurance coverage of the Condominium to ensure it is adequate.

The insurance coverage provided by the Association will not cover the non common portion of individual units, any articles contained therein, or any personal property of a co-owner on the grounds of the condominium. Each unit owner must, therefore, secure condominium unit owner's insurance to insure against loss to the non common portion of his unit and to his personal property. A unit owner should consult with his insurance advisor to determine the amount of coverage required for his particular needs. In the event a unit owner fails to procure his own insurance, he will be uninsured for any loss that might occur to his unit, to himself, or to his property.

If the condominium is destroyed, in whole or in part, Article VI of the Condominium Bylaws attached to the Master Deed provides a plan for reconstruction or repair.

Insurance coverage is provided through a company to be determined.

PARKING

Parking is delineated in the Condominium Subdivision Plans. Parking is provided for approximately 12 automobiles. Parking is considered a general common element for maintenance purposes.

DEVELOPERS' RIGHTS

The Developer is permitted to enter the condominium for the purpose of sale and preparation for sale, and for the purpose of constructing additional units. The Developer's sales personnel are also permitted to enter and to maintain an office and model units at the condominium. The usual public utility easements, such as telephone, electricity, water, sewer are enjoyed by those companies and municipalities responsible for the furnishing of public utilities to the condominium.

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

CO-OWNER LIABILITY

If title to a unit at Summit Park passes by virtue of first mortgage foreclosure, the new title holder is not liable for the assessment of Summit Park 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 the condominium unit owners, including that person. This provision is contained in the Condominium Bylaws, as required by the laws of the State of Michigan.

UTILITIES

The following serve :

<u>Service</u>	<u>Utility Name</u>	<u>Paid with Association Assessment</u>
Water		No
Sewer		No
Electricity	Consumers Power	No
Gas	Michigan Consolidated Gas	No
Telephone	Michigan Bell	No
Cable TV	Private through Developer or public cable	No

ASPHALT PAVING AND RESURFACING

There is approximately 7,500 square feet more or less of asphalt paving in the development, most of which is in the parking easement area. The estimated useful life of the paving is twenty (20) years with an estimated resurfacing cost at this time of \$10,000.00.

UNUSUAL CIRCUMSTANCES

To the Developer's knowledge, there are no unusual circumstances associated with Summit Park.

SECTION 89

(Act No. 59 of Public Acts of 1979 and as amended)

Section 89. (1) At least nine (9) days before a condominium unit is conveyed or nine (9) days before a purchase agreement or a Reservation and Subscription Agreement becomes a binding agreement, the Developer shall provide to the prospective purchaser copies of the following documents relative to the condominium project.

- (a) The Master Deed.
- (b) The Bylaws of the Association.
- (c) Disclosure Statements as prescribed by the Administrator.
- (d) Other documents as prescribed by the administrator.

(2) This time limit may be waived in exceptional cases by a purchaser who is provided all of the aforementioned documents and who waives in writing on a form approved by the administrator, the purchaser's right to the protection provided by the advance review time. The form shall include the language of this Section. The developer shall file a copy of the waiver with the administrator within ten (10) days after sale. This exemption may be revoked as to future sales by the administrator upon a finding of violation of the provisions of this Act or rules promulgated under this Act.

(3) The form signed by a purchaser, acknowledging receipt of the documents, is prima facie evidence that the documents were received and understood by purchaser. A separate instruction sheet, advising the co-owners of this Section shall be provided to the co-owners contemporaneously with the documents required in Subsection (1).

(4) In addition to other liabilities and penalties, a Developer who violates this Section is subject to Section 115.

