

PROPOSED REZONING

**20.42 Acres – East side of John R Road
Approximately 800 feet South of Avon Road**

Metropolitan Property Management Inc.

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**Letter of Intent and Statement Indicating Why Change is Necessary
for the Preservation of Substantial Property Rights**

Subject property consists of 7 parcels of land totaling 20.42 acres which is currently zoned R -3.

<u>Parcel No.</u>	<u>Acreage</u>
70-15-24-100-037	0.73
70-15-24-100-038	5.16
70-15-24-100-040	6.02
70-15-24-100-028	6.21
70-15-24-100-029	0.86
70-15-24-100-018	0.72
70-15-24-100-019	<u>0.72</u>
Total Acreage: <u>20.42</u>	

If successful in securing rezoning of the property from its current R-3 One Family Residential to RM-1 Multiple Family Residential, the Applicant will develop the property for multiple family residential condominium use. The property will be developed in accordance with the criteria mandated in the RM-1 zoning district, relative to density, area, bulk and other requirements specified therein. The owners of the subject property are in favor of the rezoning request and the RM-1 zoning allows for appropriate transitional planning of the subject area. Property rights will be preserved by allowing the property to be utilized in a manner and for a use which is in demand, marketable and for which a reasonable return on investment can be secured.

The location of the property is well suited to create a transition between the existing industrial property to the north, landfills to the east and single family to the south. The RM-1 zoning will create a housing opportunity for the empty nester, newly married couple, and other first-time home buyers, which in the past have had few housing resources available to them in Rochester Hills. In today's economy, there is a current need and market demand for affordable residential multiple-type housing. In light of the site characteristics and uses/zoning surrounding the subject property, the property is ideally situated for such a use. The development will be aesthetically pleasing, improve the area and will also cater to a segment of the market, by providing affordable ownership housing opportunities in the eastern section of the City.

The City's 1999 Master Land Use Plan, in discussing residential policies, states that:

@The city should continue to provide a diversity of housing types, sizes and locations to meet the needs of people of different ages, incomes and lifestyles within the community. Housing types include single family, cluster, multiple family, mobile home park and senior housing. Tenure types include ownership and rental.@

The proposed residential multiple family condominium development will provide a diversity of housing in the subject area, and an opportunity to own affordable housing in Rochester Hills, in the price range of \$165,000 to \$200,000.

The property is currently zoned for single family residential lots, with minimum 90 foot lot width and 12,000 square foot area. Due to the industrial uses to the north and landfill areas to the east, it would not be economically feasible or marketable to develop the property under its current zoning. It would be extremely difficult, if not impossible, to market larger lot single family homes in an area with industrial use and with a landfill stigma associated with abutting property. The proposed RM-1 use serves a legitimate governmental interest and permits for a legitimate land use of the property, which use is in demand and generally missing from the subject area.

The Applicant is requesting the property be rezoned to RM-1, to permit a use which is reasonable, in demand and compatible with the surrounding uses and zoning. Your consideration given to this rezoning request is greatly appreciated.

Respectfully submitted,

METROPOLITAN PROPERTY MANAGEMENT, INC.

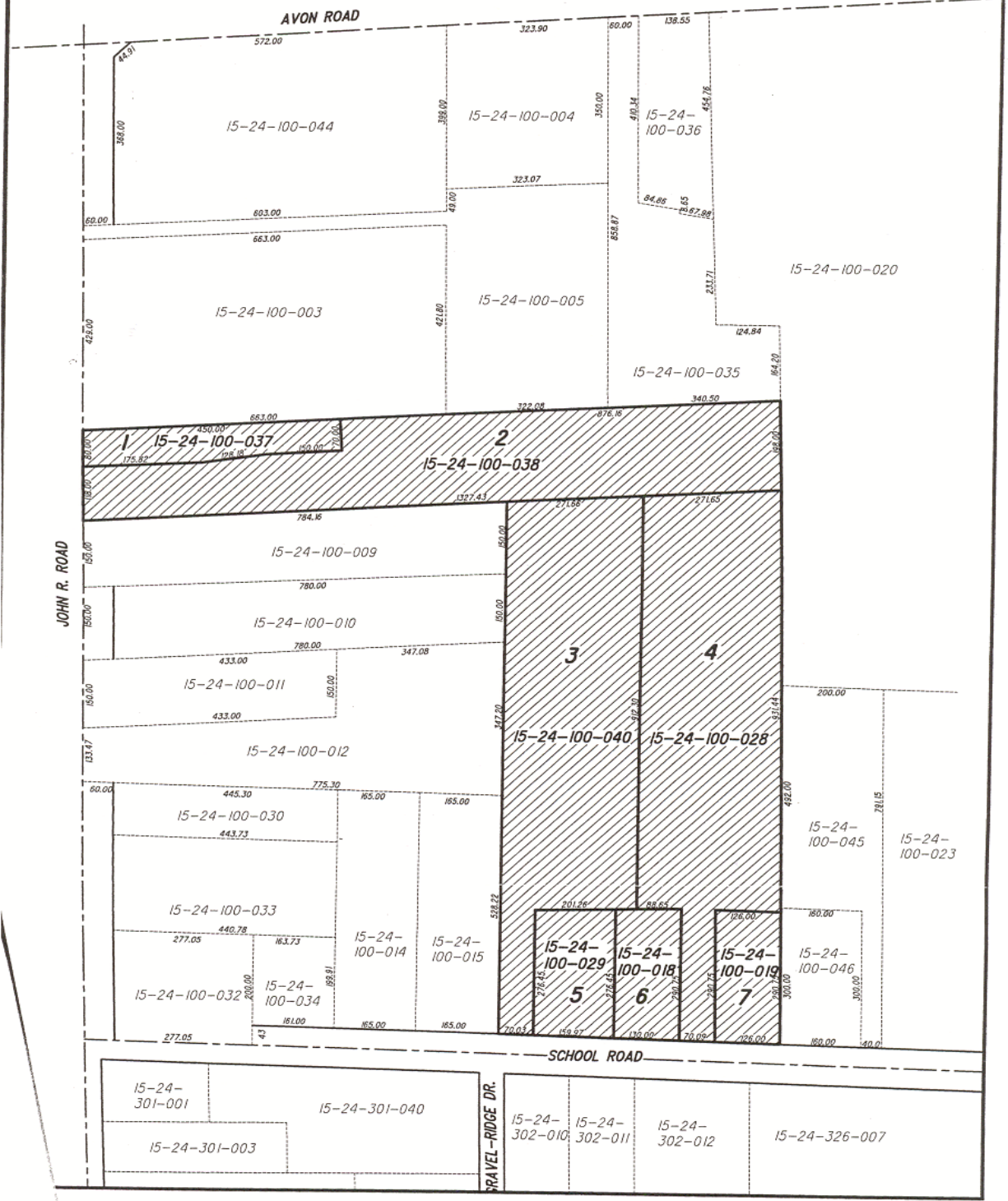
2

"RESIDENTIAL DEVELOPMENT LOCATION MAP"



SITE LEGEND

1.	70-15-24-100-037	0.73 ACRES
2.	70-15-24-100-038	5.16 ACRES
3.	70-15-24-100-040	6.02 ACRES
4.	70-15-24-100-028	6.21 ACRES
5.	70-15-24-100-029	0.86 ACRES
6.	70-15-24-100-018	0.72 ACRES
7.	70-15-24-100-019	0.72 ACRES
TOTAL		20.42 ACRES



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Residential Development
Environmental Impact Statement

Part I Analysis Report

A. What are the characteristics of the land, waters, plant and animal life present?

This rezoning request is a culmination of seven parcels of land totaling 20.42 acres, with the largest parcel being 6.21 acres and the smallest parcel being .72 acres. The land is relatively flat, but does have rolling features to the northeast corner of the property. The plant life is consistent with undeveloped property which has never been used for agriculture. There is an attached aerial photo illustrating this. The animal life is consistent with the surrounding areas whether they are developed or undeveloped. There are signs of small to medium animals, i.e. rabbits, squirrels, raccoons, etc. There are also signs that deer traverse the property. We could not find any signs that indicate that the deer are using the land for a permanent habitat. There are no wetlands or floodplains on the property which is confirmed by the County wetland and floodplain maps.

B. Is there any historical or cultural value to the land?

None of the parcels of land contain any historical buildings. Upon investigating the current City and past Township records we have not found any indications that the property was ever used for anything other than its current purpose.

C. Are there any man-made structures on the parcels?

All seven parcels contain a single family home. The oldest structure dates back to the 1950's and the newest structure was build in the mid 1990's. Three of the homes are used for rental income.

D. Are there important scenic features?

We do not believe that there is any scenic value to the property. The northern side of the property abuts industrial property, while the eastern boundaries abut forty-three acres owned by the City of Highland Park which was used to dispose of infected Elm trees in the 1950's. The property is bisected by an overhead electric transmission line as well as an underground petroleum transmission pipe.

E. What access to the property is available at this time?

The property is accessible from John R Rd. and also School Rd.

F. What utilities are available?

The property has available all utilities including sanitary sewer, storm sewer, water, electric, gas, telephone and cable.

Part II Large Residential (Over forty (40) acres or sixty (60) units)

A. Description of project, i.e. Marketing format, Projected price range, Affect of traffic

It is our intent to develop the property with condominiums. Our price range is intended to be between \$150,000 - \$180,000. The buildings will be approximately seventy percent brick and thirty percent wood siding. All units will all have an attached garage. The traffic generated from a typical condominium is approximately half as many "trips per day" as that of a residential home. This data is based on the publication "Trip Generation 6th Edition Volume 7" written by the Institute of Transportation Engineers.

B. Project Amenities

The appeal of this project is to provide affordable housing for two different segments of our population. One, A single individual or couple who is entering the housing market with limited resources but wishes to establish a residence in an up scale City with excellent schools, hospitals and City services. Two, the “empty nester” who has previously owned a home in the City of Rochester Hills and now that their child(ren) have left home, they need a smaller residence which also provides services such as lawn care, snow removal and general maintenance on their residence. But just as important they wish to remain in the community which they have resided previously.

C. Local Conditions (presented statistically), Definition of market area

The proposed community will draw potential buyers from the City of Rochester Hills as well as current and future employees that are and will be employed by the present and growing high tech industrial community which has established itself along the M-59 corridor.

D. Existing market, Similar types of projects in the market, Estimated share of the market

We do not believe that there are any condominium developments currently being built east of Rochester Rd. in the City of Rochester Hills.

Part III Impact Factors

A. What are the natural and urban characteristics of the plan?

1. Total number of acres of undisturbed land.

There are a total of 20.42 acres when combining all seven parcels. Each parcel has a single family residence. Four of the parcels have little or no open space available when considering the current home driveway and garages. Eighty percent of the other three parcels are open and undeveloped, with the remaining land being used for a single family residence.

2. Number of acres of wetland or water existing.

There are no wetlands on the seven parcels in accordance with the County wetland maps.

3. Number of acres of water to be added.

Once the land is developed there will be a requirement for on site storm retention. This will be designed in accordance with the City engineering specifications.

4. Number of acres of private open space.

Excluding buildings and roads, there will be approximately eight acres of open space for the residents use.

5. Number of acres of public open space.

The proposed development is private in nature and will not provide any public access to open space.

6. Extent of off-site drainage.

Currently the storm water run-off flows east to the Rewold Drain. There is an underground storm drain proposed along the east side of John R Rd. This project is scheduled to begin in the spring of 2006.

7. List of any community facilities included in plan.

There will not be any community facilities on site. We believe the residents will utilize the City facility known as Borden Park located at John R Rd. and Hamlin Rd., or Bloomer State Park located on John R Rd. north of Avon Rd. Both facilities are less than one mile from the proposed development.

8. How will utilities be provided?

All utilities, i.e. water, sanitary sewer, storm sewer, electric, gas, telephone and cable, are currently available at the site.

B. *What is the current planning status?*

The current Master Plan designates the property as R-3

C. *Projected timetable for the proposed project?*

Assuming site plan approval is in place, we estimate the community to begin construction immediately thereafter and completion within twenty-four to thirty-six months.

D. *Describe or map the plan's special adaptation to the geography.*

We believe this development would provide a gradual transition from the industrial developments on the north side of the property. We also believe that the forty-three acres of land, which is owned by the City of Highland Park, to the east, which was only used for the burial of trees, has a stigma attached to it because of the other "land-fills" to the south and east. We believe that single family homes which would undoubtedly have children would be difficult to market because of the surrounding properties. Condominiums on the other hand typically have few children and by providing proper landscape screening we believe that we can overcome these obstacles and market our product to the first home buyer and the empty nester.

E. *Relation to surrounding development or areas.*

See attached location map marked exhibit _____.

F. *Has the project regional impact? Of what extent and nature?*

The community will provide considerable tax base for an area of the City which has lagged behind with respect to development because of the "stigmas" that has been attached to the area with respect to the environmental concerns. Once developed it will add a considerable tax base plus additional revenue to the service industries in the immediate area.

G. *Describe anticipated adverse effects during construction and what measures will be taken to minimize the impact.*

We do not anticipate any adverse effects during construction. If any problems arise we will work diligently with the City to minimize or eliminate these situations.

H. *List any possible pollutants.*

We have conducted a Phase I and Phase II Environmental Study, and no pollutants were detected.

I. *What adverse or beneficial changes must inevitably result from the proposed developments?*

1. Physical

a. Air Quality

We do not see any substantial change in the air quality with respect to a subdivision versus a condominium development.

b. Water effects

We do not foresee any type of negative water effects. We will meet all guidelines which the City established for water retention in order to eliminate any potential flooding.

c. Wildlife habitat

While undoubtedly the wildlife that exists on the property will be dispersed, there will be ample room for them considering the hundreds of acres to the east, as well as the City and State parks to the north and south.

d. Vegetative cover

Since the proposed development is a condominium community, it is presented and sold as fully landscaped. Therefore, any open areas which are not building sites or roadways will have sod, shrubs, deciduous trees and evergreens. It will also be our objective to retain any virgin trees which are possible.

e. Noise

We believe that the noise in a condominium community is typically less than a single family residential community. There are typically fewer persons per household and because of the characteristic make up of the potential buyer there are usually fewer children.

f. Night light

Since the proposed development is a condominium development the outside of the building is controlled by the community. We will establish security lighting in the form of coach lights at each front door and also at the garage entranceways. This lighting will be controlled by timers. We will also have lighting at each entranceway which will illuminate the road surface and also the signage which will identify the community.

2. Social

a. Visual

Currently there is one home on each of the seven parcels. All of them except for one are over thirty years old. In accordance with the City records they do not show any historic value. Three of the homes are rented on a monthly basis. We believe that this development will create the same desired effect as the new Arcadia Subdivision located on the west side of John R Rd. just south of this proposed development.

b. Traffic

The typical condominium unit generates approximately five trips per day while an average residential home generates approximately ten trips per day. Our twenty five years of experience in the condominium industry has demonstrated that approximately thirty percent of these residents will also have an alternative home during the winter months.

c. Modes of transportation

Our experience tells us that the average condominium will house approximately 1.5 cars per unit.

d. Accessibility of residents to:

- (1) Recreation - There are two parks within one mile of the proposed development. Borden Park which is owned and operated by the City is directly south of this property. Bloomer Park which is owned and operated by the state and is directly north of the property.
- (2) Schools, libraries - Considering this is a condominium development and it does not typically lend itself to a high population of children, the schools in the area are adequate should any of the residents have children. The City library is centrally located and accessible to any of the residents.

- (3) Shopping – The proposed development is one mile from Rochester Rd., and there is a complete array of services between Auburn Rd. and Avon Rd. The development is easily accessible to Lakeside Mall located in Sterling Heights.
- (4) Employment – We believe this development will be a resource for the individuals that are working in the ever-growing, high-tech facilities in Rochester Hills and Auburn Hills.
- (5) Health facilities - The proposed development has two major hospitals in close proximity. Crittenton Hospital is approximately three miles northwest and Troy Beaumont Hospital is approximately three miles southeast.

3. Economic

a. Influence on surrounding land values

We believe this development will increase the land and property values in the area.

b. Growth inducement potential

We believe this development will encourage future developments south of the property once a transition between the industrial and landfill has been established. It will also provide a new tax base in an area of Rochester Hills which has not historically produced any substantial revenue.

c. Off-site costs of public improvements

We do not foresee any burden on City services. All improvements for sewer or water lines will be paid for by the Developer.

d. Proposed tax revenues

Currently these seven parcels are only contributing approximately \$18,000 of tax base to the City annually. The new development will substantially increase the tax revenue to the City with very little City services required because it is a private community with private roads.

e. Availability or provisions for utilities

Currently there is sanitary sewer, water, storm sewer, electric, gas, phone and cable available at the site.

J. Additional Factors

1. In addition to land immediately surrounding the proposed development, what has been done to avoid disrupting existing uses and intended future uses as shown on the Master Plan?

We do not believe that this proposed development will hinder the Master Plan as proposed.

2. What specific steps are planned to revitalize the disturbed or replace the removed, vegetative cover?

First and foremost as a condominium development the entire community will be fully landscaped upon completion. We will also adhere to the City of Rochester Hills tree ordinance and replace all trees which are removed in accordance with the formulas provided.

3. What beautification steps are built into the development?

We are sensitive to the City's expectations and we build our residential developments accordingly. We design units that are aesthetically pleasing in order to generate sales.

4. What alternative plans are offered?

At this time we are not submitting an alternative plan for this development.

Part IV The Summary

The ecological effects will be the same whether the 20.42 acres is developed under the current R-3 zoning, or developed under the proposed RM-1 zoning. Both zonings require the developer to adhere to the City of Rochester Hills tree ordinance. As far as the effect on the wild life, either development will displace any wild life which is currently on the property. However we believe with the parks to the north and south as well as the abundance of open land to the east they will be able to relocate almost immediately and the long term effect will be negligible. The development will provide a residential community in an area of Rochester Hills, that is underdeveloped with a price point under \$200,000. It will provide access to individuals who in the past could not afford to live in Rochester Hills. This effect will continue into the future as the units will be re-sold. The additional people will support the commercial businesses and service industry which are currently available in the City.

It may also provide the need of additional businesses because of the increased population therefore providing additional revenues to the City. We do not believe that this development will create any short or long term effects regarding industrial needs. Since the property is bordered by industrial to the north and land-fills to the east as well as electrical and petroleum transmission lines bisecting the property we do not believe that we are affecting any special features of natural scenic or historical interests.

The Master plan shows this land as an R-3 zoning which would require ninety foot lots. We believe that because of the characteristics of the surrounding properties that this property should be used as a transition to single family homes. Once this is completed we will create a buffer between the industrial property and the landfill which will create future development opportunities that will be consistent with the Master Plan.

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AVON ROAD

15-24-100-031

15-24-100-004

15-24-100-036

HIGHLAND PARK LANDFILL

FUTURE MINI STORAGE

15-24-100-003

15-24-100-005

15-24-100-035

1 15-24-100-037

2 15-24-100-038

15-24-100-009

15-24-100-010

15-24-100-011

15-24-100-012

15-24-100-030

15-24-100-033

15-24-100-032

15-24-100-034

15-24-100-014

15-24-100-015

3

4

15-24-100-040

15-24-100-028

15-24-100-045

15-24-100-023

5 15-24-100-029

6 15-24-100-018

7 15-24-100-019

15-24-100-046

JOHN R. ROAD

15-24-100-020

SCHOOL ROAD

15-24-301-001

15-24-301-040

15-24-302-010

15-24-302-011

15-24-302-012

15-24-326-007

15-24-301-003

15-24-301-005

15-24-301-006

GRAVEL-RIDGE DR

5

***UNABLE TO SCAN BROCHURE
SEE PROSPECTUS***

6

Application to Rezone

Notarized Letter from Property Owners

Proof of Ownership or Interest in Property

Deed Restriction or Certification that None Exist

This section contains the information listed above for all seven parcels. All of the owners have signed an application for rezoning and a notarized letter from each owner authorizing the rezoning. There are no deed restrictions on any of the properties other than the typical utility easements and we have included a copy of the signed purchase agreement for all of the below parcels.

1.	William Caravas	70-15-24-100-038	5.16 acres
2.	William Caravas	70-15-24-100-037	.79 acres
3.	Christine Zimmer	70-15-24-100-040	6.02 acres
4.	Kenneth & Joyce Somero	70-15-24-100-028	6.21 acres
5.	Ralph & Linda Pagnani	70-15-24-100-019	.72 acres
6.	Philip & Karen Bayus	70-15-24-100-018	.72 acres
7.	Anthony Pagnani	70-15-24-100-029	.86 acres

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APPLICATION TO REZONE

City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD., STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) WILLIAM CARAVAS

Address 69 EUREKA ST., SAN FRANCISCO, CA 94114
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-038

Location EAST SIDE OF JOHN R RD., SOUTH OF AVON RD.

Property Dimensions: Width at Road Frontage 118 Depth 1327.24

Total Area: Number of acres 5.16 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- Location Map
- Environmental Impact Statement
- Deed restriction or Certification that none exist
- Proof of Ownership or Interest in Property
- Statement indicating why change is requested
- Notarized letter from property owner indicating no objection
- Letter of Intent
- Filing Fee

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property

11-19-04 (Date) William Caravas (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 (Date) [Signature] (Signature of Applicant)

For Official Use Only:
File No. _____
Escrow No. _____
Date: _____

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from William Caravas (Trustee of the William Caravas Revocable Living Trust) whose address is 69 Eureka St, San Francisco, California, 94114 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"); identified as parcel number 70-15-24-100-038 and consisting of +/- 5.16 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenants rights other than the existing lease between William Caravas, Brian M. Kosmal and John D. Kosmal which begins the first day of May, 2002 and ends the thirtieth day of April, 2003 which will also be exhibit A to this agreement.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

E. Seller shall turn over the security deposit which he holds to Purchaser regarding existing lease which is mentioned in paragraph C above.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Purchaser agrees to hold Seller harmless for any damage sustained by Purchaser or their agents.

2.01 TITLE COMMITMENT AND SURVEY

Within sixty (60) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Purchaser shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment which is to be provided by the Purchaser shall be updated by Purchaser at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Purchaser shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending

closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents, as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any new easement or license agreements or leases permitting others to use, occupy or lease the property or any portion except for the existing lease mentioned in 1.03 C thereof and seller represents that there are no other such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion therefore for dumping or storage.
- D. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property except for the existing lease mentioned 1.03 C.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represents that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property.
- J. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is no aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

5.01 APPORTIONMENT OF TAXES; ADDITIONAL PRORATION

Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing, shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon five (5) days prior written notice of Purchaser to Seller, no later than 30 days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt. Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

8.03 SALE CONDITION

This sale must close simultaneously with the sale by this Seller to this Purchaser regarding parcel I.D. 70-15-24-100-037. Both must close or neither closes.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

[Signature]

Offer made: 8/19/04

[Signature]

Offer Accepted: _____

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation

[Signature]
Gregory Cjeter

SELLER:

[Signature]
William Caravas (Trustee of the
William Caravas Revocable Living Trust) 8-20-04

CODE: green

Number: 63-530706

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY

Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY

118 Cass Avenue, Mount Clemens, Michigan 48043

Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4 section 24, town 3 north, range 11 east; beginning at point distant south 02 degrees 50 minutes 24 seconds west 930.85 feet from northwest section corner; thence south 88 degrees 55 minutes 50 seconds east 175.62 feet; thence north 85 degrees 18 minutes 41 seconds east 128.16 feet; thence south 89 degrees 28 minutes 59 seconds east 150.00 feet; thence north 00 degrees 31 minutes 00 seconds east 70.00 feet; thence south 89 degrees 28 minutes 59 seconds east 876.16 feet; thence south 02 degrees 28 minutes 24 seconds west 198.00 feet; thence north 89 degrees 28 minutes 52 seconds west 1327.43 feet; thence north 02 degrees 50 minutes 24 seconds east 118.00 feet to beginning.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

CHICAGO TITLE INSURANCE COMPANY



By:

Alfred M. Pina

President

ATTEST

John C. [Signature]

Secretary

Parcel Identification No. 15-24-100-038
Commonly known as: 1175 JOHN R

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: WILLIAM CARAVAS, AS TRUSTEE OF THE WILLIAM CARAVAS REVOCABLE LIVING TRUST DATED DECEMBER 20, 2000

A COPY OF THE AFOREMENTIONED TRUST AGREEMENT MUST BE SUBMITTED TO THE PHILIP F. GRECO TITLE COMPANY FOR ITS EXAMINATION AND APPROVAL. THIS COMMITMENT IS SUBJECT TO SUCH FURTHER REQUIREMENTS, IF ANY, AS MAY THEN BE DEEMED NECESSARY.

RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.

2. Mortgage in the face amount of \$84,750.00 executed by William Caravas, to ABN AMRO Mortgage Group, Inc., dated and recorded June 23, 2003 in liber 29668, page 209, Oakland County Records.

REQUIREMENT: RECORD DISCHARGE OF ABOVE MORTGAGE OR SAID MORTGAGE WILL APPEAR ON FINAL POLICY.

3. Subject to the terms and conditions of a certain Utility Obligation Agreement, as recorded in liber 10163, page 44, Oakland County Records.

4. Subject to a Sanitary Sewer Easement in favor of City of Rochester, as set forth in instrument(s) recorded in liber 11290, page 822, Oakland County Records.

5. Subject to the terms and conditions of a certain Mutual Driveway Easement, as recorded in liber 6875, page 650, Oakland County Records.

6. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, as recorded in liber 2650, page 599, Oakland County Records.

7. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in liber 5 of Miscellaneous Records, page 22, Oakland County Records.

8. Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

9. 2003 Winter Taxes: PAID, \$1,654.68.

2004 Summer Taxes: PAID, \$1,489.71.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

CHICAGO TITLE INSURANCE COMPANY

By:



Agnes M. P. L.

President

ATTEST

John C. J.

Secretary

2

APPLICATION TO REZONE

City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD., STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) WILLIAM CARAVAS

Address 69 EUREKA ST. SAN FRANCISCO, CA 94114
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-037

Location EAST SIDE OF JOHN R RD., SOUTH OF AVON RD.

Property Dimensions: Width at Road Frontage 80 Depth 450

Total Area: Number of acres .79 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- Location Map
- Environmental Impact Statement
- Deed restriction or Certification that none exist
- Proof of Ownership or Interest in Property
- Statement indicating why change is requested
- Notarized letter from property owner indicating no objection
- Letter of Intent
- Filing Fee

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

11-19-04 (Date) William Caravas (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 (Date) [Signature] (Signature of Applicant)

For Official Use Only:
File No. _____
Escrow No. _____
Date: _____

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from William Caravas (Trustee of the William Caravas Revocable Living Trust) whose address is 69 Eureka St, San Francisco, California, 94114 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"); identified as parcel number 70-15-24-100-037 and consisting of +/- .73 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenants rights other than the existing lease between Clifford M. Dugan which begins the first day of April, 2002 and ends the thirty first day of March, 2003 which will also be exhibit A to this agreement.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

E. Seller shall turn over the security deposit which he holds to Purchaser regarding existing lease which is mentioned in paragraph C above.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Purchaser agrees to hold Seller harmless for any damage sustained by Purchaser to their agents.

2.01 TITLE COMMITMENT AND SURVEY

Within sixty (60) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Purchaser shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment which is to be provided by the Purchaser shall be updated by Purchaser at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Purchaser shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents.

as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser.

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any new easement or license agreements or leases permitting others to use, occupy or lease the property or any portion except for the existing lease mentioned in 1.03 C thereof and seller represents that there are no other such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion therefore for dumping or storage.
- D. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property except for the existing lease mentioned in 1.03 C.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is not aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

5.01 APPORTIONMENT OF TAXES; ADDITIONAL PRORATION

Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon five (5) days prior written notice of Purchaser to Seller, no later than 30 days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt. Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

8.03 SALE CONDITION

This sale must close simultaneously with the sale by this Seller to this Purchaser regarding parcel I.D. 70-15-24-100-038. Both must close or neither closes.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

Deanna M. Walter

Offer made: 8/19/04

[Signature]

Offer Accepted: _____

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation

[Signature]
Gregory Gueter

SELLER:
William Caravas
William Caravas (Trustee of the
William Caravas Revocable Living Trust)

8-20-04

CODE: yellow

Number: 63-530704

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY
Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY
118 Cass Avenue, Mount Clemens, Michigan 48043
Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4 section 24, town 3 north, range 11 east, beginning at point distant south 02 degrees 50 minutes 24 seconds west 850.85 feet from northwest section corner; thence south 89 degrees 28 minutes 59 seconds east 450.00 feet; thence south 00 degrees 31 minutes 00 seconds west 70.00 feet; thence north 89 degrees 28 minutes 59 seconds west 150.00 feet; thence south 85 degrees 18 minutes 41 seconds west 128.16 feet; thence north 88 degrees 55 minutes 50 seconds west 175.62 feet; thence north 02 degrees 50 minutes 24 seconds east 80.00 feet to beginning.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

Parcel Identification No. 15-24-100-037

CHICAGO TITLE INSURANCE COMPANY

By:



(Signature)

President

ATTEST

(Signature)

Secretary

Commonly known as: 1169 JOHN R

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: William Caravas, Trustee of the William Caravas Revocable Trust under Agreement dated December 20, 2000

A COPY OF THE AFOREMENTIONED TRUST AGREEMENT MUST BE SUBMITTED TO THE PHILIP F. GRECO TITLE COMPANY FOR ITS EXAMINATION AND APPROVAL. THIS COMMITMENT IS SUBJECT TO SUCH FURTHER REQUIREMENTS, IF ANY, AS MAY THEN BE DEEMED NECESSARY.

RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.

2. Subject to the terms and conditions of a certain Utility Obligation Agreement, as recorded in liber 14109, page 61, Oakland County Records.

3. Subject to the terms and conditions of a certain Utility Obligation Agreement, as recorded in liber 9256, page 868, Oakland County Records.

4. Subject to an Easement in favor of the City of Rochester for sanitary sewer, as set forth in instrument(s) recorded in liber 11290, page 819, Oakland County Records.

5. Subject to the terms and conditions of a certain Mutual Driveway Easement, as recorded in liber 6875, page 650, Oakland County Records.

6. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, as recorded in liber 2650, page 599, Oakland County Records.

7. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in liber 5 of Miscellaneous, page 22, Oakland County Records.

8. Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

9. 2003 Winter Taxes: PAID, \$1,035.71.

2004 Summer Taxes: PAID, \$932.29.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: _____
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
October 21, 2004 at 8 A.M.

CHICAGO TITLE INSURANCE COMPANY

By:

This Commitment is valid and binding for a period of 150 days from the date thereof.
judy



Almond N. P. L.
ATTEST

President

John C. J.
Secretary

3

APPLICATION TO REZONE
City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD. STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) CHRISTINE ZIMMER

Address 1143 SCHOOL RD. ROCHESTER HILLS, MI 48307
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-040

Location NORTH SIDE OF SCHOOL RD., EAST OF JOHN R RD.

Property Dimensions: Width at Road Frontage 70.03 Depth 347.42

Total Area: Number of acres 6.02 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- | | |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Location Map | <input checked="" type="checkbox"/> Environmental Impact Statement |
| <input checked="" type="checkbox"/> Deed restriction or Certification that none exist | <input checked="" type="checkbox"/> Proof of Ownership or Interest in Property |
| <input checked="" type="checkbox"/> Statement indicating why change is requested | <input checked="" type="checkbox"/> Notarized letter from property owner indicating no objection |
| <input checked="" type="checkbox"/> Letter of Intent | <input checked="" type="checkbox"/> Filing Fee |

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

11-19-04 (Date) *Christine Zimmer* (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 (Date) *[Signature]* (Signature of Applicant)

For Official Use Only: File No. _____ Escrow No. _____ Date: _____

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from Christine Zimmer whose address is 1143 School Rd., Rochester Hills, Michigan, 48307 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"); identified as parcel number 70-15-24-100-040 and consisting of +/- 6.02 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title on the subject property.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement, with prior notice to Seller and at reasonable times for Seller and Purchaser, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Buyer will repair all damage and return property to its preinspection condition within twenty-one (21) days of damaging the property. Purchaser acknowledges that Seller is boarding horses on the property, some of whom could be dangerous.

2.01 TITLE COMMITMENT AND SURVEY

Within fifteen (15) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Seller shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment to be provided Purchaser by Seller shall be updated by Seller at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Seller shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents, as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any easement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion thereof for dumping or storage.
- D. Neither Purchaser or Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property except as set forth herein.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represents that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property.
- J. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is no aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan, if more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

5.01 APPORTIONMENT OF TAXES; ADDITIONAL PRORATION

Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing, shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon five (5) days prior written notice of Purchaser to Seller, no later than 30 days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt. Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

7.02 DEPOSIT AMOUNT AND APPLICATION

Purchaser shall, within ten (10) days of Seller's acceptance, deliver to the Philip F. Greco Title Company, 118 Cass Avenue, Mount Clemens, Michigan, a deposit check of Five Thousand and 00/100 (\$5,000.00) Dollars (The "Deposit"), to be held in accordance with this Agreement of Purchase and Sale, applied on the purchase price on the closing date as hereinbefore provided or returned to Purchaser, as the case may be. Any interest earned on such deposit funds shall be credited to the party that received the deposit.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

Andrea A. Stennis

Offer made: Sept 2, 2004

Andrea A. Stennis

Offer Accepted: Sept 2, 2004

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation

Gregory Cueter
Gregory Cueter

SELLER:

Christine Zimmer
Christine Zimmer

CODE: GREEN

Number: 63-530701

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY
Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY
118 Cass Avenue, Mount Clemens, Michigan 48043
Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4 Secion 24, town 3 north, range 11 east beginning at a point distant south 88 degrees 20 minutes 40 seconds east 769 feet from the west 1/4 corner; thence north 1175.60 feet; thence north 86 degrees 47 minutes 00 seconds east 271.65 feet; thence south 912.30 feet; thence south 88 degrees 49 minutes 50 seconds west 201.26 feet; thence south 276.45 feet; thence north 88 degrees 20 minutes 40 seconds west 70.03 feet to the beginning, except the south 43 feet.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

Parcel Identification No. 15-24-100-040

CHICAGO TITLE INSURANCE COMPANY



By:

(Signature)

ATTEST

President

(Signature)

Secretary

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: BASIL E. WALKER, JR. AND CHRISTINE M. ZIMMER, AS JOINT TENANTS WITH FULL RIGHTS OF SURVIVORSHIP

RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.

2. Mortgage in the face amount of \$300,700.00 executed by Christine M. Zimmer, a single person, to Mortgage Electronic Registration Systems, Inc., solely as nominee for Bank One, N.A., dated August 12, 2002, and recorded September 5, 2002, in liber 26484, page 596, Oakland County Records.

REQUIREMENT: RECORD DISCHARGE OF ABOVE MORTGAGE OR SAID MORTGAGE WILL APPEAR ON FINAL POLICY.

3. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, a Pa. Corp., as recorded in liber 2654, page 329, Oakland County Records.

4. Subject to an Easement in favor of the County of Oakland for water supply, as set forth in instrument(s) recorded in liber 6653, page 866, and in liber 6653, page 867, Oakland County Records.

5. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in Register No. 115475, and in liber 5683, page 782, Oakland County Records.

6. Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

7. 2003 Winter Taxes: PAID, \$2,141.48.

2004 Summer Taxes: PAID, \$1,785.96.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: _____
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
November 01, 2004 at 8 A.M.

This Commitment is valid and binding for a period of 150 days from the date thereof.
sue



CHICAGO TITLE INSURANCE COMPANY

By:

Agnes M. P. L.
ATTEST President

Tom C. J.
Secretary

4

APPLICATION TO REZONE
City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD., STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) KENNETH SOMERO AND JOYCE SOMERO

Address 1191 SCHOOL RD. ROCHESTER HILLS, MI 48307
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-028

Location NORTH SIDE OF SCHOOL RD., EAST OF JOHN R RD.

Property Dimensions: Width at Road Frontage 70 Depth 1222.19

Total Area: Number of acres 6.21 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- | | |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Location Map | <input checked="" type="checkbox"/> Environmental Impact Statement |
| <input checked="" type="checkbox"/> Deed restriction or Certification that none exist | <input checked="" type="checkbox"/> Proof of Ownership or Interest in Property |
| <input checked="" type="checkbox"/> Statement indicating why change is requested | <input checked="" type="checkbox"/> Notarized letter from property owner indicating no objection |
| <input checked="" type="checkbox"/> Letter of Intent | <input checked="" type="checkbox"/> Filing Fee |

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

12/14/04 Kenneth Somero
(Date) (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 [Signature]
(Date) (Signature of Applicant)

For Official Use Only:
File No. _____
Escrow No. _____
Date: _____

To the City of Rochester Hills:

I, Kenneth Somero and Joyce Somero understand that Metropolitan Property Management, Inc. is requesting that the parcel commonly known as 1191 School Rd. which is parcel # 70-15-24-100-028 be re-zoned from its current R-3 zoning to a RM-1 zoning.

WITNESS:

Andrea A. Stemas

Kenneth W. Somero

Kenneth Somero

11/18/04
Date

11/18/04
Date

Andrea A. Stemas

Joyce Somero

Joyce Somero

11/18/04
Date

11/18/2004
Date

STATE OF MICHIGAN)
) SS.
COUNTY OF MACOMB)

The foregoing instrument was acknowledged before me this 18th day of 2004, 2004, by the above-named.

VICKI A. MACH
Notary Public, Macomb County, MI
My Commission Expires Jan. 7, 2007

Vicki A. Mach

Notary Public, Macomb County, MI
My commission expires: 1-7-07

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from Kenneth Somero and Joyce Somero whose address is 1191 School Rd., Rochester Hills, Michigan, 48307 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"), identified as parcel number 70-15-24-100-028 and consisting of +/- 6.21 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenant's rights.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense.

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Within fifteen (15) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Seller shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

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2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

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- B. Not to enter into any agreement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not to enter into any easement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- D. Not give permission to any person to use the property or any portion thereof for dumping or storage.
- E. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
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- H. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
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This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

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Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

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The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

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This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

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Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon five (5) days prior written notice of Purchaser to Seller, no later than 30 days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt. Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

Andrea Stomas

Offer made: August 16, 2004

Andrea Stomas

Offer Accepted: August 16, 2004

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC
a Michigan Corporation

Gregory Cueter

Gregory Cueter

SELLER:

Kenneth Somero
Kenneth Somero

Joyce Somero
Joyce Somero

CODE: GREEN

Number: 63-530705

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY

Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY

118 Cass Avenue, Mount Clemens, Michigan 48043

Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4 of section 24, town 3 north, range 11 east, beginning at point distant south 88 degrees 20 minutes 40 seconds east 1129 feet from west 1/4 corner; thence north 290.75 feet; thence south 88 degrees 49 minutes 50 seconds west 88.65 feet; thence north 912.30 feet; thence north 86 degrees 47 minutes 00 seconds east 271.65 feet; thence south 00 degrees 37 minutes 44 seconds east 931.44 feet; thence north 88 degrees 20 minutes 40 seconds west 126 feet; thence south 00 degrees 37 minutes 44 seconds east 290.75 feet; thence north 88 degrees 20 minutes 40 seconds west 70.09 feet to beginning; except south 43 feet taken for road.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

CHICAGO TITLE INSURANCE COMPANY



By:

Alma M. P. L.

President

ATTEST

John C. J.

Secretary

Parcel Identification No. 15-24-100-028
Commonly known as: 1191 SCHOOL

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: KENNETH SOMERO AND JOYCE SOMERO, HIS WIFE

RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.

2. Mortgage in the face amount of \$190,000.00, executed by Kenneth W. Somero, a married man and Joyce Somero, his wife, to Mortgage Electronic Registration Systems, Inc., solely as nominee for Shore Mortgage, dated May 20, 2002, and recorded July 1, 2002, in liber 25997, page 580, Oakland County Records.

REQUIREMENT: RECORD DISCHARGE OF ABOVE MORTGAGE OR SAID MORTGAGE WILL APPEAR ON FINAL POLICY.

3. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in liber 5683, page 784, Oakland County Records.

4. Subject to an Easement in favor of the County of Oakland for water supply, as set forth in instrument(s) recorded in liber 6653, page 868, Oakland County Records.

5. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in Register No. 115475, Oakland County Records.

6. Subject to the rights of the public and of any governmental unit in any part thereof taken, used or deeded for street, road or highway purposes.

7. 2003 Winter Taxes: PAID, \$2,574.36.

2004 Summer Taxes: PAID, \$2,147.00.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: _____
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
October 21, 2004 at 8 A.M.

This Commitment is valid and binding for a period of 150 days from the date thereof.
judy

CHICAGO TITLE INSURANCE COMPANY

By:



Almond M. P. L.

President

ATTEST

John C. J.

Secretary

5

APPLICATION TO REZONE
City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD. STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) RALPH PAGNANI AND LINDA PAGNANI

Address 1211 SCHOOL RD., ROCHESTER HILLS, MI 48307
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-019

Location NORTH SIDE OF SCHOOL RD., EAST OF JOHN R RD.

Property Dimensions: Width at Road Frontage 126 Depth 290.75

Total Area: Number of acres .72 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- | | |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Location Map | <input checked="" type="checkbox"/> Environmental Impact Statement |
| <input checked="" type="checkbox"/> Deed restriction or Certification that none exist | <input checked="" type="checkbox"/> Proof of Ownership or Interest in Property |
| <input checked="" type="checkbox"/> Statement indicating why change is requested | <input checked="" type="checkbox"/> Notarized letter from property owner indicating no objection |
| <input checked="" type="checkbox"/> Letter of Intent | <input checked="" type="checkbox"/> Filing Fee |

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

12-14-2004 Ralph Pagnani Linda D. Pagnani
(Date) (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 _____
(Date) (Signature of Applicant)

For Official Use Only: File No. _____ Escrow No. _____ Date: _____

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from Ralph Pagnani and Linda Pagnani whose address is 1211 School Rd., Rochester Hills, Michigan, 48307 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"); identified as parcel number 70-15-24-100-019 and consisting of +/- 0.84 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenant's rights other than the existing lease between Ralph Pagnani, Robert Winchell and Lori Winchell which begins the first day of February 2001 and ends the first day of August 2001 and then continues on a month to month basis which will also be exhibit A to this agreement.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Any studies, tests or examination of said property is to occur only after notice is given to Seller.

2.01 TITLE COMMITMENT AND SURVEY

Within fifteen (15) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Seller shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage at their own expense a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment which is to be provided to Purchaser by Seller shall be updated by Seller at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Seller shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents, as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any easement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion thereof for dumping or storage.
- D. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property, with the exception of 1.02C.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is not aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

5.01 APPORTIONMENT OF TAXES; ADDITIONAL PRORATION

Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing, shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon fifteen (15) days prior written notice of Purchaser to Seller, no later than sixty (60) days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt, Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par, 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

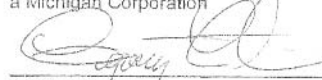


Offer made: 12-21-04

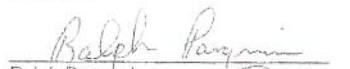
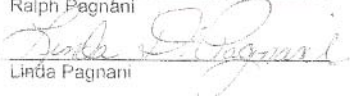


Offer Accepted: 12-21-04

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation


Gregory Cuéter

SELLER:


Ralph Pagnani

Linda Pagnani

CODE: green

Number: 63-533587

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY
Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY
118 Cass Avenue, Mount Clemens, Michigan 48043
Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4 of Section 24, Town 3 North, Range 11 East, beginning at point distant north 88 degrees 20 minutes 40 seconds west 1325.90 feet from center of section, thence north 88 degrees 20 minutes 40 seconds west 126 feet; thence north 00 degrees 40 minutes 20 seconds west 290.75 feet; thence south 88 degrees 20 minutes 40 seconds east 126 feet; thence south 00 degrees 40 minutes 20 seconds east 290.75 feet to beginning, except south 43 feet taken for road.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

Parcel Identification No. 15-24-100-019

CHICAGO TITLE INSURANCE COMPANY



By:

Agnes M. P. L.
President

ATTEST

John C. J.
Secretary

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

- 1. Owner: Ralph D. Pagnani and Linda D. Pagnani, husband and wife
RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.
 - 2. Subject to the terms and conditions of a certain Agreement, as recorded in liber 11092, page 537, Oakland County Records.
 - 3. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in liber 5683, page 788, Oakland County Records.
 - 4. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, as recorded in liber 2654, page 329, Oakland County Records.
 - 5. 2004 Summer Taxes: PAID, \$782.06.
2004 Winter Taxes: DUE, \$887.72, not including penalties and interest.
- TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: _____
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
December 08, 2004 at 8 A.M.

CHICAGO TITLE INSURANCE COMPANY

This Commitment is valid and binding for a period of 150 days from the date thereof.
dc



By:

(Signature)

President

ATTEST

(Signature)

Secretary

6

APPLICATION TO REZONE

City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD. STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) PHILIP BAYUS AND KAREN BAYUS

Address 1171 SCHOOL RD., ROCHESTER HILLS MI 48307
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-018

Location NORTH SIDE OF SCHOOL RD., EAST OF JOHN R RD.

Property Dimensions: Width at Road Frontage 129.97 Depth 290.75

Total Area: Number of acres .72 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- Location Map
- Environmental Impact Statement
- Deed restriction or Certification that none exist
- Proof of Ownership or Interest in Property
- Statement indicating why change is requested
- Notarized letter from property owner indicating no objection
- Letter of Intent
- Filing Fee

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

11-16-04 (Date) Philip D Bayus Karen J. Bayus (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

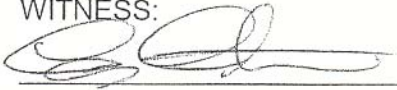
12-14-04 (Date) [Signature] (Signature of Applicant)

For Official Use Only:
File No. _____
Escrow No. _____
Date: _____

To the City of Rochester Hills:

I, Philip Bayus and Karen Bayus understand that Metropolitan Property Management, Inc. is requesting that the parcel commonly known as 1171 School Rd. which is parcel # 70-15-24-100-018 be re-zoned from its current R-3 zoning to a RM-1 zoning.

WITNESS:



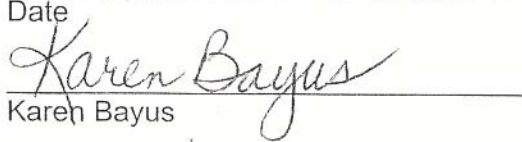
11-16-04
Date



11-16-04
Date


Philip Bayus

11-16-04
Date

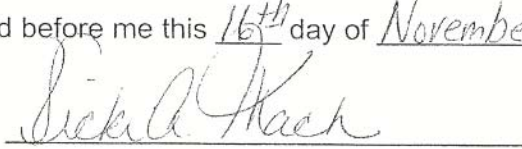

Karen Bayus

11-16-04
Date

STATE OF MICHIGAN)
) SS.
COUNTY OF MACOMB)

The foregoing instrument was acknowledged before me this 16th day of November, 2004, by the above-named.

VICKI A. MACH
Notary Public, Macomb County, MI
My Commission Expires Jan. 7, 2007



Notary Public, Macomb County, MI
My commission expires: 1-7-07

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from Philip Bayus and Karen Bayus whose address is 1171 School Rd., Rochester Hills, Michigan, 48307 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"): identified as parcel number 70-15-24-100-018 and consisting of +/- 0.86 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenant's rights.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Any studies, tests or examination of said property is to occur only after notice is given to Seller.

2.01 TITLE COMMITMENT AND SURVEY

Within fifteen (15) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Seller shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage at their own expense a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment which is to be provided to Purchaser by Seller shall be updated by Seller at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Seller shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents, as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any easement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion thereof for dumping or storage.
- D. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is not aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

5.01 APPORTIONMENT OF TAXES; ADDITIONAL PRORATION

Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

6.02 PURCHASER'S DEFAULT

In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon fifteen (15) days prior written notice of Purchaser to Seller, no later than sixty (60) days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, MI, Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

In WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

[Signature]

Offer made: 11-16-04

[Signature]

[Signature]

Offer Accepted: 11-16-04

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation

[Signature]
Gregory Cueter

SELLER:

[Signature]
Philip Bayus

[Signature]
Karen Bayus

CODE: Green

Number: 63-532275

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY
Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY
118 Cass Avenue, Mount Clemens, Michigan 48043
Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

THIS COPY

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of Northwest 1/4 of Section 24, Town 3 North, Range 11 East, City of Rochester Hills, Oakland County, Michigan, more particularly described as follows: Beginning at point distant South 88 degrees 20 minutes 40 seconds East, 999.00 feet from West 1/4 corner; thence North 284.25 feet; thence North 88 degrees 49 minutes 50 seconds East, 130.00 feet; thence South 290.75 feet; thence North 88 degrees 20 minutes 40 seconds West, 130.00 feet to beginning except South 43.00 feet taken for road.

****WARNING**** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).

NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00

Parcel Identification No. 15-24-100-018
Commonly known as: 1171 SCHOOL

CHICAGO TITLE INSURANCE COMPANY

By:



(Signature)

President

ATTEST

(Signature)

Secretary

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: Philip D. Bayus and Karen J. Bayus, husband and wife

RECORD DEED FROM ABOVE OWNER TO THE PARTY TO BE INSURED.

2. Mortgage in the face amount of \$52,300.00, executed by Philip D. Bayus and Karen J. Bayus, husband and wife, to Countrywide Home Loans, Inc. dated March 29, 2004, in liber 32881, page 361, Oakland County Records.

REQUIREMENT: RECORD DISCHARGE OF ABOVE MORTGAGE OR SAID MORTGAGE WILL APPEAR ON FINAL POLICY.

3. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, as recorded in liber 2654, page 329, Oakland County Records.

4. Subject to a Right-of-Way in favor of The Detroit Edison Company, as recorded in liber 5683, page 787, Oakland County Records.

5. Subject to an Easement granted to The Detroit Edison Company, as set forth in instruments, recorded in liber 5 Miscellaneous Records, page 12 and liber 200, page 21, Oakland County Records.

6. Subject to an Easement for temporary construction over the north 10 feet of the south 53.00 feet, in favor of City of Rochester Hills, as recorded in liber 11293, page 695, Oakland County Records.

7. 2003 Winter Taxes: PAID, \$1,354.69.

2004 Summer Taxes: PAID, \$1,129.76.

2004 Winter Taxes: DUE, \$1,383.73, not including penalties and interest.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: _____
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
November 15, 2004 at 8 A.M.

This Commitment is valid and binding for a period of 150 days from the date thereof.
js

CHICAGO TITLE INSURANCE COMPANY

By:



Agnes M. P. L.

President

ATTEST

John C. J.

Secretary

7

APPLICATION TO REZONE
City of Rochester Hills

Applicant METROPOLITAN PROPERTY MANAGEMENT, INC.

Address 42850 SCHOENHERR RD., STERLING HEIGHTS, MI 48313
(Street) (City) (State) (Zip)

Telephone 586-566-8100 Fax 586-566-0210

Applicant's Interest in Property OPTION / OFFER TO PURCHASE

Property Owner(s) ANTHONY PAGNANI

Address 1155 SCHOOL RD. ROCHESTER HILLS, MI 48307
(Street) (City) (State) (Zip)

PROPERTY CHARACTERISTICS:

Platted Lot Lot No. _____ Subdivision _____

Acreage Parcel Parcel Identification No. 70-15-24-100-029

Location NORTH SIDE OF SCHOOL RD., EAST OF JOHN R RD.

Property Dimensions: Width at Road Frontage 159.91 Depth 284.25

Total Area: Number of acres .86 Present use SINGLE FAMILY HOME

CHANGE OF ZONING:

R-3 Current Zoning RM-1 Proposed Zoning

If rezoned, the property will be used for CONDOMINIUM DEVELOPMENT

CHECK LIST:

These items must be provided to process this application:

- | | |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Location Map | <input checked="" type="checkbox"/> Environmental Impact Statement |
| <input checked="" type="checkbox"/> Deed restriction or Certification that none exist | <input checked="" type="checkbox"/> Proof of Ownership or Interest in Property |
| <input checked="" type="checkbox"/> Statement indicating why change is requested | <input checked="" type="checkbox"/> Notarized letter from property owner indicating no objection |
| <input checked="" type="checkbox"/> Letter of Intent | <input checked="" type="checkbox"/> Filing Fee |

I hereby authorize the employees and representatives of the City of Rochester Hills to enter and conduct an investigation of the above referenced property.

12-14-04 Charlette G Pagnani Anthony Pagnani
(Date) (Signature of Property Owner)

I certify that all of the above statements and those contained in the documents submitted are true and correct.

12-14-04 _____
(Date) (Signature of Applicant)

For Official Use Only: File No. _____ Escrow No. _____ Date: _____

To the City of Rochester Hills:

I, Anthony Pagnani understand that Metropolitan Property Management, Inc. is requesting that the parcel commonly known as 1155 School Rd which is parcel # 70-15-24-100-029 be re-zoned from its current R-3 zoning to a RM-1 zoning.

WITNESS:

Andrew H. Stemas

Dec 14, 2004
Date

Charlette & Pagnani
Anthony Pagnani
Anthony Pagnani

Dec 14, 2004
Date

STATE OF MICHIGAN)
) SS.
COUNTY OF MACOMB)

The foregoing instrument was acknowledged before me this 14th day of December, 2004, by the above-named.

Sicki A. Mach

VICKI A. MACH
Notary Public, Macomb County, MI
My Commission Expires Jan. 7, 2007

Notary Public, Macomb County, MI
My commission expires: 1-7-07

AGREEMENT OF PURCHASE AND SALE

Metropolitan Property Management, Inc., a Michigan Corporation, for an entity to be designated hereinafter referred to as "Purchaser", whose address is 42850 Schoenherr Road, Sterling Heights, Michigan, 48313, hereby offers to purchase from Anthony Pagnani and Charlette Pagnani whose address is 1155 School Rd., Rochester Hills, Michigan, 48307 hereinafter referred to as "Seller", on the terms and conditions hereinafter set forth, that certain real property and all improvements, situated in the City of Rochester Hills, County of Oakland, State of Michigan, (hereinafter referred to as "the Property"); identified as parcel number 70-15-24-100-029 and consisting of +/- 1.03 acres, subject only to existing recorded building and use restrictions and easements of record, and zoning ordinances, upon the following terms and conditions.

TERMS AND CONDITIONS OF SALE

1.01 SUBJECT MATTER OF SALE

Seller agrees to sell to Purchaser all right, title and interest of Seller in and to the Property and all improvements described and made a part hereof, together with all hereditaments, appurtenances, privileges and rights of Seller.

1.03 TERMS AND CONDITIONS OF PURCHASE AND SALE

A. If this Agreement of Purchase and Sale is not previously terminated by Purchaser as set forth in Par. 1.05 herein, then Purchaser shall pay to Seller the purchase price in cash or certified check at closing.

B. Seller shall execute to the Purchaser a Warranty Deed conveying to Purchaser unencumbered fee simple marketable title of the subject property.

C. Seller shall deliver and Purchaser shall accept possession of the subject property at the time of Closing subject to no tenant's rights.

D. Seller shall deliver to Purchaser an executed discharge of mortgage, claim of interest and/or land contract from any entity or person holding an interest in the property.

1.04 ACCESS TO PROPERTY

From and after Seller's acceptance of this Agreement of Purchase and Sale, Purchaser and its servants, agents, employees, licensees, contractors, and designees shall have the right to, but not the obligation to enter upon the premises for the purpose of inspecting the same, and to make studies and tests and conduct test borings and other surface and subsurface soil and environmental tests. Such entry upon the premises shall be at the Purchaser's, its designees, servants, agents, employees, sole risk and expense. Any studies, tests or examination of said property is to occur only after notice is given to Seller. Purchaser shall indemnify and hold seller harmless for any and all liability arising from the purchaser's entry upon the property as contemplated hereunder. Purchaser agrees to return the property to its current condition if closing does not occur.

2.01 TITLE COMMITMENT AND SURVEY

Within fifteen (15) days from date of acceptance of this Agreement of Purchase and Sale by Seller, Seller shall furnish, at its sole expense, to Purchaser a Commitment from the Philip F. Greco Title Company in an amount not less than the Purchase Price, bearing date later than acceptance, for an ALTA Owner's Policy, which shall guarantee title in the condition as required for performance of this Agreement. The Purchaser shall engage at their own expense a certified land surveyor or licensed civil engineer to prepare a certified survey. The Philip F. Greco Title Company shall attach to such Title Commitment copies of all building, use restrictions, easements, right-of-ways and other documents of record, and shall agree to delete all standard exceptions from the final policy.

If (i) objection to title or the survey is made, based upon written opinion of Purchaser's attorney, that title or the survey are not in the condition required for performance hereunder, or (ii) if any information contained within any document, whether recorded or unrecorded, with respect to this property, including building and use restrictions, deeds, easements, or other documents would prohibit, impede or restrict the intended development of the property, Seller shall have thirty (30) days from the date they are notified in writing of any particular defect or objection claimed to remedy the title or the condition required by Purchaser (provided such defect or objection is capable of being remedied by Seller). The objection of Purchaser's attorney to the foregoing shall be made known in writing to Seller within thirty (30) days from the date of the last of the documents delivered including each Title Commitment, survey, and building, use restrictions and easements, etc. as specified hereinbefore to be furnished by Seller.

2.02 TITLE INSURANCE

The Title Commitment which is to be provided to Purchaser by Seller shall be updated by Seller at closing and shall disclose no change in the state of the title, other than as may be allowed by this Agreement. Seller shall pay Greco for the Title Insurance Policy at time of closing and cause delivery of such policy to Purchaser upon issuance. Seller is not responsible for any other Greco administrative fees for processing closing documents or attending closing. If Purchaser fails to object to any matter contained in a Commitment, Survey, or document and documents, as the case may be, they shall be deemed to be acceptable to Purchaser. Purchaser may, however, raise objection to any new matter contained or disclosed in any updated or revised Commitment, Survey, or document and the same time periods shall apply to both Purchaser and Seller with respect to such new matter as set forth before in this Section 2.01. Provided, however, the Purchaser cannot object to any new matter of record which was caused by the actions of the Purchaser.

2.03 DOCUMENTS AND APPROVAL PRIOR TO CLOSING

From and after Seller's acceptance of this Agreement of Purchase and sale, Seller shall grant permission, support and join with Purchaser in its applications and petitions to attain final site plan approval for and/or any rezoning to permit a residential condominium or a single family site plan. All of such documents, including legal descriptions, shall be prepared and provided to Seller at the sole cost and expense of Purchaser, and shall be promptly executed by Seller. In the event that Seller fails to execute any document as required herein within ten (10) days of receipt of such document by Seller, then all time periods and the term of this Agreement of Purchase and Sale shall be extended until such document(s) is or are so executed and delivered to Seller. Notwithstanding, anything contained herein, Purchase may not irrevocably affect the property until after closing.

3.01 CONDITIONS PRECEDENT TO CLOSING

It is specifically understood and agreed by and between the parties hereto that a Closing of this sale is expressly conditioned upon each of the following conditions being satisfied, unless waived in writing by Purchaser:

- A. That title to the subject property is in the condition as required hereunder in Par. 2.01.
- B. That at time of Closing all covenants of Seller hereinafter provided herein are true and have not been breached.

Notwithstanding the foregoing, Purchaser may waive any and all of the conditions precedent in writing and close this transaction any time.

3.02 FAILURE OF ANY CONDITION PRECEDENT

In the event that any of the conditions precedent as set forth in Paragraph 3.01 have not been satisfied, then Purchaser shall have the right to terminate this Agreement of Purchase and Sale upon written notice to the Seller, in which case this Agreement shall be null and void and held for naught, and the deposit shall be immediately refunded to Purchaser. Nothing contained herein, however, shall prevent Purchaser from waiving in writing any such condition and to close this transaction as provided herein.

4.01 REPRESENTATIONS AND COVENANTS OF SELLER

From the date of acceptance of this Agreement of Purchase and Sale and surviving the closing, Seller represents, warrants, covenants and agrees to:

- A. Maintain the property, in its present order and condition and will not alter, amend or modify any of the terms, covenants, or provisions of any restriction or easement affecting the property.
- B. Not to enter into any easement or license agreements or leases permitting others to use, occupy or lease the property or any portion thereof and seller represents that there are no such leases and that no party is in possession of such premises either under written or oral agreement or lease other than Seller.
- C. Not give permission to any person to use the property or any portion thereof for dumping or storage.
- D. Seller has not contracted with a real estate broker for which a brokerage commission or real estate commission may be due as a result of this transaction or entered into any other agreements for the sale of the subject property.
- E. Seller represents that they shall not further encumber or mortgage the property during the term of Agreement and Seller further represents that any existing mortgage or land contract will be cleared by Closing.
- F. Seller represents that there are no tenants or tenants' rights affecting the property.
- G. Seller represents to the best of their knowledge and belief that the property is free of, and does not contain any pollution, contamination, or other environmental hazards, toxic or hazardous materials.
- H. Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445.
- I. Seller represent that, to the best of its knowledge, there are no judicial or administrative proceedings pending or threatened against the subject property or Seller relating to the subject property and Seller is not aware of any facts which might result in any action, suit or other proceeding relating to the subject property.

4.02 APPLICABLE LAW

This Agreement shall be controlled, construed and enforced in accordance with the laws of the State of Michigan. If more than one person or entity joins in the execution hereof as Seller or Purchaser, or if a party be an entity, including a corporation or partnership, or if only one person or entity joins in as Seller or Purchaser, then the words herein shall be read and construed as if written in the singular, plural or neuter, respectively, as the case may be.

4.03 NOTICES

Any notices contemplated or promised to be given hereunder shall be deemed duly given when delivered by registered or certified mail, postage prepaid and return receipt requested to the above addresses or such other address as the respective addresses may, from time to time, hereafter specify by notice given to the other party as aforesaid.

4.04 SUCCESSORS AND ASSIGNS

The rights and liabilities of the present parties shall bind and inure to the benefit of their respective heirs, administrators, executors, trustees, successors and assigns.

4.05 ENTIRE AGREEMENT

This Agreement, including the Exhibits hereto, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

4.06 COUNTERPARTS

This Offer to Purchase may be executed in one or more counterparts, and such counterparts as have been executed by both parties hereto shall each be deemed to be an original instrument.

4.07 CATCHLINE HEADINGS

The catchline headings herein are for convenience only and shall not affect the meaning or interpretation of this Agreement.

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Any assessments, special assessment, or capital charges, except for school, township, city, county and general taxes, which have become a lien upon the land prior to the date of closing, shall be paid by Seller. School, township, city, county and general taxes which have become a lien and are due and payable on or before the closing date shall be paid by the seller. Current school, township, county, city and general taxes shall be prorated and adjusted as of the date of Closing on a due-date basis. Any assessments, special assessments or capital charges which have become a lien upon the land after the date of Closing shall be paid by Purchaser. For purposes of this Agreement, all real property taxes are to be considered paid in advance.

6.01 SELLER'S DEFAULT

Should Seller default in the performance of any obligation or requirements herein contained or in the sale of the property under this Offer to Purchase, Purchaser may enforce by specific performance this Offer to Purchase by an appropriate judicial proceeding or may require return of its Deposit and may terminate this Agreement.

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In the event Purchaser shall default in the performance under this Agreement, Seller's sole, complete and only remedy shall be to retain all monies including the deposit heretofore paid by Purchaser as liquidated damages, in which event this Offer to Purchase shall be null and void and all parties shall be fully released and discharged from further obligations hereunder.

7.01 CLOSING

Closing shall take place at a mutually convenient time, upon fifteen (15) days prior written notice of Purchaser to Seller, no later than sixty (60) days after the expiration of the Right of Termination Period (see Par. 1.05), at the Philip F. Greco Title Company, 118 Cass Ave, Mt, Clemens, MI., unless this Agreement of Purchase and Sale is earlier terminated by Purchaser as provided in Par. 1.05.

8.01 TIME OF ACCEPTANCE

It is understood that Purchaser's offer to enter into the Agreement of Purchase and Sale is valid for five (5) days from the date of this offer and if not accepted by Seller within such period of time shall be null and void and withdrawn.

8.02 REAL ESTATE COMMISSION

Seller shall indemnify, defend and save Purchaser harmless from any real estate brokerage commissions due to Seller's activities.

9.01 OCCUPANCY

The parties agree that sellers may remain in the property for sixty (60) days after closing with no rental to be paid by Seller for said occupancy, however, Seller shall be liable for all utilities. Seller will also maintain liability insurance in an amount not less than \$300,000.00. Seller shall name Purchaser as additional insured.

IN WITNESS WHEREOF, the parties have made and accepted this Offer to Purchase on the date set opposite their name.

IN THE PRESENCE OF:

Andrea A. Stenica

Offer made: Dec. 20, 2004

Offer Accepted: _____

PURCHASER:
METROPOLITAN PROPERTY MANAGEMENT, INC.
a Michigan Corporation

Gregory Cuetler
Gregory Cuetler

SELLER:

Anthony Pagnani
Anthony Pagnani
Charlette Pagnani
Charlette Pagnani

CODE: Green

Number: 63-533588

Commitment for Title Insurance

CHICAGO TITLE INSURANCE COMPANY
Chicago, Illinois 60602

THE PHILIP F. GRECO TITLE COMPANY
118 Cass Avenue, Mount Clemens, Michigan 48043
Phone (586) 463-7200/Fax (586) 463-6114

CHICAGO TITLE INSURANCE COMPANY, a Missouri Corporation, hereby agrees to issue a policy of Title Insurance as hereinafter set forth upon satisfactory compliance with the requirements herein set forth and upon payment of the prescribed premium. If any requirement is not satisfied, the title policy will be issued subject to the exception which would otherwise be eliminated by compliance with such requirement. The policy will also contain exceptions as to matters affecting the title to subject property which may arise after the date hereof and which have not been eliminated to our satisfaction. All policies are subject to the printed exceptions contained in the policy form. Owners' and Loan Policies With Exceptions will be issued with general exceptions as shown on the last page hereof.

FORM OF POLICY TO BE ISSUED

Owner's Policy:

PARTY TO BE INSURED

(NAMES TO BE FURNISHED LATER)

DESCRIPTION OF REAL ESTATE

Situated in the City of Rochester Hills, Oakland County, Michigan, described as:

Part of the northwest 1/4, town 3 north, range 11 east, Section 24, beginning at a point distant south 88 degrees 20 minutes 40 seconds east 839.03 feet from west 1/4 corner; thence north 276.45 feet; thence north 88 degrees 49 minutes 50 seconds east 159.91 feet; thence south 284.25 feet; thence north 88 degrees 20 minutes 40 seconds west 159.97 feet to beginning, except south 43 feet taken for road.

****WARNING** THE REGISTER OF DEEDS OFFICES WILL NO LONGER ACCEPT ANY DOCUMENTS FOR RECORDING WITHOUT THE FOLLOWING TAX IDENTIFICATION NUMBER(S) AND THE COMMONLY KNOWN ADDRESS APPEARING ON THE FACE OF SAID DOCUMENT(S).**

**NOTE: THE FOLLOWING RECORDING FEE INCREASES ARE NOW IN EFFECT:
FIRST PAGE OF A DOCUMENT: \$14.00 (\$15.00 WAYNE COUNTY)
EACH ADDITIONAL PAGE: \$3.00**

Parcel Identification No. 15-24-100-029

OWNER, ENCUMBRANCES, EXCEPTIONS TO TITLE, UNPAID TAXES AND

CHICAGO TITLE INSURANCE COMPANY



By:

Agnes M. P. L.
President

ATTEST

John C. J.
Secretary

REQUIREMENTS FOR ISSUANCE OF POLICY:

1. Owner: Anthony J. Pagnani and Charlette J. Pagnani

RECORD DEED FROM ABOVE OWNER(S), AND FROM THE WIFE, IF ANY OF ANY MALE GRANTOR (IF APPLICABLE) TO THE PARTY TO BE INSURED.

2. Mortgage in the face amount of \$31,800.00, executed by Anthony J. Pagnani and Charlette J. Pagnani, his wife, to NBD Mortgage Company, now known as First Chicago NBD Mortgage Company, dated June 25, 1993, and recorded July 20, 1993, in liber 13783, page 81, Oakland County Records; which mortgage is now held by Mortgage Electronic Registration Systems, Inc.

REQUIREMENT: RECORD DISCHARGE OF ABOVE MORTGAGE OR SAID MORTGAGE WILL APPEAR ON FINAL POLICY.

3. Subject to a Right-of-Way in favor of the Detroit Edison Company, as recorded in liber 5683, page 786, Oakland County Records.

4. Subject to a Right-of-Way in favor of Susquehanna Pipe Line Company, as recorded in liber 2654, page 329, Oakland County Records.

5. 2004 Summer Taxes: PAID, \$688.99.

2004 Winter Taxes: DUE, \$843.87, not including penalties and interest.

NOTE: Notwithstanding any provisions of the policy or commitment to the contrary, the Company makes no representation or assurance regarding compliance or non-compliance with the provisions of PA 591 of 1996. (Note: PA 591 of 1996 revises the Subdivision Control Act). The above is shown for informational purposes only and will not appear on the final policy.

TAXES AND SPECIAL ASSESSMENTS WHICH CONSTITUTE A LIEN, BUT ARE NOT YET DUE AND PAYABLE.

NOTE: PLEASE DIRECT ANY QUESTIONS YOU MAY HAVE REGARDING THIS COMMITMENT TO THE EXAMINER: DEBBIE DeKIERE AT (586) 463-8728.

Countersigned: 
Authorized Licensed Signatory

Dated at: Mount Clemens, Michigan
December 08, 2004 at 8 A.M.

This Commitment is valid and binding for a period of 150 days from the date thereof.
js

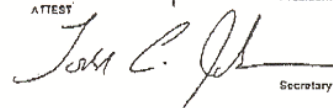


CHICAGO TITLE INSURANCE COMPANY

By:


President

ATTEST


Secretary