SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-9/A
(Amendment No. 1)

SOLICITATION/RECOMMENDATION STATEMENT
PURSUANT TO SECTION 14(d)(4) OF THE
SECURITIES EXCHANGE ACT OF 1934

CHATEAU PROPERTIES, INC.
(NAME OF SUBJECT COMPANY)
CHATEAU PROPERTIES, INC.
(NAME OF PERSON(S) FILING STATEMENT)

COMMON STOCK, $.01 PAR VALUE PER SHARE
(TITLE OF CLASS OF SECURITIES)

161739 10
(CUSIP NUMBER OF CLASS SECURITIES)

C. G. Kellogg
President and Chief Executive Officer
Chateau Properties, Inc.
19500 Hall Road
Clinton Township, MI 48038

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED
TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF THE
PERSON(S) FILING STATEMENT)

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ITEM 1. SECURITY AND SUBJECT COMPANY.

The subject company is Chateau Properties, Inc., a Maryland corporation (the "Company"). The address of the principal executive offices of the Company is 19500 Hall Road, Clinton Township, MI 48038. The title of the class of equity securities to which this Statement relates is the common stock, $.01 par value per share (the "Shares"), of the Company.

ITEM 2. TENDER OFFER OF MHC OP AND MHC.

This Statement relates to the tender offer previously announced by MHC Operating Limited Partnership, a limited partnership formed under the laws of the State of Illinois ("MHC OP"), the sole general partner of which is

Manufactured Home Communities, Inc., a Maryland corporation ("MHC"), to purchase all outstanding Shares at a price per Share of $26.00, net to the seller in cash, without interest (the "MHC Offer").

The address of the principal executive offices of MHC OP and MHC is Suite 800, Two North Riverside Plaza, Chicago, Illinois 60606.

ITEM 3. IDENTITY AND BACKGROUND.

(a) Name and Business Address of Person Filing This Statement.

The name and business address of the Company, which is the person filing this Statement, are set forth in Item 1 above.

(b) (1) Arrangements with Executive Officers, Directors or Affiliates of the Company.

Certain information with respect to certain contracts, agreements, arrangements or understandings between the Company and certain of its executive officers, directors and affiliates is set forth in pages 4-12 of the Company's Notice of Annual Meeting of Shareholders and Proxy Statement dated April 10, 1996 for the Company's 1996 Annual Meeting of Shareholders held on May 16, 1996 (the "Proxy Statement"). Copies of the foregoing pages are attached as Exhibit 99.3 to this Statement and are incorporated herein by reference.

On September 12, 1996, the Board of Directors of the Company amended the 1993 Long-Term Incentive Stock Plan (the "Plan") to provide that the Plan and all other stock incentive plans the Company may have will be

administered in accordance with the new Rule 16b-3 of the Securities and Exchange Act of 1934, as in effect on August 15, 1996, and that the Plan will be amended in such other ways as the Company's counsel may recommend in order to comply with the requirements of Rule 16b-3. The Plan was also amended to provide that, upon a change in control (as defined in the Plan and which would include the consummation of the MHC Offer), all outstanding options awarded under the Plan not previously exercisable and vested will become fully exercisable and vested, without regard to whether or not a surviving corporation assumes or continues the outstanding awards. In addition, the Plan was amended to provide that outstanding options previously granted to a participant whose employment is terminated prior to a change in control but at the request of a potential acquiror will also become fully exercisable and vested. As of September 15, 1996, options to purchase 619,150 Shares at exercise prices ranging from $19.50 to $24.25 per Share were outstanding, of which options to purchase 148,038 Shares were fully exercisable and vested. If the ROC Merger takes place on or before March 31, 1997 or such later date as approved by the Board of Directors, and prior to a change in control, the options under the Plan will not vest.

On September 16, 1996, the Company entered into severance agreements (the "Severance Agreements"), a form of which is attached as Exhibit 99.5, with each of the following officers of the Company: C. G. Kellogg, Tamara D. Fischer, Lori A. Palazzolo, Darrel D. Swain and Pamela R. Davis. Pursuant to these Severance Agreements, in the event the senior executive is terminated without "cause" or if the officer terminates his or her employment for "good reason," in each case, within two years following a "change in control" (which would include the consummation of the MHC Offer), the officer would be entitled to a lump sum payment of salary and bonus equal to two times, in the case of Mr. Kellogg and Ms. Fischer, and one times, in the case of Ms. Palazzolo, Mr. Swain and Ms. Davis, the officer's annual base salary and bonus and to the continuation of health benefits for two years, in

the case of Mr. Kellogg and Ms. Fischer, and one year, in the case of Ms. Palazzolo, Mr. Swain and Ms. Davis. All amounts payable as a result of a change in control would be subject to a cap so that all payments to the officers would be reduced so that no excise tax would be imposed on any of the payments and the amounts payable would be fully deductible to the Company under Section 280b of the Internal Revenue Code of 1986, as amended (the "Code"). If the ROC Merger takes place on or before March 31, 1997 or such later date as approved by the Board of Directors, and prior to a change in control, the Severance Agreements will terminate immediately. In addition, the Company amended the Employment Agreement dated October 27, 1993 between the Company and Mr. Kellogg (the "Kellogg Employment Agreement") to provide that in the event of a change in control followed by a termination of employment of Mr. Kellogg, such that the benefits under his Severance Agreement become applicable, the Kellogg Employment Agreement will terminate and no longer be in full force or effect.

On September 16, 1996, the Board of Directors of the Company amended the Annual Bonus Plan (the "Bonus Plan") to provide that, upon a change in control, each Bonus Plan participant who remains employed through the end of the performance period during which a "change in control" (which would include the consummation of the MHC Offer) occurs will receive a bonus for that year equal to the bonus received in the previous fiscal year. The Bonus Plan was amended further to provide that a participant whose employment is terminated after a change in control but prior to the end of the applicable performance period will receive a pro-rated bonus (calculated in accordance with the preceding sentence). Finally, the Bonus Plan was amended to provide that a participant whose employment is terminated prior to a change in control but at the request of a potential acquiror will likewise receive a prorated bonus, as calculated above. If the ROC Merger takes place on or before March 31, 1997 or such later date as approved by the Board of Directors and prior to a change in control, the amendments to the Bonus Plan will not be applicable.

(b) (2) Arrangements with MHC OP, MHC and their Respective Executive Officers, Directors or Affiliates.

There are no contracts, agreements, arrangements or understandings or actual or potential conflicts of interest between the Company, its directors, executive officers, and affiliates, on the one hand, and MHC OP or MHC and their respective executive officers, directors and affiliates, on the other hand.

ITEM 4. THE SOLICITATION OR RECOMMENDATION.

(a) Background and Recommendation.

On July 19, 1996, the Company and ROC Communities, Inc. ("ROC") issued a press release announcing their agreement to merge (the "Old ROC Merger") both companies into a new company to be called Chateau Communities, Inc. ("Chateau Communities") through a tax-free exchange of stock. Pursuant to the terms of the Old ROC Merger, ROC shareholders were to receive 1.042 shares of the new company's common stock for every share they held in ROC and Company shareholders were to receive one share of the new company's common stock for every share they held in the Company. The exchange ratio was derived from the average of the ratios of the daily closing stock prices of the two companies during the second quarter of 1996.

Concurrently with the execution and delivery of the merger

agreement between the Company and ROC relating to the Old ROC Merger (the "Old ROC Merger Agreement"), the Company entered into a Stock Option Agreement (the "Company Option Agreement") with ROC whereby the Company granted to ROC an option to purchase up to 420,000 Shares, exercisable by ROC, in whole or in part, at any time or from time to time after the Old ROC Merger Agreement becomes terminable by ROC under circumstances which could entitle ROC to receive certain break-up expenses or fees pursuant to the Old ROC Merger Agreement, regardless of whether the Old ROC Merger Agreement is actually terminated (any such event by which the Old ROC Merger Agreement becomes so terminable by ROC being referred to herein as a "ROC Trigger Event"). The exercise price of the option under the Company Option Agreement is equal to $22.25 per Share, the closing price of the Shares on the date prior to the announcement of the Old ROC Merger (i.e., July 17, 1996). The right of ROC to exercise its option will terminate on the date which is 365 days after the date that the Company shall notify ROC in writing of the occurrence of any ROC Trigger Event. ROC also entered into a Stock Option Agreement (the "ROC Option Agreement") with CP Limited Partnership ("CP") , whereby ROC granted CP an option to purchase up to 420,000 shares of ROC common stock, exercisable by CP, in whole or in part, at any time or from time to time after the Old ROC Merger Agreement becomes terminable by the Company under circumstances which could entitle CP to receive certain break-up expenses or fees pursuant to the Old ROC Merger Agreement, regardless of whether the Old ROC Merger Agreement is actually terminated (any such event by which the Old ROC Merger Agreement becomes so terminable by the Company being referred to as a "Company Trigger Event"). The exercise price of the option under the ROC Option Agreement is equal to $22.00 per share, the closing price of ROC common stock on the date prior to the announcement of the Old ROC Merger (i.e., July 17, 1996). The right of CP to exercise its option terminates on the date which is 365 days after the date that ROC notifies CP in writing of the occurrence of any Company Trigger Event.

On August 14, 1996, Samuel Zell, Chairman of the Board of MHC, and David Helfand, President and Chief Executive Officer of MHC, telephoned John Boll, Chairman of the Board of the Company, and suggested that they meet.

On August 16, 1996, Messrs. Zell, Helfand and Boll met in Detroit, Michigan. Also in attendance at such meeting were representatives of the Company's legal and financial advisors. At the meeting, Mr. Zell communicated MHC's offer to acquire the Company for $26.00 per Share in cash, MHC common shares at a ratio of 1.15 MHC common shares for each Share or a combination of cash at $26.00 per Share and MHC common shares at such ratio. Mr. Boll asked a number of questions regarding MHC's offer and indicated that MHC's offer would be considered by the Company's Board of Directors.

On August 17, 1996, MHC delivered to Mr. Boll and the members of the Board of Directors of the Company a letter setting forth a formal proposal of the terms Mr. Zell communicated at the August 16th meeting.

MHC publicly announced its proposal in a press release dated August 19, 1996. Also on August 19, 1996, the Company responded to MHC's proposal by issuing a press release, which stated in part:

CHATEAU PROPERTIES ANNOUNCES AN UNSOLICITED PROPOSAL FOR A TWO-TIER OFFER FROM MANUFACTURED HOME COMMUNITIES, INC.

> Chateau Properties, Inc. (NYSE: CPJ), a real estate investment trust operating in the manufactured housing community industry, announced today it had received an unsolicited proposal from Manufactured Home Communities, Inc. (NYSE: MHC) in which MHC indicated it was prepared to offer $26.00 in an all-cash transaction and/or 1.15 shares of MHC's common stock for each CPJ share outstanding, and was prepared to make the same offer to holders of limited partnership interests in Chateau's operating partnership, CP Limited Partnership.

Based an the closing price of MHC common stock on August 16, 1996 of $18-1/8, the indicated value of the MHC shares offered for Chateau shares was $20.84, compared to the closing price of Chateau stock of $23-1/4 on August 16, 1996.

Chateau Properties is a party to a definitive Agreement and Plan of Merger with ROC Communities, Inc. (NYSE: ROC) which provides for the strategic combination of Chateau and ROC Communities. John Boll, Chairman of Chateau Properties, Inc., reiterated that the motivation for the merger with ROC Communities was based on the unique and substantial opportunities presented by the combination of Chateau and ROC. Chateau further noted that its Articles of Incorporation prohibit a person from beneficially owning in excess of 7% of its outstanding shares of common stock without Board approval.

On the same date, August 19, 1996, ROC issued a press release, which stated in part:

CHAIRMAN OF ROC COMMUNITIES, INC.,
MCDANIEL, RESPONDS TO INQUIRIES ABOUT MERGER
WITH CHATEAU PROPERTIES

In response to inquiries this morning regarding ROC Communities, Inc.'s (NYSE: RCI) pending merger with Chateau Properties, Inc. (NYSE: CPJ), Chairman and President of ROC Communities, Gary P. McDaniel stated, "The pending transaction between Chateau Properties and ROC Communities is a merger of equals and a strategic business combination which will create the substantial long term benefits we have previously discussed. Neither company has been or is for sale. We remain fully committed to completing the merger, which we strongly believe is in the best interests of the shareholders of both companies."

On August 21, 1996, the Company issued a press release announcing an unsolicited stock for stock offer for the Company (the "Sun Offer") from Sun Communities, Inc. ("Sun"), which stated in part:

CHATEAU PROPERTIES ANNOUNCED AN UNSOLICITED PROPOSAL FOR
STOCK FOR STOCK OFFER FROM SUN COMMUNITIES, INC.

Chateau Properties, Inc. (NYSE: CPJ), a real estate investment trust operating in the manufactured housing community industry, announced today it had received an unsolicited proposal from Sun Communities, Inc. (NYSE: SUN) in which SUN indicated it was prepared to offer .892 shares of SUN's common stock for each CPJ share outstanding, and was prepared to make the same offer to holders of limited partnership interests in Chateau's operating partnership, CP Limited Partnership.

Chateau Properties in a party to a definitive Agreement and Plan of Merger with ROC Communities, Inc. (NYSE: RCI) which provides for the strategic combination of Chateau and ROC Communities.

Chateau stated that the SUN proposal, as well an the unsolicited proposal previously received from Manufactured Home Communities, Inc., will begin to be reviewed at the regularly scheduled Board Meeting to be held August 22, 1996.

After Sun's announcement, MHC issued a press release on August 23, 1996 in which it reiterated its commitment to consummating a transaction with the Company.

Also on August 23, 1996, the Company announced that its Board of Directors, at a regularly scheduled meeting on August 22, 1996, "had begun to consider the unsolicited proposals recently received from Sun Communities, Inc. (NYSE: SUI) and Manufactured Home Communities, Inc. (NYSE: MHC) and will continue that review."

On August 27, 1996, John Boll sent a letter to Samuel Zell stating that the Company and its advisors had not had an opportunity to fully evaluate the proposals of MHC and Sun and would complete their assessment of the proposals in the coming days.

On September 4, 1996, MHC issued a press release announcing the commencement of the MHC Offer.

Also on September 4, 1996, MHC sent a letter to John Boll and the members of the Board of Directors of the Company advising them of the MHC Offer and requesting that they take actions to facilitate the MHC Offer as described in MHC's Offer to Purchase dated September 4, 1996.

On September 4, 1996, Purchaser commenced the MHC Offer. MHC stated in its Offer to Purchase dated September 4, 1996 that the purpose of the MHC Offer is to acquire control of, and the entire equity interest in, the Company and that MHC intended, as soon as practicable after and substantially concurrent with, the consummation of the MHC Offer, to propose and seek to have the Company consummate a merger or similar business combination with MHC or a direct or indirect wholly owned subsidiary of MHC (the "Proposed MHC Merger"), pursuant to which each outstanding Share (other than Shares owned by MHC OP or MHC and Shares held by shareholders who perfect any available appraisal rights under the Maryland General Corporation Law) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the MHC Offer.

On September 10, 1996, the Company received a letter from Sun in which Sun reiterated its commitment to consummating a merger of the Company and Sun. In its letter, Sun indicated that it was prepared to offer a cash alternative, to the extent desired by the Company's shareholders, to its previously announced stock proposal, which Sun believed would compare favorably with the current offer of MHC. Additionally, Sun stated that such cash alternative would not be subject to a financing contingency.

On September 18, 1996, the Company issued the following press release with respect to the terms of a revised merger with ROC (the "ROC Merger") pursuant to a revised merger agreement (the "ROC Merger Agreement"),

the terms of a dividend of 3.16% of the outstanding Shares to be declared by the Board and paid to holders of Shares (except for certain holders ("OP Unitholders") of limited partnership interests ("OP Units") in CP participating in the OP Unit Exchange discussed below) prior to the ROC Merger (the "Stock Dividend"), an agreement by OP Unitholders to assign and transfer their OP Units to the Company for Shares and to assign to existing shareholders of the Company the OP Unitholders' rights to the Stock Dividend (the "OP Unit Exchange") and a Share repurchase program (the "Share Repurchase Program") to be commenced by the Company and ROC prior to the consummation of the ROC Merger:

CHATEAU BOARD APPROVES REVISED MERGER AGREEMENT WITH
ROC
AS BEST ALTERNATIVE FOR CHATEAU STOCKHOLDERS

--Revised Agreement Improves Exchange Ratio For Chateau Holders--

--Chateau Plans to Repurchase Up To 1.45 Million Of Its Shares--

--Rejects Proposals by MHC and Sun Communities--

CLINTON TOWNSHIP, MICHIGAN, SEPTEMBER 18, 1996 -- Chateau Properties, Inc. (NYSE:CPJ), a real estate investment trust operating in the manufactured housing community industry, today announced that its Board of Directors has unanimously approved a revised merger agreement with ROC Communities, Inc. (NYSE:RCI). In reaching its decision, the Board determined, after thorough analyses and in consultation with its independent financial and legal advisors, that the revised merger agreement with ROC is the best alternative for Chateau stockholders and represents the opportunity for both superior long-term value and strategic and operational benefits. The Board also rejected proposals to merge Chateau with Sun Communities, Inc. (NYSE: SUI) and Manufactured Home Communities, Inc. (NYSE: MHC).

Under the revised merger agreement each outstanding share of Chateau common stock will represent 1.0316 shares of the combined entity, rather than one share as contemplated under the original agreement. This improvement in the exchange ratio results from a payment by Chateau of a stock and OP Unit dividend equal to 3.16% of the outstanding Chateau common stock and OP Units prior to the effective date of the merger, but contingent upon the merger having been approved by a majority of Chateau stockholders. A further economic

benefit may be realized if OP Unitholders elect to exchange into common stock. Assuming that 70% of the OP Units were exchanged, for example, the effective exchange ratio for Chateau stockholders would be approximately 1.06. The exchange ratio for ROC stockholders remains unchanged at 1.042.

In connection with the ROC merger, the Board also unanimously approved a number of new initiatives designed to provide a balanced package of long-term and short-term value that responds to stockholders with different investment objectives and more accurately reflects the Company's worth.

These initiatives include:

- A program to repurchase, either through open market purchases, negotiated purchases, or a tender offer, up to 1.45 million of the approximately 6.1 million shares of the Company's common stock currently outstanding.

- In addition, ROC has indicated its intent to purchase, from time to time, up to 350,000 shares of Chateau common stock prior to the merger and Chateau has waived the restrictions of its standstill agreement with ROC with respect to these purchases.

- An opportunity for each holder of limited partnership interests (OP Units) in the Company's operating partnership, CP Limited Partnership, to exercise their existing right to exchange, on a tax-efficient basis, their OP Units for one share of the Company's common stock to be effected prior to the merger. In recognition of this opportunity to exchange on a tax-efficient basis, each OP Unit holder will be required to waive its right to the OP Unit dividend, thus reallocating such dividend to the existing Chateau common stockholders. Certain holders have indicated their intention to exchange up to approximately 6 million OP Units into Chateau common stock, which as

described above will have the effect of transferring the benefit of their OP Unit dividend to Chateau common stockholders. If 70% of the approximately 8.8 million outstanding OP Units were exchanged, the effective exchange ratio to Chateau common stockholders would be increased to approximately 1.06. In connection with the exchange, exchanging OP Unitholders will be given the opportunity to purchase common stock from Chateau and/or ROC at fair market value.

The Company said the share repurchase program will provide immediate liquidity to those holders who wish to sell some or all of their shares, while enabling continuing holders to benefit from the ongoing growth of the Company after the merger.

The revised ROC merger will require the affirmative vote of a majority of the Chateau common stock voting (provided that the total vote cast represents over 50% in interest of the outstanding Chateau common stock) and the affirmative vote of two-thirds of the outstanding ROC common stock. Under the revised agreement, ROC will merge with a subsidiary of Chateau.

Procedurally, the ROC common stockholders will vote on the merger first and, if the ROC common stockholders approve the merger, holders of Chateau's OP Units will have the opportunity to exchange and transfer their OP Units for an equal number of shares of Chateau common stock to participate in the Chateau stockholder vote on the merger. OP Unitholders including Messrs. John A. Boll, C.G. Kellogg, and Edward R. Allen, a director of Chateau, and J. Peter Ministrelli have indicated that they intend to exchange up to 6 million OP Units for Chateau common stock. There are approximately 2.8 million additional OP Units that will also have the opportunity to exchange their OP Units.

The revised merger agreement, like the original merger agreement, provides for a strategic "merger of equals" between ROC and Chateau and not for an acquisition by Chateau of ROC or by ROC of Chateau. As in the original merger agreement, the revised merger agreement provides that the management teams of the two companies will be combined following the merger. The Chairman of the combined company will be John A. Boll, the current Chairman of Chateau. The Chief Executive Officer of the combined company will be Gary P. McDaniel, the current Chairman and CEO of ROC. The President of the combined company will be C. G. "Jeff" Kellogg, the current CEO and President of Chateau. The Chief Financial Officer of the combined company will be Tamara D. Fischer, the current CFO of Chateau. The Chief Operating Officer of the combined company will be James B. Grange and the Executive Vice President of Acquisitions for the combined company will be Rees F. Davis, who both currently hold like positions with ROC. It is expected that the combined company will be renamed Chateau Communities, Inc., following the merger and will be headquartered at ROC's current offices in Englewood, Colorado. The Board of Directors of the combined company will consist of five representatives from the current Board of Chateau and five representatives from the current Board of ROC. An eleventh Board member will be nominated by the Board and elected at the first annual meeting of shareholders of the combined company.

John A. Boll, Chairman of Chateau Properties, said: "The revised merger agreement with ROC offers attractive financial and operational benefits to the stockholders of both companies and represents the best path to long-term enterprise value through a strategic combination of Chateau and ROC, two companies whose business plans and management

philosophies are highly complementary. The merger will significantly increase the geographic diversity of the properties owned by Chateau and reduce the Company's exposure to fluctuations in local economic cycles.

"While the terms of the revised merger agreement are fairly complex, we think those who take the time to understand them will recognize the significant benefits this transaction offers to all of our constituencies. We will now move ahead to consummate this mutually beneficial strategic merger and urge all interested parties to respect the Board's decision."

In connection with its decision to proceed with the revised merger with ROC, the Chateau Board of Directors, after consultation with its financial advisors, Goldman Sachs and Merrill Lynch, rejected the unsolicited offer of MHC Operating Limited Partnership, the sole general partner of Manufactured Home Communities, Inc. (NYSE:MHC), as inadequate and reaffirmed its intent to pursue a strategic merger that enables stockholders to continue to benefit from an equity participation in the combined enterprise. A more complete statement of the Board's position with respect to the MHC offer is set forth in Chateau's Schedule 14D-9/A, which is being distributed to all Chateau stockholders. THE CHATEAU BOARD OF DIRECTORS STRONGLY URGES ITS STOCKHOLDERS NOT TENDER THEIR SHARES INTO THE MHC TENDER OFFER.

Additionally, in reaching its determination to proceed with the ROC merger, the Board also carefully considered, with the assistance of its financial and legal advisors, the offer of Sun Communities, Inc. (NYSE:SUN). The Board determined that the long-term benefits of a combination with ROC were superior to a combination with Sun. This conclusion was based on several factors, including a judgment concerning Sun's property portfolio, the nature and compatibility of the combined management teams, and the different acquisition practices of the two companies.

In connection with the MHC tender offer, Chateau filed suit on September 17, 1996, in the United States District Court for the District of Maryland against MHC. In its complaint, Chateau alleges that (i) the MHC offer has been made in violation of the federal securities laws because it contains untrue statements of material fact and fails to state material facts and (ii) MHC has begun a proxy solicitation in opposition to Chateau's merger with ROC and has made material misstatements of facts and failed to disclose other material facts as part of that solicitation effort in violation of applicable federal law, and seeks a declaratory judgement that: (i) the purchase of Chateau common stock pursuant to the MHC offer would violate Article VI of Chateau's articles of incorporation relating to share ownership limitations; (ii) the second step merger proposed in MHC's offer would be subject to the restrictions contained in the Maryland business combination statute; and (iii) Chateau's Board of Directors is not required to exempt the purchase of Chateau common stock pursuant to the MHC offer from the ownership limitation contained in Chateau's articles of incorporation or from the Maryland business combination statute.

Separately, the company said a class action suit was filed on September 12, 1996, in the Circuit Court for Montgomery County, Maryland, against Chateau, alleging that Chateau's directors have violated their fiduciary duties to stockholders by agreeing to a business combination with ROC and refusing to endorse the MHC offer and seeks injunctive relief and unspecified monetary damages. Chateau believes the allegations are entirely lacking in merit and intends to defend against this action.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE COMPANY'S SHAREHOLDERS REJECT THE OFFER AND NOT TENDER THEIR SHARES PURSUANT TO THE OFFER.

A copy of a letter to shareholders communicating the Board's recommendation is filed as Exhibit 99.1 and is incorporated by reference.

(b) Reasons for the Recommendation.

In reaching the conclusion that shareholders should reject the MHC Offer, the Board of Directors considered numerous factors, including but not limited to the following:

(i) The belief of the Board of Directors that the interests of the Company's shareholders will best be served by a strategy of continued growth in the size and number of properties owned by the Company, management of the Company by a team with superior talent, depth and experience which shares the Board's strategic vision, and maintaining the Company's shareholders' ongoing equity interest in the Company in order to permit them to share fully in the anticipated benefits of this strategic plan. In that connection, the Board noted:

- The MHC Offer contemplates that the Company's shareholders will lose all their right to participate in the financial benefits of the Company's businesses and to share in the management of the Company through their rights as the holders of voting securities.

- The ROC Merger is a superior strategic alternative as compared to the MHC Offer based on the factors described in (ii) below;

(ii) The expected benefits of the ROC Merger, including:

- The improved economic terms for the Company's shareholders, as compared to the original transaction, which will result from the Stock Dividend and effectively reduce the exchange ratio from 1.042 to no greater than approximately 1.01 Share for each share of ROC common stock.

- The ROC Merger would significantly increase the geographic diversity of the properties owned by the Company compared to the properties currently owned by the Company. This increased diversification would reduce exposure to the vagaries of local economic cycles.

- The ROC Merger would significantly increase the market capitalization of the Company compared with the current market capitalization of the Company and would result in the Company having the largest market capitalization of any REIT specializing in owning and operating manufactured home communities. The Board believed that the increased market capitalization of the Company after the ROC Merger would enhance liquidity through increased trading volumes and encourage investment in the Company by institutional investors (which tend to favor companies with larger market capitalizations). In addition, the Board believed that increased

institutional investor participation could lead to an increase in the trading multiples and share price of the Company compared to the current trading multiple and share price of the Company.

- The Merger would effectively combine the senior management teams of Chateau and ROC and create a company with enhanced management depth and experience and an ability to capitalize on the complementary expertise of each other's management.

- After the ROC Merger, the Company would have improved access to capital markets compared to the Company's current access. The Board believed, based in part on discussions with management and its advisors, that the Company should maintain its investment grade credit rating.

- The Company would realize the benefit of significant synergies and on-going operational cost savings, including general and administrative cost savings as a result of consolidated operating and property management functions and the elimination of duplicative expenses. The Board believed that the Company's shareholders would benefit from the aforementioned synergies and cost savings and that these benefits should inure to the Company's shareholders rather than to MHC.

- General industry, economic and market conditions, both current and projected, the interests of the Company's shareholders and the potential impact of the ROC Merger upon the interests of the Company's employees, suppliers, creditors and residents as well as the possible impacts on the communities in which the Company has operations.

(iii) The opinion of Goldman, Sachs & Co. ("Goldman Sachs") that, as of September 17, 1996, the exchange ratio pursuant to the ROC Merger Agreement is fair to the Company. A copy of the written opinion dated September 17, 1996 of Goldman Sachs delivered to the Board which sets forth the assumptions made, procedures followed, matters considered and limits on its review is attached as Annex A to this Schedule 14D-9/A and is incorporated by reference. THE FULL TEXT OF SUCH OPINION SHOULD BE READ IN CONJUNCTION WITH THIS STATEMENT;

(iv) The opinion of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") that, as of September 17, 1996, the proposed consideration to be paid by the Company in the ROC Merger is fair to the Company and its shareholders (other than ROC and its affiliates) from a financial point of view. A copy of the written opinion dated September 17, 1996 of Merrill Lynch delivered to the Board which sets forth the assumptions made, procedures followed, matters considered and limits on its review is attached as Annex B to this Schedule 14D-9/A and is incorporated by reference. THE FULL TEXT OF SUCH OPINION SHOULD BE READ IN CONJUNCTION WITH THIS STATEMENT;

(v) The conclusion of the Board of Directors that the terms of the MHC Offer are inadequate from a financial point of view based on a review of the Company's business, financial condition, properties and prospects with the Company's management and financial

advisors;

(vi) (a) The oral opinion of Goldman Sachs, co-financial advisor to the Company, after reviewing with the Board of Directors certain financial criteria customarily used in assessing an offer, that the MHC Offer is inadequate; and (b) the oral opinion of Merrill Lynch, co-financial advisor to the Company, after reviewing with the Board of Directors certain financial criteria customarily used in assessing an offer, that the MHC Offer is inadequate from a financial point of view;

(vii) Based on the factors noted in (ii) above, the Board's conclusion that the ROC Merger provides both immediate and long-term benefits to the Company's shareholders;

(viii) As part of the ROC Merger and pursuant to the OP Unit Exchange, OP Unitholders will have the opportunity, on two occasions, to assign and transfer their OP Units to the Company in exchange for Shares on a substantially tax-free basis as opposed to a taxable basis pursuant to the structure of the MHC Offer and the Proposed MHC Merger. The Board observed that, in order to participate in the OP Unit Exchange, an OP Unitholder would have to assign to existing common shareholders of the Company the Stock Dividend otherwise payable to them, thereby transferring value to the Company's existing common shareholders. Since it is expected that the first OP Unit Exchange will occur prior to the record date for determining holders of Shares entitled to vote on the ROC Merger, OP Unitholders exchanging at such time will be entitled to vote on the ROC Merger. If the holders of OP Units exchange their OP Units for Shares, they are expected to have sufficient voting power to assure shareholder approval of the ROC Merger, which merger, as described above, the Board believes is in the best interests of the Company and its shareholders. (It is also expected that OP Unitholders receiving Shares in the initial OP Unit Exchange will vote in favor of the ROC Merger and thereby facilitate the ROC Merger because of the negative tax consequences that would arise if the merger does not occur after the exchange.) The Board believed that the OP Unit Exchange is appropriate, in light of its fiduciary responsibility both to the Company's shareholders and to the OP Unitholders as general partner of CP, and took into account the fact that the OP Unitholders own approximately 60% of the Company's equity on a fully diluted basis and the OP Unitholders currently have the right to exchange their OP Units for Shares. The Board also took into account the fact that, although certain OP Unitholders had indicated their intention to exchange their OP Units for Shares in connection with the ROC Merger and the OP Unit Exchange, there is no commitment that they do so, except that it is a condition to ROC's obligation to consummate the ROC Merger that OP Unitholders (who, in the Company's judgment, will exchange a sufficient number of OP Units to cause the OP Unit Exchange and the ROC Merger to satisfy the requirements of Section 351 of the Code) commit to ROC (prior to the later of 60 days after the execution of the ROC Merger Agreement or 10 days after the clearance of the joint proxy statement relating to the Company and ROC shareholder votes by the Securities and Exchange Commission) to exchange their OP Units for Shares. In connection with the OP Unit Exchange and the ROC Merger, Section 351 of the Code provides tax-efficient treatment if OP Unitholders and ROC shareholders, taken together, hold 80% of the voting shares of the Company after the ROC Merger, the OP Unit Exchange and the Share Repurchase Program. The Board further took into account the possible impact of the shifting of unrecognized gain from the OP Unitholders to the Company (including the probability and the possible timing of any such gain), the relinquishment of the Stock

Dividend by the exchanging OP Unitholders and the fact that the OP Unit Exchange facilitates the OP Unitholders achieving voting rights on a tax-efficient basis.

(ix) The Board of Directors' belief that the Share Repurchase Program will provide investors who desire to obtain liquidity for their investment in the Company with an opportunity to sell all or a portion of their investment in the Company, will stabilize the Company's shareholder base and will enable long-term shareholders to increase their proportionate interest in the Company.

(x) The Board of Directors took into account the conditional nature of the MHC Offer, in that the MHC Offer is conditioned on a condition the Board does not believe can be

satisfied: MHC OP being satisfied, in its sole judgment, that after consummation of the MHC Offer none of the Shares purchased by MHC OP will be deemed Excess Stock (as defined in Article VI of the Company's Articles of Amendment and Restatement (the "Articles")). In this regard, the Company has commenced litigation seeking a declaratory judgment as to the applicability to the MHC Offer of the provisions of the Articles relating to Excess Stock (See Item 8);

(xi) The fact that the ROC Merger will be tax-free to the Company's shareholders (except to the extent of any cash received in lieu of fractional shares and except to the extent shareholders sell their Shares in the Share Repurchase Program) while the MHC Offer and Proposed MHC Merger would be taxable to the Company's shareholders. The Board also noted that the MHC Offer contained no provision for the OP Unitholders.

(xii) The possible additional economic benefit to the holders of Shares resulting from the transfer of the benefit of the Stock Dividend from OP Unitholders exchanging their OP Units to the holders of Shares; and

(xiii) The confidence in the Company's strategic plan, including the ROC Merger, demonstrated by the indicated willingness of John Boll, Edward R. Allen, C. G. Kellogg and Joseph P. Ministrelli to exchange all or a substantial portion of their OP Units at a discount (by virtue of their giving up the benefit of the Stock Dividend).

The Board did not assign relative weights to the factors. The Board based its determination and recommendation on the totality of the information presented to and considered by it. Additionally, different directors may have had different views on the foregoing factors and different reasons for the Board's recommendation set forth in Item 4(a) above.

In light of all the above factors, the Board determined that its fiduciary duties require that it not take steps to facilitate the MHC Offer and the Proposed MHC Merger and not waive the provisions of the Maryland Business Combination Law (as defined in Item 8 hereof), the Ownership Limit (as defined in Item 8 hereof) or the Excess Stock provisions of the Articles with respect to the MHC Offer or the Proposed MHC Merger.

In reaching its determination to proceed with the ROC Merger, the Board of Directors also carefully considered, with the assistance of its legal and financial advisers, the Sun Offer. The Board reached a conclusion, based on several factors, including, among other things, a judgment concerning the quality and location of Sun's property portfolio, the quality and compatibility of the combined management teams, and the different development and acquisition practices of the two companies, that consummating the ROC Merger was a superior alternative to the Sun Offer.

ITEM 5. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

Pursuant to a letter agreement dated as of July 11, 1996, as amended on September 11, 1996, Chateau has agreed to pay Merrill Lynch & Co. ("Merrill Lynch") (i) a retainer fee of $150,000 and a $500,000 fee for delivery of its fairness opinion in connection with the Old ROC Merger (the "Earned Fee"), with such amounts due and payable as set forth below, (ii) a financial advisory fee of (a) $150,000 per month, commencing with the month of September 1996 through and including the earlier of (1) the month in which a merger or similar transaction is consummated and (2) June 1997 and (b) in the event no merger or similar transaction is consummated on or before December 31, 1997, an additional financial advisory fee of $300,000 (the "Advisory Fee") and (ii) if during the period Merrill Lynch is retained by the Company or within two years thereafter (a) a merger or similar transaction is consummated or (b) the Company enters into an agreement with any person ("Merger Candidate") which subsequently results in a merger or similar transaction which the Company's Board of Directors has not recommended against, a transaction fee (the "Transaction Fee") equal to 0.38% of the aggregate value (with value defined as cash and/or shares paid for the Company's equity plus all liabilities of the Company on the date such merger or similar transaction closes) of such merger or similar transaction. However, if a merger or similar transaction is not consummated and no agreement to consummate a merger or similar transaction is entered into by the Company during the period Merrill Lynch is retained by the Company, the Earned Fee of $650,000 will be paid upon termination of Merrill Lynch's engagement if such termination occurs on or prior to December 31, 1997. The $650,000 will be credited against a Transaction Fee that subsequently becomes payable.

Notwithstanding the foregoing, the aggregate amount of the Advisory Fee and the Transaction Fee payable to Merrill Lynch will be no less than the fee payable to any other financial advisor. In addition, the aggregate amount of the Advisory Fee and the Transaction Fee payable to Merrill Lynch will not exceed $3,000,000 unless the fee payable to any other financial advisor is in excess of $3,000,000, in which event the Transaction Fee payable to Merrill Lynch will be no less than such fee.

In addition, the Company has agreed to reimburse Merrill Lynch for its reasonable out-of-pocket expenses and to indemnify Merrill Lynch and certain related persons against liabilities arising out of or in conjunction with its rendering of services under its engagement, including certain liabilities under the federal securities laws.

Pursuant to a letter agreement dated August 21, 1996, the Company has retained Goldman, Sachs & Co. ("Goldman Sachs") as financial advisor with respect to the MHC Offer, the Sun Offer and certain other possible transactions. Pursuant to the letter agreement, the Company has agreed to pay to Goldman Sachs:

(a) a fee of $375,000 payable on the date of the letter agreement;

(b) if at least 20% or more of the outstanding Shares of the Company is acquired by any person or group (except by ROC as provided for in subparagraph (d) below or by the Company or current shareholders of the Company or OP Unitholders in furtherance of a transaction with ROC), including the Company, in one or a series of transactions, or if all or substantially all of the assets of the Company are transferred, in one or a series of transactions, a fee equal to 0.50% of the aggregate consideration paid in

respect of Shares and OP Units; less any fees paid pursuant to subparagraph (a) above or (c), (d) or (e) below. This fee is payable only for transactions that the Board is not recommending shareholders oppose. If at least 50% of the outstanding Shares is acquired by any person or group (except by ROC as provided for in subparagraph (d) below), including the Company, the aggregate value shall be determined as if such acquisition were of 100% of the Shares (including all contingently issuable shares);

(c) in the event the Company acquires securities or assets of another company and no fee is payable with respect to such transaction pursuant to subparagraph (b) above or (d) below, a fee of either 1.50% or 2.00% depending on the size of the transaction, but in no event more than the amounts payable under subparagraph (b) or (d) and less any fees paid pursuant to subparagraph (a) or (e);

(d) in the event that the Company consummates a transaction with ROC involving a stock or asset sale, tender offer, merger or other business combination, a fee of $1 million if the transaction is consummated on or before December 31, 1996 and 0.50% of aggregate consideration if consummated after December 31, 1996, in either case, less any fees paid or payable pursuant to subparagraph (a), (b) or (c) above and (e) below;

(e) in the event no transaction of the type described in subparagraphs (b) or (d) is consummated on or before January 1, 1997, a financial advisory fee in cash of $375,000 on January 1, 1997, and an additional $375,000 on each subsequent April 1, 1997, July 1, 1997, October 1, 1997, and January 1, 1998; and

(f) in the event that any party initiates a solicitation of the Company's shareholders, by way of solicitation of proxies, written consents, the initiation of a tender offer, exchange offer or otherwise, and a transaction is consummated either with a party other than ROC or is consummated after December 31, 1996 then the fees payable in subparagraphs (b) and (d) above will be 0.70% of aggregate consideration.

The Company has also agreed to reimburse Goldman Sachs periodically for its reasonable out-of-pocket expenses, including the fees and disbursements of its attorneys, plus any sales, use or similar taxes arising in connection with any matter referred to in the letter agreement. In addition, the Company has agreed to indemnify Goldman Sachs against certain liabilities, including liabilities under the federal securities laws.

The Company also has retained Kekst & Company as public relations advisor and D.F. King & Co., Inc. to assist in shareholder and related services in connection with the MHC Offer. The Company will pay

Kekst & Company and D.F. King & Co., Inc. reasonable and customary fees for their services, reimburse them for their reasonable expenses and provide customary indemnification.

Except as described above, neither the Company nor any person acting on its behalf has retained any other person to make solicitations or recommendations to security holders on its behalf concerning the MHC Offer.

ITEM 6. RECENT TRANSACTIONS AND INTENT WITH RESPECT TO SECURITIES.

(a) There have been no transactions in the Shares during the past 60 days by the Company or, to the best of the Company's knowledge, by any executive officer, director, affiliate or subsidiary of the Company.

(b) To the best of the Company's knowledge, none of its

executive officers, directors, affiliates or subsidiaries currently intends to tender, pursuant to the MHC Offer, any Shares beneficially owned by such persons or to sell any such Shares.

ITEM 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY.

(a) - (b) For the reasons discussed in Item 4 above, the Board of Directors of the Company has concluded that the MHC Offer is inadequate and not in the best interests of the Company and its shareholders and that the interests of the Company's shareholders will be best served by the Company consummating the ROC Merger. Except with respect to the ROC Merger, the OP Unit Exchange, the Stock Dividend and the Share Repurchase Program, the Company is not now engaged in any negotiations in response to the MHC Offer that relate to or could result in one or more of the following or a combination thereof: (i) an extraordinary transaction, such as a merger or reorganization, involving the Company or any of its subsidiaries; (ii) a purchase, sale or transfer of a material amount of assets by the Company or any of its subsidiaries (other than the previously announced Oakwood acquisition); (iii) a tender offer for or other acquisition of securities by or of the Company; or (iv) any material change in the present capitalization or dividend policy of the Company.

The Board of Directors may in the future engage in negotiations in response to the MHC Offer that could have one of the effects specified in the preceding paragraph and it has determined that disclosure with respect to the parties to, and the possible terms of, any transactions or proposals of the type referred to in the preceding paragraph might jeopardize any discussions or negotiations that the Company may conduct. Accordingly, the Board of Directors has adopted a resolution instructing management not to disclose the possible terms of any such transactions or proposals, or the

parties thereto, unless and until an agreement in principle relating thereto has been reached or, upon the advice of counsel, as may otherwise be required by law.

ITEM 8. ADDITIONAL INFORMATION TO BE FURNISHED.

Excess Share Provisions Under the Company's Articles

Section 2 of Article VI ("Article VI") of the Company's Articles provides that no "Person" (which is defined to include individuals, corporations and partnerships) may Beneficially Own (as defined) Shares in excess of the Ownership Limit (as defined in Article VI (currently 7%)). As defined in the Company's Articles, "Beneficial Ownership" means ownership of Shares by a Person who would be treated as an owner of such Shares under Section 542(a)(2) of the Code, either directly or constructively through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. If there is a proposed transfer that would result in any Person Beneficially Owning Shares in excess of the Ownership Limit, then these Shares will constitute "Excess Stock" and be subject to the provisions of the Company's Articles applicable to Excess Stock.

Under the Company's Articles, any transfer of Shares that, if effective, would result in any Person Beneficially Owning Shares in excess of the Ownership Limit will be void ab initio as to the transfer of Shares that would otherwise be Beneficially Owned by such Person in excess of the Ownership Limit.

Upon any purported transfer of Shares that results in Excess Stock, the Excess Stock will be deemed to have been transferred to a trustee (the "Trustee") of a trust for the exclusive benefit of one or more

organizations described in Sections 170(b)(1)(A) and 170(C) of the Code (the "Beneficiary") (currently the Beneficiary is the United Foundation, a charitable organization). The intended transferee will have no rights in such Excess Stock as described below. While the Excess Stock is held in trust, the intended transferee will not be entitled to any dividends or other distributions (except upon liquidation) or voting rights with respect to the Excess Stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holder of Excess Stock will be entitled to the lesser of (i) the price per Share which such intended transferee paid for such Excess Stock and (ii) the amount per Share received by the Trustee in respect of the Excess Stock in such liquidation, dissolution or winding up. The Trustee may transfer shares of Excess Stock if the shares of Excess Stock would not be Excess Stock in the hands of the transferee. If such a transfer is made, the proceeds of the sale will be payable to the intended transferee and the Beneficiary. The intended transferee will receive the lesser of (i) the price per Share which the intended transferee paid for the Excess Stock and (ii) the amount per Share received by the Trustee from the sale of such Excess Stock. In addition, the Excess Stock is subject to purchase by the Company at a purchase price equal to the lesser of (i) the price paid for the Shares by the intended transferee and (ii) the last reported sales price reported on the New York Stock Exchange on the trading day immediately preceding the date the Company agrees to purchase such Shares.

Pursuant to Section 4 of Article VI, if the Company's Board of Directors at any time determines in good faith that a transfer of Shares has taken place in violation of Section 2 of Article VI or that a Person intends to acquire or has attempted to acquire beneficial ownership (determined without reference to any rules of attribution) or Beneficial Ownership of any Shares in violation of Section 2 of Article VI, the Board will take such action as it deems advisable to refuse to give effect to or prevent this transfer including refusing to give effect to this transfer on the books of the Company. Pursuant to Section 8 of Article VI, in the case of any ambiguity in the application of Article VI, the Board of Directors has the power (subject to certain exceptions relating to the effect on transactions effected by or through the New York Stock Exchange) to conclusively determine the application of the provisions of Article VI.

The Company's Board of Directors, upon receipt of a ruling from the IRS and upon such other conditions as the Company's Board of Directors may determine, may exempt a proposed transferee from the Ownership Limit. For the reasons discussed in Item 4 above, the Board of Directors of the Company has determined not to exempt MHC OP and/or MHC from the Ownership Limit.

Maryland Business Combination Law

Under Subtitle 6 of Title 3 of the Maryland General Corporation Law (the "Maryland Business Combination Law"), certain "business combinations" (including a merger, consolidation, share exchange, or, in certain circumstances an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and any person who beneficially owns 10% or more of the voting power of the corporation's shares or an affiliate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation (an "Interested Shareholder") or an affiliate thereof are prohibited for five years after the most recent date on which the Interested Shareholder became an Interested Shareholder. Thereafter, any "business combination" must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of the outstanding voting shares of the corporation and (b) 66-2/3% of the votes entitled to be cast by holders of outstanding voting shares of the corporation other than shares held by the Interested Shareholder with whom the business combination is to be effected, unless, among other conditions, the

corporation's shareholders receive a minimum price (as defined under the Maryland Business Combination Law) for their shares and the consideration is received in cash or in the same form as previously paid by the Interested Shareholder for its shares. The provisions of the Maryland Business Combination Law do not apply, however, to business combinations that are (i) with respect to specifically identified or unidentified existing or future Interested Shareholders, approved or exempted by the board of directors of the corporation prior to the time that the Interested Shareholder becomes an Interested

Shareholder, or (ii) if the original articles of incorporation of the corporation contain a provision expressly electing not to be governed by Section 602 of the Maryland Business Combination Law or the shareholders of the corporation adopt a charter amendment by a vote of at least 80% of the voted entitled to be cast by outstanding shares of voting stock of the corporation, voting together in a single group, and 66-2/3% of the votes entitled to be cast by persons (if any) who are not Interested Shareholders. The Board of Directors has exempted from the provisions of the Maryland Business Combination Law, any business combination involving John Boll, Chairman of the Board of the Company, Joseph P. Ministrelli, InterCoastal Communities, Inc., a Florida corporation, and its affiliates and the Mass manufactured home group, a group of Michigan partnerships affiliated with Leonard Mass, each of which received OP Units in connection with the contribution of properties to CP. For the reasons discussed in Item 4 above, the Board of Directors of the Company has determined not to exempt MHC OP and/or MHC from the Maryland Business Combination Law. The Company has instituted litigation seeking a declaratory judgment that the Company's Board of Directors need not exempt the MHC Offer from the Maryland Business Combination Law (See "Litigation" below).

Litigation

On September 17, 1996, the Company filed suit in the United States District Court for the District of Maryland against MHC OP and MHC. In its complaint, the Company alleges that (i) the MHC Offer has been made in violation of the federal securities laws because it contains untrue statements of material fact and omits to state material facts and (ii) MHC has begun a proxy solicitation in opposition to the ROC Merger and has made material misstatements of facts and omitted to disclose other material facts as part of that solicitation effort in violation of applicable federal law, and seeks injunctive relief and monetary damages in respect thereof. In addition, the complaint seeks a declaratory judgment that (i) the purchase of Shares pursuant to the MHC Offer would violate Article VI, (ii) the second step merger proposed in the MHC Offer would be subject to the restrictions contained in the Maryland Business Combination Law, and (iii) the Company's Board of Directors is not required to exempt the purchase of Shares pursuant to the MHC Offer from the Ownership Limit or from the Maryland Business Combination Law. A copy of the complaint is attached as Exhibit 99.7.

On September 12, 1996, a complaint was filed in the Circuit Court for Montgomery County, Maryland by a shareholder of the Company purportedly on behalf of itself and all other shareholders against the Company and its directors. The complaint alleges, among other things, that the Company's directors have violated their fiduciary duties to shareholders by agreeing to a business combination with ROC and refusing to endorse the MHC Offer and seeks, among other things, injunctive relief and unspecified monetary damages. The Company believes the allegations are entirely lacking in merit and intends to vigorously defend against this action.

ITEM 9. MATERIALS TO BE FILED AS EXHIBITS.

Exhibit 99.1	Letter to Shareholders of the Company dated September 18, 1996*
Exhibit 99.2	Text of Press Release dated September 18, 1996 issued by the Company (See Item 4(a))**
Exhibit 99.3	Pages 4-12 of the Notice of Annual Meeting of Shareholders and Proxy Statement dated April 10, 1996**
Exhibit 99.4	Employment Agreement, dated October 27, 1993, between the Company and C. G. Kellogg, as amended
Exhibit 99.5	Form of Severance Agreement**
Exhibit 99.6	Amended and Restated Merger Agreement dated September 17, 1996 among the Company, R Acquisition Sub, Inc. and ROC
Exhibit 99.7	Complaint in Chateau Properties, Inc. v. Manufactured Home Communities, Inc. and MHC Operating Limited Partnership**

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* Included in copies mailed to shareholders
** Previously filed

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

By: /s/ C. G. Kellogg

Name: C. G. Kellogg
Title: President and Chief Executive Officer

Dated: September 18, 1996

Annex A

[Letterhead of Goldman Sachs]

PERSONAL AND CONFIDENTIAL

September 17, 1996

Board of Directors
Chateau Properties, Inc.
19500 Hall Road
Clinton Township, MI 48038

Gentlemen:

You have requested our opinion as to the fairness to Chateau Properties, Inc. (the "Company") of the Exchange Ratio (as hereafter defined) pursuant

to the Amended and Restated Agreement and Plan of Merger dated as of September 17, 1996 (the "Restated Agreement"), among the Company, ROC Communities, Inc.("ROC") and R Acquisition Sub, Inc. ("R Sub"), a wholly-owned subsidiary of the Company. Pursuant to the Restated Agreement, ROC will be merged with R Sub (the "Merger") and each outstanding share of common stock, par value $0.01 per share, of ROC (the "ROC Shares") will be converted into the right to receive 1.042 shares of common stock, par value $0.01 per share, of the Company (such shares are herein referred to as the "Shares" and such exchange ratio is herein referred to as the "Exchange Ratio"). The Restated Agreement permits the Company to declare a special 3.16% stock dividend to holders of Shares of record on any date on or prior to the record date for the meeting of holders of Shares to approve the issuance of Shares pursuant to the Merger, and we have assumed for purposes of rendering our opinion, with your consent, that such special dividend will, in fact, be declared and paid and that no shares of capital stock of ROC will be issued in a cash transaction as permitted by section 4.1(b)(iv) of the Restated Agreement.

Goldman, Sachs & Co., as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. We are familiar with the Company having acted as its financial advisor in connection with, and having participated in certain negotiations leading to, the Restated Agreement.

In connection with this opinion, we have reviewed, among other things, the Restated Agreement; Annual Reports to Stockholders and Annual Reports on Form 10-K for the three years ended December 31, 1995 of the Company and ROC, certain interim reports to stockholders and Quarterly Reports on Form 10-Q of the Company and ROC, certain other communications from the Company and ROC to their respective stockholders and certain internal financial analyses and forecasts for the Company and ROC prepared by the respective managements of the Company and ROC, including analyses and forecasts of certain cost synergies and revenue enhancements expected to be achieved as a result of the Merger jointly prepared by the managements of the Company and ROC. We also have held discussions with members of the senior management of the Company and ROC regarding the past and current business operations, financial condition and future prospects of their respective companies, including the future prospects of the combined company after the Merger. In addition, we have reviewed the reported price and trading activity for the Shares and ROC Shares, compared certain financial and stock market information for the Company and ROC with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations among real estate investment trusts, and performed such other studies and analyses as we considered appropriate.

We have relied without independent verification upon the accuracy and completeness of all of the financial and other information reviewed by us for purposes of this opinion. In that regard, we have assumed, with your consent, that the forecasts referred to in the preceding paragraph have been reasonably prepared on a basis reflecting the best currently available judgments and estimates of the managements of the Company and ROC, as the case may be, and that such forecasts will be realized in the amounts and at the times contemplated thereby. Also in that regard, you have instructed us to assume, and we have assumed, that the tax effects to the Company and the holders of Shares, if any, resulting from the transactions contemplated by the Restated Agreement are immaterial. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities of the Company or ROC or any of their respective subsidiaries, and we have not been furnished with any such evaluation or appraisal. Our opinion does not address the relative merits of the Merger as compared to any alternative business transactions that might be available to the Company. Our advisory services and the opinion expressed herein are provided for the information and assistance of the Board of Directors of the Company in connection with

its consideration of the transactions contemplated by the Restated Agreement and does not constitute a recommendation to any stockholder as to how such stockholder should vote on the issuance of Shares pursuant to the proposed Merger.

Based upon and subject to the foregoing and based upon such other matters as we consider relevant, it is our opinion that as of the date hereof the Exchange Ratio pursuant to the Restated Agreement is fair to the Company.

Very truly yours,

GOLDMAN, SACHS & CO.

Annex B

[Letterhead of Merrill Lynch]

Investment Banking

Corporate and Institutional
Client Group

World Financial Center
North Tower
New York, New York 10281-1330

[Merrill Lynch Logotype]

September 17, 1996

Board of Directors
Chateau Properties, Inc.
19500 Hall Road
Clinton Township, MI 48038

Gentlemen:

We understand that Chateau Properties, Inc. (the "Company"), ROC Communities, Inc. (the "Partner") and R Acquisition Sub, Inc., a wholly owned subsidiary of the Company (the "ROC Purchaser"), propose to amend and restate the agreement and plan of merger (the "Original Agreement") among the Company, the Partner, the ROC Purchaser and a company formed by the Company and the Partner originally entered into on July 17, 1996 (as so amended and restated, the "Restated Agreement"). Pursuant to the Restated Agreement, the Partner will be merged with and into the ROC Purchaser in a transaction (the "Merger") in which each share of the Partner's common stock, par value $0.01 per share (the "Partner Shares"), will be converted into the right to receive 1.042 shares of the Company's common stock, par value $.01 per share (the "Shares"). We further understand that the Restated Agreement provides that the Company may, and for purposes of preparing our opinion below we have assumed with your consent that the Company will, declare a special 3.16% common stock dividend payable in Shares to shareholders of record on any date on or prior to the record date established for the meeting of the Company's shareholders to approve the issuance of the Shares pursuant to the Merger, which dividend shall be payable subject to approval of the issuance of the Shares pursuant to the Merger by the Company's shareholders. We have also assumed with your consent that no shares of capital stock of the Partner will be issued in a cash transaction as permitted under section 4.1(b)(iv) of the Restated Agreement. The issuance of the Shares pursuant to the Merger and the Merger are subject to the approval of the Company's and the Partner's shareholders, respectively.

You have asked us whether, in our opinion, the proposed consideration to be paid by the Company in the Merger is fair to the Company and its

shareholders from a financial point of view. We understand you have made this request after having received letters from Sun Communities, Inc. ("Sun") proposing a merger in which each Share would be exchanged for 0.892 shares of Sun common stock and letters from Manufactured Home Communities, Inc. ("MHC") proposing a merger in which each outstanding Share would be exchanged for $26.00 in cash or, in the alternative, 1.15 shares of MHC common stock, or some combination of the foregoing. As you are also aware, an affiliate of MHC commenced a tender offer on September 4, 1996 for all outstanding Shares at a price of $26.00 in cash.

In arriving at the opinion set forth below, we have, among other things:

(1) Reviewed the Company's Annual Reports, Forms 10-K and related financial information for the three fiscal years ended December 31, 1995 and the Company's Forms 10-Q and the related unaudited financial information for the quarterly periods ending March 31, 1996 and June 30, 1996;

(2) Reviewed the Partner's Annual Reports, Forms 10-K and related financial information for the three fiscal years ended December 31, 1995 and the Partner's Forms 10-Q and the related unaudited financial information for the quarterly periods ending March 31, 1996 and June 30, 1996;

(3) Reviewed certain information, including financial forecasts, relating to the business, earnings, cash flow, assets and prospects of the Company and the Partner, furnished to us by the Company and the Partner, respectively;

(4) Conducted discussions with members of senior management of the Company and the Partner concerning their respective businesses and prospects;

(5) Reviewed the historical market prices and trading activity for the Shares and the Partner Shares and compared them with that of certain publicly traded companies which we deemed to be reasonably similar to the Company and the Partner, respectively;

(6) Compared the results of operations of the Company and the Partner with that of certain companies which we deemed to be reasonably similar to the Company and the Partner, respectively;

(7) Reviewed a draft of the Restated Agreement dated September 17, 1996; and

(8) Reviewed such other financial studies and analyses and performed such other investigations and took into account such other matters as we deemed necessary.

In preparing our opinion, we have relied on the accuracy and completeness of all information supplied or otherwise made available to us by the Company and the Partner, and we have not independently verified such information or undertaken an independent appraisal or evaluation of the assets or liabilities of the Company or the Partner. With respect to the financial forecasts furnished by the Company and the Partner, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of the Company's or the Partner's management as to the expected future financial performance of the Company or the Partner, as the case may be.

While we reviewed the financial terms of certain transactions involving the purchase and sale of residential properties, we did not identify any mergers or acquisitions that we deemed to be relevant for the purpose of our analysis and, accordingly, did not undertake any analysis comparing the financial terms of the Merger with other mergers or acquisitions.

In connection with the Merger, we have not been authorized to, and did not, solicit indications of interest from third parties to purchase the outstanding Shares or otherwise enter into a business combination with the Company. Our opinion expressed herein as to the fairness to the Company and its shareholders from a financial point of view of the consideration to be paid by the Company in the Merger addresses the ownership position in the combined company to be received by the Company's shareholders pursuant to the Merger on the terms set forth in the Restated Agreement based upon the relative contributions of the Company and the Partner to the combined company and we express no opinion as to prices at which the Shares will trade following the consummation of the Merger or prices which could be obtained for the Shares in a sale of the Company following the consummation of the Merger. In addition, our opinion does not address the relative merits of the Merger and alternative business combinations with third parties, including Sun or MHC.

This opinion is addressed to the Board of Directors of the Company and does not constitute a recommendation to any shareholder as to how such shareholder should vote on the issuance of Shares pursuant to the proposed Merger.

We have, in the past, provided financial advisory and financing services to the Company and have received fees for the rendering of such services. In the ordinary course of our business, we may actively trade in the Shares and the Partner Shares for our own account and for the account of our customers and, accordingly, may at any time hold a long or short position in such securities.

On the basis of, and subject to the foregoing, we are of the opinion that the proposed consideration to be paid by the Company in the Merger is fair to the Company and its shareholders (other than the Partner and its affiliates) from a financial point of view.

Very truly yours,

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

EXHIBIT INDEX

Exhibit 99.1	Letter to Shareholders of the Company dated September 18, 1996*
Exhibit 99.2	Text of Press Release dated September 18, 1996 issued by the Company (See Item 4(a))**
Exhibit 99.3	Pages 4-12 of the Notice of Annual Meeting of Shareholders and Proxy Statement dated April 10, 1996**
Exhibit 99.4	Employment Agreement, dated October 27, 1993, between the Company and C. G. Kellogg, as amended
Exhibit 99.5	Form of Severance Agreement**
Exhibit 99.6	Amended and Restated Merger Agreement dated September 17, 1996 among the Company, R Acquisition Sub, Inc. and ROC
Exhibit 99.7	Complaint in Chateau Properties, Inc. v. Manufactured Home Communities, Inc. and MHC Operating Limited Partnership**

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* Included in copies mailed to shareholders
** Previously filed

Exhibit 99.1

[COMPANY LOGO]

September 18, 1996

Dear Stockholders:

After careful consideration and extensive consultation with its independent financial and legal advisors, Chateau's Board of Directors has unanimously voted to approve a revised merger agreement with ROC Communities, Inc. under an improved exchange ratio and to reject the unsolicited tender offer by MHC Operating Limited Partnership.

The effect of the revised merger agreement is that each outstanding share of Chateau common stock will represent 1.0316 shares of the combined entity, rather than one share as contemplated under the original agreement. This improvement in the exchange ratio results from a payment by Chateau of a stock and OP Unit dividend equal to 3.16% of the outstanding Chateau common stock and units prior to the effective date of the merger, but contingent upon the merger having been approved by a majority of Chateau stockholders. A further economic benefit may be realized if OP Unitholders elect to exchange into common stock. Assuming that 70% of the OP Units were exchanged, for example, the effective exchange ratio for Chateau stockholders would be approximately 1.06. The exchange ratio for ROC stockholders remains unchanged at 1.042.

In connection with the ROC merger, the Board also unanimously approved a number of new initiatives designed to provide a balanced package of long-term and short-term value that responds to stockholders with different investment objectives and more accurately reflects the Company's worth.

These initiatives include:

- A program to repurchase, either through open market purchases, negotiated purchases, or a tender offer, up to 1.45 million of the approximately 6.1 million shares of the Company's common stock currently outstanding.

- In addition, ROC has indicated its intent to purchase, from time to time, up to 350,000 shares of Chateau common stock prior to the merger and Chateau has waived the restrictions of its standstill agreement with ROC with respect to these purchases.

- An opportunity for each holder of limited partnership interests (OP Units) in the Company's operating partnership, CP Limited Partnership, to exercise their existing right to exchange, on a tax-efficient basis, their OP Units for one share of the Company's common stock to be effected prior to the merger. In recognition of this opportunity to exchange on a tax-efficient basis, each OP Unitholder will be required to waive its right to the OP Unit dividend, thus reallocating such dividend to the existing Chateau common stockholders. Certain holders have indicated their intention to exchange up to approximately 6 million OP Units into Chateau common stock, which as described above will have the effect of transferring the benefit of their OP Unit dividend to Chateau common stockholders. If 70% of the approximately 8.8 million outstanding OP Units were exchanged, the effective exchange ratio to Chateau common stockholders would be increased to approximately 1.06. In connection with the exchange, exchanging OP Unitholders will be given the opportunity to purchase common stock from Chateau and/or ROC at fair market value.

Importantly, the share repurchase program will provide immediate liquidity to those holders who wish to sell some or all of their shares, while

enabling continuing holders to benefit from the ongoing growth of the Company after the ROC merger.

In reaching its decision, the Board determined that the revised merger agreement with ROC offers attractive financial and operational benefits and represents the best alternative for Chateau stockholders.

We believe that the merger with ROC Communities will significantly increase the geographic diversity of the properties owned by the Company and reduce exposure to fluctuation in local economic cycles.

In connection with its decision to proceed with the revised ROC merger, the Company's Board of Directors, after consultation with its financial advisors, Goldman Sachs and Merrill Lynch, rejected the MHC offer as inadequate and reaffirmed its intent to pursue a strategic merger that enables stockholders to continue to benefit from an equity participation in the combined enterprise.

The Company's directors and officers do not intend to sell any shares in connection with the repurchase program or to tender into the MHC offer. YOUR BOARD OF DIRECTORS STRONGLY RECOMMENDS THAT STOCKHOLDERS NOT TENDER THEIR SHARES INTO THE MHC TENDER OFFER.

Additionally, in reaching its determination to proceed with the ROC merger, the Board of Directors also carefully considered, with the assistance of its legal and financial advisors, the offer of Sun Communities, Inc. The Board determined that the long-term benefits of a combination with ROC were superior to a combination with Sun. This conclusion was based on several factors, including a judgment concerning Sun's property portfolio, the nature and compatibility of the combined management teams and the acquisition practices of the two companies.

We believe the steps we are announcing today, combined with the continued implementation of our long-term strategic plan, will best protect and enhance value for our stockholders and serve the interests of all of our constituencies.

The enclosed Schedule 14D-9/A describes your Board's decision to reject the MHC offer and contains other important information relating to its decision. We urge you to read it carefully.

Your Board of Directors and I greatly appreciate your continued support and encouragement.

Sincerely,

John A. Boll
Chairman of the Board

Exhibit 99.4

EMPLOYMENT AGREEMENT

THIS AGREEMENT, entered into as of the 27th day of October, 1993 is by and between CHATEAU PROPERTIES, INC., (hereinafter referred to as the "Company"), a Maryland corporation with principal offices located at 19500 Hall Road, Clinton Township, Michigan 48038, and C.G. KELLOGG, an individual residing at 48930 Pointe Lakeview, Chesterfield, Michigan 48047 (hereinafter referred to as the "Executive").

WITNESSETH:

WHEREAS, the Executive has been previously employed in various capacities by Chateau Estates, a predecessor to the Company; and

WHEREAS, the Company is in the process of making an initial public offering of its common stock ("Public Offering") and, in connection therewith desires to hire the Executive as President and Chief Executive Officer upon the terms and conditions contained herein and the Executive is willing and agrees to accept such employment upon such terms and conditions;

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, the parties hereto agree as follows:

1. EMPLOYMENT

A. The Company shall employ the Executive, and the Executive hereby accepts such employment upon the terms and conditions hereinafter set forth.

B. The Executive will be employed by the Company in the capacity of President and Chief Executive Officer and will have such responsibilities as shall be assigned to him by the Board of Directors of the Company from time to time. As used herein, the term "Company" shall mean Chateau Properties, Inc., CP Limited Partnership, a Maryland limited partnership of which the Company is the general partner, and any other entity over which the Company has direct or indirect control.

C. While employed by the Company, the Executive shall devote his full time and exert his best efforts to perform his duties, and shall faithfully, diligently and to the utmost of his ability and to the reasonable satisfaction of the Company, perform all such management duties consistent with his positions at the Company.

II. TERM

A. The employment of the Executive pursuant to the provisions of this Agreement shall commence as of the date of the Public Offering and shall continue for a period of three (3) years thereafter ("Initial Period"). Thereafter this Agreement shall automatically be renewed for successive one (1) year periods ("Renewal Periods") unless terminated by either party by delivering written notice to the other party at least 120 days prior to the end of the Initial Period or any Renewal Period, or as otherwise provided in paragraph E1 hereof. The Initial Period and each Renewal Period shall collectively be referred to as the "Employment Period."

B. Any termination of this Agreement shall not, however, effect the provisions of paragraphs IV and V which shall survive such termination in accordance with their terms.

III. COMPENSATION

A. Salary. In consideration of services rendered by the Executive hereunder, the Company shall pay the Executive a salay during the Employment Period at the rate of One Hundred Fifty Thousand ($150,000) Dollars per year, payable in accordance with the Company's existing payroll practices.

B. Bonus. The Executive shall receive an annual bonus in such amount as shall be determined by the Board of Directors of the Company in its sole discretion.

C. Other Benefits.

1. The Company shall provide the Executive during the Employment Period with such other fringe benefits as the Company may from time to time provide its executives, including life insurance, health insurance, disability insurance, participation in any pension or profit sharing plan then in effect, and vacation benefits. In addition, the Company shall provide the Executive an automobile which is commensurate with his position in the Company.

2. In addition, the Company will reimburse the Executive for any and all travel and out-of-pocket expenses reasonably incurred by the Executive for the purpose of performing his services hereunder, such reimbursement to be made upon presentation to and approval by the Company of receipts, vouchers and other evidence satisfactory in itemizing such expenses in reasonable detail in accordance with the Company's regular practice.

IV. COVENANT NOT TO COMPETE

A. The Executive hereby acknowledges and recognizes the highly competitive nature of the business of the Company and accordingly agrees for the consideration stated above that, during and for the period commencing with the date hereof and ending on the later of the date of the termination of the Employment Period hereunder, or the date on which the Executive shall no longer be a director of the Company, ("Primary Non-Compete Period") he will not other than on behalf of the Company, directly or indirectly, in any state where the Company is then conducting business:

1. Conduct, engage in or have an interest in any person or entity engaging in (whether as an owner, principal, agent, representative, lender, stockholder, partner, employer, consultant, officer, director or otherwise) any business, operation and/or service in any manner similar to or related to the business of owing, acquiring, developing and/or operating manufactured housing communities (except as a passive investor in less than one (1%) percent of the outstanding capital stock of a publicly traded corporation);

2. Directly or indirectly solicit, divert, take away, accept or interfere with any business, customer (including former customers of the Company) trade or patronage of the

Company; or

3. Directly or indirectly employ, attempt to employ or solicit for employment any employee of the Company;

B. It is expressly understood and agreed that although the Executive and the Company consider the restrictions contained above reasonable for the purpose of preserving for the Company its good will and other proprietary rights, if the aforesaid restrictive covenant is found by any court having jurisdiction to be unreasonable because it is too broad in any extent, then the restrictions herein contained shall nevertheless remain effective, but shall be deemed amended as may be considered to be reasonable by such court,

and as so amended shall be enforced. If the Executive violates the provisions hereof, the Company shall not, as a result of the time involved in obtaining relief, be deprived of the benefit of the full period of the restrictive covenant. Accordingly, in the event of such a violation, the term of this covenant not to compete shall toll until the date relief is granted.

C. The Company shall have the right to elect to extend the term of the non-compete for a period of one (1) year ("Extension Period") following the end of the Primary Non-Compete Period, by giving written notice to the Executive on or prior to the end of the Primary Non-Compete Period and by paying the Executive an amount equal to the base salary earned by the Executive during the last 12 months of the Employment Period, such amount to be paid in 12 equal consecutive monthly payments, with the first payment due at the end of the first month of the Extension Period. In the event the Company so elects to extend the period of the non-compete, the Executive agrees to be bound by the provisions of that paragraph IV A hereof for such additional 12-month period.

V. CONFIDENTIALITY OF INFORMATION

The Executive acknowledges that the Company may have trade secrets and confidential information concerning the operation of their real estate and acquisition strategy which are valuable, special and unique assets of the Company, access to and knowledge of which may be essential to the performance of the Executive's duties hereunder ("Confidential Information"). In recognition of this fact, the Executive agrees that he will not, during or after the Employment Period, disclose any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, except as necessary in the performance of his duties as an employee of the Company and then only under a written confidentiality agreement in such form and content as requested by the Company from time to time, nor shall the Executive make use of any Confidential Information (other than information in the public domain) for his own purposes or for the benefit of any person, firm, corporation or other entity (except the Company) under any circumstances during or after the Employment Period.

VI. REMEDIES

In the event of a breach or threatened breach by the Executive of the provisions of Paragraphs IV or V hereof, the Executive agrees that money damages would be inadequate and that the Company shall be entitled to an injunction restraining him from such breach and, at the election of the Company, upon the failure of the Executive, to cure or correct such breach within thirty days

after written notice thereof has been given to the Executive all rights of the Executive under Paragraph III shall thereupon terminate. Nothing herein contained shall be construed as prohibiting the Company from pursuing any other remedies available to it for such breach or threatened breach.

VII. MISCELLANEOUS

A. Notices. Any notice required or permitted to be given under this Agreement shall be deemed properly given if in writing and if mailed by registered or certified mail, postage prepaid with return receipt requested, to his residence in the case of the Executive, or, in the case of the Company, to the principal office of the Company, to the attention of its Chairman of the Board, with a copy to Timmis and Inman, 300 Talon Centre, Detroit, Michigan 48207 or to any subsequent address as the parties may hereafter provide.

B. Waiver of Breach. The waiver by either party of a breach of any

provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach.

C. Assignment. This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder, except that the Company may assign or transfer this Agreement to a successor corporation in the event of merger, consolidation or transfer or sale of all or substantially all of the business and assets of the Company; provided that, in the case of any such assignment or transfer, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor corporation and such successor corporation shall discharge and perform all the obligations of the Company hereunder.

D. Entire Agreement. This Agreement supersedes any and all prior understandings, oral or written, between the parties as to services to be performed by the Executive for the Company, constitutes the entire agreement between the parties and cannot be amended, supplemented, or modified except in writing signed by both parties. Notwithstanding the foregoing, the parties acknowledge that the Deferred Compensation Agreement shall continue in full force and effect with respect to the compensation earned thereunder.

E. Termination of Employment.

1. The Executive's employment hereunder may be terminated at any time during the Employment Period, for cause (as hereinafter defined) by action of the Board of Directors of the Company upon giving the Executive notice of such termination, which termination may be effective immediately. As used herein, the term "Cause" shall mean any of the following events:

(a) The Executive's conviction of or plea of guilty or nolo contendere to a crime involving moral turpitude or a crime providing for a term of imprisonment of one year or more;

(b) The Executive's (A) willful gross misconduct, or (B) neglect of or inattention to duties which is not cured within thirty (30) days after written notice thereof by the Company to the Executive; or

(c) The violation by the Executive of any covenant or provisions set forth in this Agreement.

2. If the Executive dies, his employment under Paragraph I hereof shall be deemed to cease as of the date of his death.

3. Notwithstanding the provisions of cause (1) above, if the Executive is incapacitated by accident, sickness or otherwise so as to render him mentally or physically incapable of performing the services required of him under Paragraph I for a period of one hundred eighty (180) days during any twelve month period ("Total Disability"), upon the expiration of such period or at any time thereafter, by action of the Board of Directors of the Company, the Executive's employment under Paragraph I may be terminated immediately upon giving him notice to that effect, without any obligation to pay any severance pay as otherwise provided in Paragraph VII E hereof, other than disability payments made pursuant to any disability insurance policy maintained by the Company.

F. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, the principal place of business of the Company.

G. Headings. The headings of the Paragraphs hereof are for convenience

only and shall not control or affect the meaning or construction or limit the scope or intent of any of the provisions of this Agreement.

H. Public Offering. In the event the Public Offering is not consummated on or before December 31, 1993, this Agreement shall be null and void and neither party shall have any liability to the other hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

CHATEAU PROPERTIES, INC.

/s/ John A. Boll

By: John A. Boll
Its: Chairman of the Board

EXECUTIVE:

/s/ C.G. Kellogg

By: C.G. Kellogg

Exhibit 99.6

AMENDED AND RESTATED AGREEMENT AND PLAN OF MERGER (the "Agreement"), dated as of September 17, 1996, among CHATEAU PROPERTIES, INC., a Maryland corporation ("Chateau"), ROC COMMUNITIES, INC., a Maryland corporation ("ROC"), and R ACQUISITION SUB, INC., a Maryland corporation and a subsidiary of Chateau ("RSub").

RECITALS

(a) Certain terms used herein shall have the meanings assigned to them in Article X.

(b) Pursuant to an agreement and plan of merger dated as of July 17, 1996, among Chateau, ROC, RSub and Chateau Communities, Inc., a Maryland corporation (the "Original Agreement"), the Boards of Directors of Chateau and ROC determined that it was advisable and in the best interest of their respective companies and their stockholders to consummate the strategic business combination involving ROC and Chateau described in the Original Agreement.

(c) The Boards of Directors of Chateau and ROC have determined that it is advisable and in the best interest of their respective companies and their stockholders to amend and restate the terms of the Original Agreement and to proceed with the strategic business combination involving the two companies on the terms described in this Agreement, pursuant to which ROC will merge with RSub and will be the surviving corporation in such merger (the "Merger") and each issued and outstanding share of common stock, par value $.01 per share, of ROC (the "ROC Common Stock") and non-voting redeemable stock, par value $.01 per share, of ROC (the "ROC Non-Voting Stock" and, together with the ROC Common Stock, the "ROC Stock") will be converted into the right to receive the Merger Consideration (as defined below).

(d) In connection with the Merger, the following additional transactions will be effected (the Merger, together with the other documents, agreements and transactions contemplated by this Agreement, being referred to collectively herein as the "Transactions"): (i) ROC, Chateau and CP Limited Partnership, a Maryland limited partnership which is the operating partnership of Chateau (the "Operating Partnership"), will enter into the Contribution Agreement substantially in the form of Exhibit A hereto (the "Contribution Agreement") and immediately following the Merger will perform their respective obligations thereunder; (ii) the Amended and Restated Agreement of Limited Partnership of the Operating Partnership (the "Operating Partnership Agreement") will be amended and restated substantially as provided in the form attached as Exhibit B hereto (the "Operating Partnership Agreement Amendment"); and (iii) Chateau will enter into a Registration Rights Agreement (the "Registration Rights Agreement"), in the form attached as Exhibit C hereto with certain holders (after giving effect to the Merger) of the Common Stock, par value $.01 per share, of Chateau (the "Common Stock"). In addition, in connection

with and as an integral part of the Merger, certain OP Unit holders shall transfer at least that number of OP Units and other property to Chateau in exchange for common stock of Chateau such that ROC stockholders and transferring OP Unit holders will when taken together own at least 80% of the issued and outstanding voting shares of Chateau immediately following the

consummation of the Merger.

(e) As a condition to, and simultaneously with the execution of, the Original Agreement, there was executed and delivered (i) the Chateau Stock Option Agreement pursuant to which Chateau granted to ROC an option exercisable upon the occurrence of certain events and (ii) the ROC Stock Option Agreement pursuant to which ROC granted to the Operating Partnership an option exercisable upon the occurrence of certain events. As a condition to, and simultaneously with the execution of, this Agreement, the Option Agreements will be amended as provided in Exhibit D hereto. The Chateau Option Agreement and the ROC Option Agreement as so amended are referred to herein as the "Chateau Option Agreement" and the "ROC Option Agreement" and together as the "Option Agreements."

(f) As a condition to, and simultaneously with the execution of, the Original Agreement, Agreements and Irrevocable Proxies were executed and delivered by the ROC Principals and the Chateau Principals (each as defined in the Original Agreement). As a condition to, and simultaneously with the execution of, this Agreement, the Agreements and Irrevocable Proxies will be amended as provided in Exhibit E hereto. The Agreements and Irrevocable Proxies executed by the ROC Principals as so amended are referred to herein as the "ROC Principal Proxies" and the Agreements and Irrevocable Proxies executed by the Chateau Principals as so amended are referred to herein as the "Chateau Principal Proxies."

(g) As a condition to the willingness of each of Chateau and ROC to enter into this Agreement, holders of units of limited partner interest ("OP Units") in the Operating Partnership holding in excess of 50% of the outstanding OP Units have (i) consented to the Operating Partnership Agreement Amendment, and (ii) expressed in writing to ROC their intent to exchange, subject to certain conditions, certain of their OP Units for shares of Common Stock on or prior to the record date for the Chateau Stockholders Meeting (as hereinafter defined).

(h) For federal income tax purposes it is intended that the Merger and the transfer of OP Units by the holders thereof be viewed as an integrated transaction and together qualify as tax-free transfers by the stockholders of ROC and the transferring OP Unit holders to Chateau in exchange for shares of Common Stock pursuant to Section 351 of the Internal Revenue Code of 1986, as amended (the "Code").

(i) ROC, as the surviving corporation in the Merger with RSub, intends that, following the Merger, it shall continue to be

subject to taxation as a real estate investment trust (a "REIT") within the meaning of the Code.

(j) The parties intend that this Agreement shall in all respects amend, restate and supersede the Original Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE I

The Merger

SECTION 1.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Maryland

General Corporation Law (the "MGCL"), ROC shall be merged with RSub at the Effective Time (as defined below). Following the Merger, the separate corporate existence of RSub shall cease and ROC shall continue as the surviving corporation and shall succeed to and assume all the rights and obligations of RSub in accordance with the MGCL.

SECTION 1.2 Closing. The closing of the Merger will take place at 10:00 a.m. Eastern Time on a date to be specified by the parties, which (subject to satisfaction or waiver of the conditions set forth in Sections 6.2 and 6.3) shall be no later than the second business day after satisfaction or waiver of the conditions set forth in Section 6.1 (the "Closing Date"), at the offices of Rogers & Wells, 200 Park Avenue, New York, New York 10166, unless another date or place is agreed to in writing by the parties hereto.

SECTION 1.3 Effective Time. As soon as practicable following the satisfaction or waiver of the conditions set forth in Article VI, the parties shall file the articles of merger or other appropriate documents for the Merger (the "Articles of Merger") executed in accordance with Section 3-110 of the MGCL and shall make all other filings or recordings required under the MGCL to effect the Merger. The Merger shall become effective at such time as the Articles of Merger have been duly filed with the Department of Assessments and Taxation of the State of Maryland, or at such other time as Chateau and ROC shall specify in the Articles of Merger (the time and the day the Merger become effective being, the "Effective Time" and the "Effective Day"), it being understood that the parties shall cause the Effective Time to occur on the Closing Date.

SECTION 1.4 Effects of the Merger. The Merger shall have the effects set forth in the MGCL.

SECTION 1.5 Charters and By-laws.

(a) Chateau. The Charter of Chateau shall not be affected by the Merger (the "Charter"). The By-laws of Chateau as in effect as of the date hereof shall be amended, effective at the Effective Time, as provided in Exhibit F hereto.

(b) ROC. The Charter and By-laws of ROC as in effect at the Effective Time shall be the Charter and By-laws of ROC upon consummation of the Merger; provided, that, such Charter shall be amended such that following the Merger, after giving effect thereto, the ownership of ROC Common Stock by Chateau shall not violate the ownership limit described in the ROC Charter.

SECTION 1.6 Directors. Effective at the Effective Time, two of the seven directors of Chateau then in office shall resign from the Chateau Board of Directors and, in accordance with the By-law amendments specified in Exhibit F, the remaining Chateau directors then in office shall increase the size of the Chateau Board from seven to ten directors. The five vacancies on the Chateau Board shall be filled by the vote of the remaining Chateau directors then in office with five nominees selected by the ROC Board of Directors such that such five nominees as well as the five directors of Chateau then in office shall constitute all of the members of the Chateau Board of Directors immediately following the Effective Time. Effective at the Effective Time, the Board of Directors of ROC, as the surviving corporation to the merger with RSub, will be configured as follows: three of the directors of ROC shall resign and these vacancies shall be filled by the vote of the remaining ROC directors with three nominees selected by the Chateau Board of Directors.

SECTION 1.7 Officers. The officers of Chateau immediately following the Effective Time shall be as follows:

Gary P. McDaniel	Chief Executive Officer
C.G. ("Jeff") Kellogg	President
James B. Grange	Chief Operating Officer
Tamara D. Fischer	Chief Financial Officer
Rees F. Davis, Jr.	Executive Vice President - Acquisitions

Each such officer shall, as of the Effective Time, be employed by Chateau and/or the Operating Partnership pursuant to an employment agreement (the "Employment Agreements") substantially in accordance with the terms outlined in Exhibit G hereto. The officers of ROC following the Merger shall be chosen by the Board of Directors of ROC as reconstituted by Chateau in accordance with Section 1.6 above.

SECTION 1.8 Principal Executive Office. The principal executive office of Chateau following the Effective Date shall be in Englewood, Colorado.

SECTION 1.9 Name. The Board of Directors of Chateau will, at the first annual meeting of stockholders of Chateau following the Merger, submit to a vote of the stockholders of Chateau, a proposal, which shall be recommended by the Board, to change the name of the Company to "Chateau Communities, Inc." If the stockholders of Chateau approve such name change, Chateau will change its symbol on the New York Stock Exchange to appropriately comport with the name change.

ARTICLE II

Effect of the Merger on the Capital Stock of the Constituent Corporations; Exchange of Certificates

SECTION 2.1 Effect on Capital Stock. By virtue of the Merger and without any action on the part of the holder of any shares of ROC Stock:

(a) Conversion of Stock.

(i) At the Effective Time, each issued and outstanding share of ROC Stock shall be converted into the right to receive from Chateau 1.042 fully paid and nonassessable shares of Common Stock. At the Effective Time, all such shares of ROC Stock shall no longer be outstanding and shall automatically be canceled and retired and all rights with respect thereto shall cease to exist, and each holder of a certificate representing any such shares of ROC Stock shall cease to have any rights with respect thereto, except the right to receive, upon surrender of such certificate in accordance with Section 2.2(c), certificates representing the shares of Common Stock required to be delivered under this Section 2.1(a) and any cash in lieu of fractional shares of Common Stock to be issued or paid in consideration therefor upon surrender of such certificate (the "Merger Consideration") and any dividends or other distributions to which such holder is entitled pursuant to Section 2.2(d), in each case, without interest and less any required withholding taxes.

(ii) Notwithstanding the foregoing, the parties understand that the rights of each stockholder of Chateau under this Section 2.1(a) will be subject to the ownership limitations and other related

provisions contained in the Chateau Charter.

(b) Conversion of Shares of Common Stock of RSub. Immediately prior to the Effective Time, RSub shall have issued and outstanding 10,000,120 shares of common stock ("RSub Common Stock"), 10,000,000 of which shares shall be owned by Chateau and 120 of which shares shall be held by 120 separate individuals who are "accredited investors" within the meaning of Rule 501(a) under the Securities Act of 1933, as amended (the "Securities Act"). At the Effective Time, each issued and outstanding share of RSub Common Stock shall be converted into one validly issued, fully paid and non-assessable share of common stock of ROC, as the surviving corporation in the Merger with RSub.

SECTION 2.2 Exchange of Certificates.

(a) Exchange Agent. Prior to the Effective Time, Chateau and ROC shall jointly appoint a bank or trust company to act as exchange agent (the "Exchange Agent") for the exchange of the Merger Consideration upon surrender of certificates representing issued and outstanding ROC Stock.

(b) Provision of Shares. Chateau shall provide to the Exchange Agent on or before the Effective Time, for the benefit of the holders of ROC Stock, sufficient shares of Common Stock issuable in exchange for the issued and outstanding shares of ROC Stock pursuant to Section 2.1.

(c) Exchange Procedure. As soon as reasonably practicable after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of ROC Stock (the "ROC Certificates") whose shares were converted into the right to receive the Merger Consideration pursuant to Section 2.1, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the ROC Certificates shall pass, only upon delivery of the ROC Certificates to the Exchange Agent and shall be in a form and have such other provisions as Chateau may reasonably specify) and (ii) instructions for use in effecting the surrender of the ROC Certificates in exchange for the Merger Consideration. Upon surrender of a ROC Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Chateau, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder of such ROC Certificate shall be entitled to receive in exchange therefor the Merger Consideration and any dividends or other distributions to which such holder is entitled pursuant to Section 2.2(d), and the ROC Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of ROC Stock which is not registered in the transfer records of ROC, payment may be made to a person other than the person in whose name the ROC Certificate so surrendered is registered if such ROC Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment either shall pay any transfer or other taxes required by reason of such payment being made to a person other than the registered holder of such ROC Certificate or establish to the satisfaction of Chateau that such tax or taxes have been paid or are not applicable. Until surrendered as contemplated by this Section 2.2, each ROC Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration, without interest, into which the shares theretofore represented by such ROC Certificate shall have been converted pursuant to Section 2.1 and any dividends or other distributions to which such holder is entitled pursuant to Section 2.2(d). No interest will be paid or will accrue on the Merger Consideration upon the surrender of any ROC Certificate or on any cash payable pursuant to Section

2.2(d) or Section 2.2(g).

(d) Record Dates; Distributions with Respect to Unexchanged Shares.

(i) From the date of this Agreement, ROC and Chateau shall cooperate to establish and maintain record and payment dates for regular quarterly cash dividends on their respective capital stock, such that the record and payment dates, respectively, for each of ROC and Chateau occur on the same calendar date.

(ii) No dividends or other distributions with respect to ROC Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered ROC Certificate with respect to the shares represented thereby, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to Section 2.2(g), in each case until the surrender of such ROC Certificate in accordance with this Article II. Subject to the effect of applicable abandoned property, escheat or similar laws, following surrender of any such ROC Certificate there shall be paid to the holder of such ROC Certificate, without interest, (A) at the time of such surrender, the amount of any cash payable in lieu of any fractional share of Common Stock to which such holder is entitled pursuant to Section 2.2(g) and (B) if such ROC Certificate is exchangeable for one or more whole shares of Common Stock, (x) at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Common Stock and (y) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such whole shares of Common Stock.

(e) No Further Ownership Rights in ROC Stock. All Merger Consideration paid upon the surrender of ROC Certificates in accordance with the terms of this Article II (and any cash paid pursuant to Section 2.2(g)) shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of ROC Stock theretofore represented by such ROC Certificates, subject, however, to the obligation of Chateau to pay, without interest, any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by ROC on such shares in accordance with the terms of this Agreement or prior to the date of this Agreement and which remain unpaid at the Effective Time and have not been paid prior to such surrender, and there shall be no further registration of transfers on the stock transfer books of ROC of the shares of ROC Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, ROC Certificates are properly presented to Chateau they shall be canceled and exchanged as provided in this Article II.

(f) No Liability. None of Chateau, ROC, RSub or the Exchange Agent shall be liable to any person in respect of any Merger Consideration delivered to a public official pursuant to any

applicable abandoned property, escheat or similar law. Any portion of the Merger Consideration delivered to the Exchange Agent pursuant to this

Agreement that remains unclaimed for six months after the Effective Time shall be redelivered by the Exchange Agent to Chateau, upon demand, and any holders of ROC Certificates who have not theretofore complied with Section 2.2(c) shall thereafter look only to Chateau for delivery of the Merger Consideration, subject to applicable abandoned property, escheat and other similar laws.

(g) No Fractional Shares.

(i) No certificates or scrip representing fractional shares of Common Stock shall be issued upon the surrender for exchange of ROC Certificates, and such fractional share interests will not entitle the owner thereof to vote, to receive dividends or to any other rights of a stockholder of Chateau.

(ii) Notwithstanding any other provision of this Agreement, each holder of shares of ROC Stock exchanged in the Merger who would otherwise have been entitled to receive a fraction of a share of Common Stock (after taking into account all ROC Certificates delivered by such holder) shall receive, from the Exchange Agent in accordance with the provisions of this Section 2.2(g), a cash payment in lieu of such fractional share of Common Stock representing such holder's proportionate interest, if any, in the net proceeds from the sale by the Exchange Agent in one or more transactions (which sale transactions shall be made at such times, in such manner and on such terms as the Exchange Agent shall determine in its reasonable discretion) on behalf of all such holders of the aggregate of the fractional shares of Common Stock which would otherwise have been issued (the "Excess Shares"). The sale of the Excess Shares by the Exchange Agent shall be executed on the New York Stock Exchange (the "NYSE") through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. Until the net proceeds of such sale or sales have been distributed to the holders of Certificates, the Exchange Agent will hold such proceeds in trust (the "Exchange Trust") for the holders of ROC Certificates. Chateau shall pay all commissions, transfer taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with this sale of the Excess Shares. As soon as practicable after the determination of the amount of cash, if any, to be paid to holders of ROC Certificates in lieu of any fractional shares of Common Stock, the Exchange Agent shall make available such amounts to such holders of ROC Certificates without interest.

(h) Withholding Rights. Chateau or the Exchange Agent shall be entitled to deduct and withhold from the Merger Consideration otherwise payable pursuant to this Agreement to any holder of shares of Common Stock or ROC Stock such amounts as Chateau or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code, or any

provision of state, local or foreign tax law. To the extent that amounts are so withheld by Chateau or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of ROC Stock, in respect of which such deduction and withholding was made by Chateau or the Exchange Agent.

ARTICLE III

Representations and Warranties

SECTION 3.1 Representations and Warranties of ROC. ROC represents and warrants to Chateau as follows:

(a) Organization, Standing and Corporate Power of ROC. ROC is a corporation duly organized and validly existing under the laws of Maryland and has the requisite corporate power and authority to carry on its business as now being conducted. ROC is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing of its properties or management of properties for others makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, would not have a material adverse effect on the business, properties, assets, financial condition or results of operations of ROC and the ROC Subsidiaries (as defined below) taken as a whole (a "ROC Material Adverse Effect").

(b) ROC Subsidiaries. Schedule 3.1(b) to the ROC Disclosure Letter (as defined below) sets forth each ROC Subsidiary and the ownership interest therein of ROC. Except as set forth in Schedule 3.1(b) to the ROC Disclosure Letter, (i) all the outstanding shares of capital stock of each ROC Subsidiary that is a corporation have been validly issued and are fully paid and nonassessable and are owned by ROC, by another ROC Subsidiary or by ROC and another ROC Subsidiary, free and clear of all pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever (collectively, "Liens") and (ii) all equity interests in each ROC Subsidiary that is a partnership, limited liability company or trust are owned by ROC, by another ROC Subsidiary or by ROC and another ROC Subsidiary, free and clear of all Liens. Except for the capital stock of, or other equity interests in, the ROC Subsidiaries and as provided in Section 4.1(e), ROC does not own, directly or indirectly, any capital stock or other ownership interest, with a fair market value as of the date of this Agreement greater than $250,000 in any Person or which represents 10% or more of the outstanding capital stock or other ownership interest of any class in any Person. Each ROC Subsidiary that is a corporation is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and authority to carry on its business as now being conducted and each ROC Subsidiary that is a partnership, limited liability company or trust is duly organized and validly

existing under the laws of its jurisdiction of organization and has the requisite power and authority to carry on its business as now being conducted. Each ROC Subsidiary is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership, leasing of its properties or management of properties for others makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, would not have a ROC Material Adverse Effect.

(c) Capital Structure. The authorized capital stock of ROC consists of 90,000,000 shares of ROC Common Stock, 158,017 shares of ROC Non-Voting Stock and 9,841,983 shares of preferred stock, par value $.01 per share (the "ROC Preferred Stock"). On the date hereof, (i) 12,423,500 shares of ROC Common Stock, 158,017 shares of ROC Non-Voting Stock and no shares of ROC Preferred Stock were issued and outstanding, (ii) 490,000 shares of ROC Common Stock were available for issuance under ROC's Amended and Restated 1993 Stock Option and Stock Appreciation Rights Plan (the "1993 Stock Plan") and (iii) 270,000 shares of ROC Common Stock were reserved for issuance upon exercise of outstanding stock options to purchase shares of ROC Common Stock granted to employees of ROC under the 1993 Stock Plan (the "ROC Stock Options"). On the date of this Agreement, except as set forth above in this Section 3.1(c), no shares of capital stock or other voting securities of ROC were issued, reserved for issuance or outstanding. There are no outstanding stock appreciation rights relating to the capital stock of ROC. All outstanding shares of capital stock of ROC are duly authorized, validly

issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other indebtedness of ROC having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of ROC may vote. Except (A) for the ROC Stock Options, (B) as set forth in Schedule 3.1(c) to the ROC Disclosure Letter, and (C) as otherwise permitted under Section 4.1, there are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which ROC or any ROC Subsidiary is a party or by which such entity is bound, obligating ROC or any ROC Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock, voting securities or other ownership interests of ROC or any ROC Subsidiary or obligating ROC or any ROC Subsidiary to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. Except as set forth in Schedule 3.1(c) to the ROC Disclosure Letter, there are no outstanding contractual obligations of ROC or any ROC Subsidiary to repurchase, redeem or otherwise acquire any shares of capital stock of ROC or any capital stock, voting securities or other ownership interests in ROC or any ROC Subsidiary or make any material investment (in the form of a loan, capital contribution or otherwise) in any Person (other than a ROC Subsidiary).

(d) Authority; Noncontravention; Consents. ROC has the requisite corporate power and authority to enter into this Agreement and, subject to approval of the Merger, this Agreement and the other Transactions contemplated hereby by the requisite vote of the holders of the ROC Common Stock (the "ROC Stockholder Approvals"), to consummate the Transactions contemplated by this Agreement to which ROC is a party. ROC has the requisite corporate power and authority to enter into the ROC Option Agreement and to consummate the Transactions contemplated thereby to which ROC is a party. The execution and delivery of this Agreement and the ROC Option Agreement by ROC and the consummation by ROC of the Transactions contemplated hereby and thereby to which ROC is a party have been duly authorized by all necessary corporate action on the part of ROC, subject to approval of this Agreement pursuant to the ROC Stockholder Approvals. This Agreement and the ROC Option Agreement have been duly executed and delivered by ROC and constitute valid and binding obligations of ROC, enforceable against ROC in accordance with their terms. The ROC Principal Proxies have been duly executed and delivered by the ROC Principals and constitute valid and binding proxies of the ROC Principals enforceable in accordance with their terms. Except as set forth in Schedule 3.1(d) to the ROC Disclosure Letter, the execution and delivery of this Agreement and the ROC Option Agreement by ROC do not, and the consummation of the Transactions contemplated hereby and thereby to which ROC is a party and compliance by ROC with the provisions of this Agreement and the ROC Option Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of ROC or any ROC Subsidiary under, (i) the Charter or By-laws of ROC or the comparable charter or organizational documents or partnership or similar agreement (as the case may be) of any ROC Subsidiary, each as amended or supplemented to the date of this Agreement, (ii) any loan or credit agreement, note, bond, mortgage, indenture, reciprocal easement agreement, lease or other agreement, instrument, permit, concession, franchise or license applicable to ROC or any ROC Subsidiary or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation (collectively, "Laws") applicable to ROC or any ROC Subsidiary, or their respective properties or assets, other than, in the case of clause (ii) or (iii), any such conflicts,

violations, defaults, rights or Liens that individually or in the aggregate would not (x) have a ROC Material Adverse Effect or (y) prevent the consummation of the Transactions. No consent, approval, order or authorization of, or registration, declaration or filing with, any federal, state or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency (a "Governmental Entity"), is required by or with respect to ROC or any ROC Subsidiary in connection with the execution and delivery of this Agreement or the ROC Option Agreement by ROC or the consummation by ROC of the other Transactions contemplated hereby

and thereby, except for (i) the filing with the Securities and Exchange Commission (the "SEC") of (x) a joint proxy statement relating to the approval by ROC stockholders of the Merger, this Agreement and the other Transactions contemplated by this Agreement and the approval by Chateau stockholders of the issuance of the Merger Consideration to the ROC stockholders (as amended or supplemented from time to time, the "Proxy Statement") and a registration statement relating to the issuance of the Merger Consideration (the "Registration Statement") and (y) such reports under Section 13(a) and Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as may be required in connection with this Agreement and the Transactions contemplated by this Agreement, (ii) the filing of the Articles of Merger for the Merger with the Department of Assessments and Taxation of the State of Maryland, (iii) such filings as may be required in connection with the payment of any Transfer and Gains Taxes (as defined below) and (iv) such other consents, approvals, orders, authorizations, registrations, declarations and filings as are set forth in Schedule 3.1(d) to the ROC Disclosure Letter or (A) as may be required under (x) federal, state, local or foreign environmental laws or (y) the "blue sky" laws of various states or (B) which, if not obtained or made, would not prevent or delay in any material respect the consummation of any of the Transactions contemplated by this Agreement or otherwise prevent ROC from performing its obligations under this Agreement in any material respect or have, individually or in the aggregate, a ROC Material Adverse Effect.

(e) SEC Documents; Financial Statements; Undisclosed Liabilities. ROC has filed all required reports, schedules, forms, statements and other documents with the SEC since August 18, 1993 (the "ROC SEC Documents"). All of the ROC SEC Documents (other than preliminary material), as of their respective filing dates, complied in all material respects with all applicable requirements of the Securities Act and the Exchange Act and, in each case, the rules and regulations promulgated thereunder applicable to such ROC SEC Documents. None of the ROC SEC Documents at the time of filing contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent such statements have been modified or superseded by later filed ROC SEC Documents. Other than as set forth in Schedule 3.1(e) to the ROC Disclosure Letter, there is no unresolved violation, criticism or exception by any Governmental Entity of which ROC has received written notice with respect to any ROC report or statement which, if resolved in a manner unfavorable to ROC, could have a ROC Material Adverse Effect. The consolidated financial statements of ROC included in the ROC SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles ("GAAP") (except, in the case of interim financial statements, as permitted by Forms 10-Q or 8-K of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and

fairly presented, in accordance with the applicable requirements of GAAP, the consolidated financial position of ROC and the ROC Subsidiaries taken as a whole, as of the dates thereof and the consolidated results of operations and cash flows for the periods then ended (subject, in the case of interim financial statements, to normal year-end adjustments). Except as set forth in the ROC Filed SEC Documents (as defined below), in Schedule 3.1(e) to the ROC Disclosure Letter or as permitted by Section 4.1 (for the purposes of this sentence, as if Section 4.1 had been in effect since December 31, 1995), neither ROC nor any ROC Subsidiary has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a consolidated balance sheet of ROC or in the notes thereto and which, individually or in the aggregate, would have a ROC Material Adverse Effect.

(f) Absence of Certain Changes or Events. Except as disclosed in the ROC SEC Documents filed and publicly available prior to the date of this Agreement (referred to collectively as the "ROC Filed SEC Documents") or in Schedule 3.1(f) to the ROC Disclosure Letter, since the date of the most recent financial statements included in the ROC Filed SEC Documents (the "Financial Statement Date") and to the date of this Agreement, ROC and the ROC Subsidiaries have conducted their business only in the ordinary course and there has not been (i) any material adverse change in the business, financial condition or results of operations of ROC and the ROC Subsidiaries taken as a whole, that has resulted or would result, individually or in the aggregate, in Economic Losses (as defined in Section 6.2 below) of $5,000,000 or more (a "ROC Material Adverse Change"), nor has there been any occurrence or circumstance that with the passage of time would reasonably be expected to result in a ROC Material Adverse Change, (ii) except for regular quarterly dividends not in excess of $.425 per share of ROC Stock, with customary record and payment dates, any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of ROC's capital stock, (iii) any split, combination or reclassification of any of ROC's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for, or giving the right to acquire by exchange or exercise, shares of its capital stock or any issuance of an ownership interest in, any ROC Subsidiary except as permitted by Section 4.1, (iv) any damage, destruction or loss, whether or not covered by insurance, that has or would have a ROC Material Adverse Effect or (v) any change in accounting methods, principles or practices by ROC or any ROC Subsidiary materially affecting its assets, liabilities or business, except insofar as may have been disclosed in the ROC Filed SEC Documents or required by a change in GAAP.

(g) Litigation. Except as disclosed in the ROC Filed SEC Documents or in Schedule 3.1(g) to the ROC Disclosure Letter, and other than personal injury and other routine tort litigation arising from the ordinary course of operations of ROC and the ROC Subsidiaries which are covered by adequate insurance, there is no

suit, action or proceeding pending or, to the knowledge of ROC, threatened against or affecting ROC or any ROC Subsidiary that, individually or in the aggregate, could reasonably be expected to (i) have a ROC Material Adverse Effect or (ii) prevent the consummation of any of the Transactions, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against ROC or any ROC Subsidiary having, or

which, insofar as reasonably can be foreseen, in the future would have, any such effect.

(h) Absence of Changes in Benefit Plans; ERISA Compliance.

(i) Except as disclosed in the ROC Filed SEC Documents or in Schedule 3.1(h)(i) to the ROC Disclosure Letter and except as permitted by Section 4.1 (for the purpose of this sentence, as if Section 4.1 had been in effect since December 31, 1995), since the date of the most recent audited financial statements included in the ROC Filed SEC Documents, there has not been any adoption or amendment in any material respect by ROC or any ROC Subsidiary of any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other employee benefit plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director of ROC or any ROC Subsidiary or any person affiliated with ROC under Section 414(b), (c), (m) or (o) of the Code (collectively, "ROC Benefit Plans").

(ii) Except as described in the ROC Filed SEC Documents or in Schedule 3.1(h)(ii) to the ROC Disclosure Letter or as would not have a ROC Material Adverse Effect, (A) all ROC Benefit Plans, including any such plan that is an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), are in compliance with all applicable requirements of law, including ERISA and the Code, and (B) neither ROC nor any ROC Subsidiary has any liabilities or obligations with respect to any such ROC Benefit Plan, whether accrued, contingent or otherwise (other than obligations to make contributions and pay benefits and administrative costs incurred in the ordinary course), nor to the knowledge of ROC are any such liabilities or obligations expected to be incurred. Except as set forth in Schedule 3.1(h)(ii) to the ROC Disclosure Letter, the execution of, and performance of the Transactions contemplated in, this Agreement will not (either alone or together with the occurrence of any additional or subsequent events) constitute an event under any ROC Benefit Plan, policy, arrangement or agreement, trust or loan that will or may result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee or director. The only severance agreements or severance policies applicable to ROC or the ROC Subsidiaries are the agreement and

policies specifically referred to in Schedule 3.1(h)(ii) to the ROC Disclosure Letter.

(i) Taxes.

(i) Each of ROC and each ROC Subsidiary has timely filed all Tax Returns and reports required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Entity having authority to do so). Each such Tax Return is true, correct and complete in all material respects. ROC and each ROC Subsidiary have paid (or ROC has paid on their behalf), within the time and manner prescribed by law, all Taxes that are due and payable. Except as disclosed in Schedule 3.1(i)(i) to the ROC Disclosure Letter, the federal, state and local income, sales and franchise tax returns of ROC and each ROC Subsidiary have not been audited by any Governmental Entity responsible for tax matters (a "Taxing Authority"). There are no Tax liens upon the assets of ROC or any ROC Subsidiary. The most recent financial statements contained in the ROC Filed SEC Documents reflect an adequate reserve for all material Taxes payable by ROC and by each ROC Subsidiary for all taxable periods and portions thereof through the date of

such financial statements. Since the Financial Statement Date, ROC has incurred no liability for Taxes under Section 857(b), 860(c) or 4981 of the Code, and neither ROC nor any ROC Subsidiary has incurred any liability for Taxes other than in the ordinary course of business. Except as set forth in Schedule 3.1(i)(i) to the ROC Disclosure Letter, to the knowledge of ROC, no event has occurred, and no condition or circumstance exists, which presents a material risk that any material Tax described in the preceding sentence will be imposed upon ROC. To the knowledge of ROC, no deficiencies for any Taxes have been proposed, asserted or assessed against ROC or any of the ROC Subsidiaries, and no requests for waivers of the time to assess any such Taxes have been granted or are pending. As used in this Agreement, "Taxes" shall mean any federal, state, local or foreign income, gross receipts, license, payroll, employment withholding, property, sales, excise or other tax or governmental charges of any nature whatsoever, together with any penalties, interest or additions thereto and "Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(ii) ROC (A) for all of its taxable years commencing with 1993 through the most recent December 31, has been subject to taxation as a REIT within the meaning of the Code and has satisfied the requirements to qualify as a REIT for such years, (B) has operated, and intends to continue to operate, in such a manner as to qualify as a REIT for its tax year ending December 31, 1996, and (C) has not taken or omitted to take any action which could reasonably be expected to result in a challenge to its status as a REIT, and, to ROC's knowledge, no such challenge is pending or threatened.

(j) No Loans or Payments to Employees, Officers or Directors. Except as set forth in Schedule 3.1(j) to the ROC Disclosure Letter or as otherwise specifically provided for in this Agreement, there is no (i) loan outstanding from or to any employee or director, (ii) employment or severance contract, (iii) other agreement requiring payments to be made on a change of control or otherwise as a result of the consummation of any of the Transactions with respect to any employee, officer or director of ROC or any ROC Subsidiary or (iv) any agreement to appoint or nominate any person as a director of ROC or Chateau.

(k) Brokers; Schedule of Fees and Expenses. No broker, investment banker, financial advisor or other person, other than PaineWebber Incorporated ("PaineWebber"), the fees and expenses of which, as set forth in an amended letter agreement between ROC and PaineWebber, have previously been disclosed to Chateau and will be paid by ROC, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of ROC or any ROC Subsidiary.

(l) Compliance with Laws. Except as disclosed in the ROC Filed SEC Documents and except as set forth in Schedule 3.1(l) to the ROC Disclosure Letter, neither ROC nor any of the ROC Subsidiaries has violated or failed to comply with any statute, law, ordinance, regulation, rule, judgment, decree or order of any Governmental Entity applicable to its business, properties or operations, except for violations and failures to comply that would not, individually or in the aggregate, reasonably be expected to result in a ROC Material Adverse Effect.

(m) Contracts; Debt Instruments.

(i) Neither ROC nor any ROC Subsidiary is in violation of or in default under, in any material respect (nor does there exist any

condition which upon the passage of time or the giving of notice or both would cause such a violation of or default under), any material loan or credit agreement, note, bond, mortgage, indenture, lease, permit, concession, franchise or license, or any agreement to acquire real property, or any other material contract, agreement, arrangement or understanding, to which it is a party or by which it or any of its properties or assets is bound, except as set forth in Schedule 3.1(m)(i) to the ROC Disclosure Letter and except for violations or defaults that would not, individually or in the aggregate, result in a ROC Material Adverse Effect. The properties identified in Schedule 3.1(m) to the ROC Disclosure Letter are manufactured housing communities owned by various entities affiliated with the Windsor Corporation (collectively the "Windsor Entities") and managed by ROC pursuant to that certain Master Property Management Agreement dated July 31, 1990 ("Windsor Agreement") between the Windsor Entities and Windsor Asset Management, Inc. ("WAMI"), the terms of which Windsor Agreement have been replaced by the terms of that certain Master Agreement dated November 15, 1991 between ROC Properties, Inc. and WAMI (the "Amended Windsor Agreement"), which

Amended Windsor Agreement has an initial term through November 30, 1998 is valid, binding and in full force and effect without amendment or modification (except as set forth herein), and is enforceable against the Windsor Entities and ROC in accordance with its terms.

(ii) Except for any of the following expressly identified in the most recent financial statements contained in the ROC Filed SEC Documents and except as permitted by Section 4.1, Schedule 3.1(m)(ii) to the ROC Disclosure Letter sets forth (A) a list of all loan or credit agreements, notes, bonds, mortgages, indentures and other agreements and instruments pursuant to which any indebtedness of ROC or any of the ROC Subsidiaries in an aggregate principal amount in excess of $2,000,000 per item is outstanding or may be incurred and (B) the respective principal amounts outstanding thereunder on June 30, 1996. For purposes of this Section 3.1(m)(ii) and Section 3.2(m)(ii), "indebtedness" shall mean, with respect to any person, without duplication, (A) all indebtedness of such person for borrowed money, whether secured or unsecured, (B) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person, (C) all capitalized lease obligations of such person, (D) all obligations of such person under interest rate or currency hedging transactions (valued at the termination value thereof), (E) all guarantees of such person of any such indebtedness of any other person and (F) any agreements to provide any of the foregoing.

(iii) Schedule 3.1(m)(iii) to the ROC Disclosure Letter sets forth a complete list of each consulting agreement between ROC and any ROC Subsidiary, including the annual compensation payable thereunder and the date as of which such consulting agreement expires.

(n) Environmental Matters. Except as disclosed in Schedule 3.1(n) to the ROC Disclosure Letter or in the environmental audits/reports listed thereon, each of ROC and each ROC Subsidiary has obtained all licenses, permits, authorizations, approvals and consents from Governmental Entities which are required in respect of its business, operations, assets or properties under any applicable Environmental Law (as defined below) and each of ROC and each ROC Subsidiary is in compliance in all material respects with the terms and conditions of all such licenses, permits, authorizations, approvals and consents and with any applicable Environmental Law. Except as disclosed in Schedule 3.1(n) to the ROC Disclosure Letter or in the environmental audits/reports listed thereon:

(i) No Order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending

or threatened by any Governmental Entity with respect to any alleged failure by ROC or any ROC Subsidiary to have any license, permit, authorization, approval or consent from Governmental Entities required under any applicable Environmental Law in connection with the conduct of the business or operations of

ROC or any ROC Subsidiary or with respect to any treatment, storage, recycling, transportation, disposal or "release" as defined in 42 U.S.C. ss. 9601(22) ("Release"), by ROC or any ROC Subsidiary of any Hazardous Material (as defined below).

(ii) Neither ROC nor any ROC Subsidiary nor any prior owner or lessee of any property now or previously owned or leased by ROC or any ROC Subsidiary has handled any Hazardous Material on any property now or previously owned or leased by ROC or any ROC Subsidiary; and, without limiting the foregoing, (A) no polychlorinated biphenyl is or has been present, (B) no friable asbestos is or has been present, (C) there are no underground storage tanks, active or abandoned and (D) no Hazardous Material has been Released in a quantity reportable under, or in violation of, any Environmental Law, at, on or under any property now or previously owned or leased by ROC or any ROC Subsidiary, during any period that ROC or any ROC Subsidiary owned or leased such property or, to the knowledge of ROC and its Subsidiaries, prior thereto.

(iii) Neither ROC nor any ROC Subsidiary has transported or arranged for the transportation of any Hazardous Material to any location which is the subject of any action, suit, arbitration or proceeding that could be reasonably expected to lead to claims against ROC or any ROC Subsidiary for clean-up costs, remedial work, damages to natural resources or personal injury claims, including, but not limited to, claims under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the rules and regulations promulgated thereunder ("CERCLA").

(iv) No oral or written notification of a Release of a Hazardous Material has been filed or should have been filed by or on behalf of ROC or any ROC Subsidiary and no property now or previously owned or leased by ROC or any ROC Subsidiary is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any similar state list of sites requiring investigation or clean-up.

(v) There are no Liens arising under or pursuant to any Environmental Law on any real property owned or leased by ROC or any ROC Subsidiary, and no action of any Governmental Entity has been taken or, to the knowledge of ROC and its Subsidiaries, is in process which could subject any of such properties to such Liens, and neither ROC nor any ROC Subsidiary would be required to place any notice or restriction relating to the presence of Hazardous Material at any such property owned by it in any deed to such property.

(vi) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, ROC or any ROC Subsidiary in relation to any property or facility now or previously owned, leased or managed by ROC or any ROC Subsidiary which have not been listed in Schedule 3.1(n) to the ROC Disclosure

Letter and made available to Chateau prior to the execution of this Agreement.

(vii) As used herein:

(A) "Environmental Law" means any Law of any Governmental Entity relating to human health, safety or protection of the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants or Hazardous Materials in the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), or otherwise relating to the treatment, storage, disposal, transport or handling of any Hazardous Material; and

(B) "Hazardous Material" means (A) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could reasonably be expected to become friable, urea formaldehyde foam insulation and transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs); (B) any chemicals, materials, substances or wastes which are now or hereafter become defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or words of similar import, under any Environmental Law; and (C) any other chemical, material, substance or waste, exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Entity.

(o) Tangible Property and Assets. Except as disclosed in Schedule 3.1(o) to the ROC Disclosure Letter, ROC and its Subsidiaries have good and marketable fee simple title to, or have valid leasehold interests in, those manufactured home communities described in Schedule 3.1(o) to the ROC Disclosure Letter, free and clear of all Liens other than (i) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent and (ii) any easement, restriction or minor imperfection of title or similar Lien which individually or in the aggregate with other such Liens does not materially impair the value of the property or asset subject to such Lien or the use of such property or asset in the conduct of the business of ROC or any such ROC Subsidiary.

(p) Books and Records.

(i) The books of account and other financial records of ROC and each ROC Subsidiary are in all material respects true, complete and correct, have been maintained in accordance with good business practices, and are accurately reflected in all material respects in the financial statements included in the ROC Filed SEC Documents.

(ii) ROC has previously delivered or made available to Chateau true and correct copies of the Charter and By-laws of ROC, as amended to date, and the charter, by-laws, organization documents, partnership agreements and joint venture agreements of its Subsidiaries, and all amendments thereto. All such documents are listed in Schedule 3.1(p)(iii) to the ROC Disclosure Letter. ROC has also delivered to Chateau a copy of a binder for its Director and Officer liability insurance policy.

(iii) The minute books and other records of corporate or partnership proceedings of ROC and each ROC Subsidiary that had previously been made available to Chateau in connection with the execution of the Original Agreement, contained, as of the date of the Original Agreement, in

all material respects accurate records of all meetings and accurately reflect in all material respects all other corporate action of the stockholders and directors and any committees of the Board of Directors of ROC and the ROC Subsidiaries which are corporations.

(q) Opinion of Financial Advisor. ROC has received the opinion of PaineWebber, satisfactory to ROC, a signed version dated September 17, 1996 of which will be provided to Chateau, with regard to the fairness of the Merger to the stockholders of ROC from a financial point of view.

(r) State Takeover Statutes. No Takeover Statute (as defined below) of the State of Maryland, including, without limitation, the control share acquisition provisions of Section 3-701 et seq. of the MGCL or the business combination provisions of Section 3-601 et seq. of the MGCL, applies or purports to apply to the Merger, this Agreement or any of the Transactions.

(s) Registration Statement. The information furnished by ROC for inclusion in the Registration Statement will not, as of the effective date of the Registration Statement, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(t) Vote Required. The affirmative vote of at least two-thirds of the outstanding shares of ROC Common Stock is the only vote of the holders of any class or series of ROC's capital stock necessary (under applicable law or otherwise) to approve the Merger, this Agreement and the other Transactions contemplated hereby.

SECTION 3.2 Representations and Warranties of Chateau. Chateau represents and warrants to ROC as follows:

(a) Organization, Standing and Corporate Power of Chateau. Chateau is a corporation duly organized and validly existing under the laws of Maryland and has the requisite corporate power and authority to carry on its business as now being conducted. Chateau is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of

its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, would not have a material adverse effect on the business, properties, assets, financial condition or results of operations of Chateau and the Chateau Subsidiaries (as defined below), taken as a whole (a "Chateau Material Adverse Effect").

(b) Chateau Subsidiaries. Schedule 3.2(b) to the Chateau Disclosure Letter sets forth each Chateau Subsidiary (as defined below) and the ownership interest therein of Chateau. Except as set forth in Schedule 3.2(b) to the Chateau Disclosure Letter, (i) all the outstanding shares of capital stock of each Chateau Subsidiary that is a corporation have been validly issued and are fully paid and nonassessable and are owned by Chateau, by another Chateau Subsidiary or by Chateau and another Chateau Subsidiary, free and clear of all Liens and (ii) all equity interests in each Chateau Subsidiary that is a partnership (other than the Operating Partnership) or limited liability company or trust are owned by Chateau or by Chateau and another Chateau Subsidiary free and clear of all Liens. Except for the capital stock of or other equity interests in the Chateau Subsidiaries and as provided in Section 4.2(e), Chateau does not own, directly or indirectly, any capital stock or other ownership interest, with a fair market value as of the date of this Agreement greater than $250,000 in any Person or which represents 10% or more of the outstanding capital stock or other ownership interest of any class

in any Person. Each Chateau Subsidiary that is a corporation is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the requisite corporate power and authority to carry on its business as now being conducted and each Chateau Subsidiary that is a partnership, limited liability company or trust is duly organized and validly existing under the laws of its jurisdiction of organization and has the requisite power and authority to carry on its business as now being conducted. Each Chateau Subsidiary is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed individually or in the aggregate, would not have a Chateau Material Adverse Effect.

(c) Capital Structure. The authorized capital stock of Chateau consists of 30,000,000 shares of Common Stock and 2,000,000 shares of preferred stock, par value $.01 per share (the "Chateau Preferred Stock"). On the date hereof, (i) 6,099,710 shares of Common Stock and no shares of Chateau Preferred Stock were issued and outstanding, (ii) 366,600 shares of Common Stock were available for grant under Chateau's 1993 Long Term Incentive Plan (the "Chateau Plan"), (iii) 619,150 shares of Common Stock were reserved for issuance upon exercise of outstanding stock options to purchase shares of Common Stock granted to Chateau employees and directors under the Chateau Plan (the "Chateau Stock Options"), and

(iv) 8,836,310 shares of Common Stock were reserved for issuance upon exchange of OP Units for shares of Common Stock pursuant to the Operating Partnership Agreement. On the date of this Agreement, except as set forth in this Section 3.2(c), no shares of capital stock or other voting securities of Chateau were issued, reserved for issuance or outstanding. There are no outstanding stock appreciation rights relating to the capital stock of Chateau. All outstanding shares of capital stock of Chateau are, and all shares which may be issued pursuant to this Agreement will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other indebtedness of Chateau having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of Chateau may vote. Chateau's Percentage Interest (as defined in the Operating Partnership Agreement) in the Operating Partnership is 40.84%. The OP Units consist of (i) 5,046,303 Exchangeable OP Units (as defined in the Operating Partnership Agreement) which together represent a 33.79% Percentage Interest in the Operating Partnership and are exchangeable for Common Stock on a one-for-one basis into an aggregate of 5,046,303 shares of Common Stock in accordance with the terms of the Operating Partnership Agreement, subject to adjustment as provided in the Operating Partnership Agreement, and (ii) 3,720,182 Excess OP Units (as defined in the Operating Partnership Agreement) which together represent a 25.37% Percentage Interest in the Operating Partnership and are not exchangeable except in accordance with the Operating Partnership Agreement. Schedule 3.2(c) to the Chateau Disclosure Letter sets forth the name, address, number of Exchangeable OP Units and Excess Units and the Percentage Interest of each partner in the Operating Partnership. Except (A) for the Chateau Stock Options and OP Units (which, subject to certain restrictions, may be delivered to Chateau in exchange for Common Stock), (B) as set forth in Schedule 3.2(c) to the Chateau Disclosure Letter, (C) as otherwise permitted under Section 4.2, and (d) as contemplated under Chateau's dividend reinvestment plan, as of the date of this Agreement there are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which Chateau or any Chateau Subsidiary is a party or by which such entity is bound, obligating Chateau or any Chateau Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock, voting

securities or other ownership interests of Chateau or of any Chateau Subsidiary or obligating Chateau or any Chateau Subsidiary to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. Except (x) as set forth in Schedule 3.2(c) to the Chateau Disclosure Letter and (y) as required under the Operating Partnership Agreement, there are no outstanding contractual obligations of Chateau or any Chateau Subsidiary to repurchase, redeem or otherwise acquire any shares of capital stock or other ownership interests in Chateau or any Chateau Subsidiary or make any material investment (in the form of a loan, capital contribution or otherwise) in any Person other than the Operating Partnership.

(d) Authority; Noncontravention; Consents. Chateau has the requisite corporate power and authority to enter into this Agreement and, subject to approval by the requisite vote of the holders of the Common Stock required to approve the issuance of the Merger Consideration to the ROC stockholders (the "Chateau Stockholder Approvals" and, together with the ROC Stockholder Approvals, the "Stockholder Approvals"), to consummate the transactions contemplated by this Agreement to which Chateau is a party. Chateau has the requisite corporate power and authority to enter into the Chateau Option Agreement and to consummate the Transactions contemplated thereby to which Chateau is a party. The execution and delivery of this Agreement and the Chateau Option Agreement by Chateau and the consummation by Chateau of the Transactions contemplated hereby and thereby to which Chateau is a party have been duly authorized by all necessary corporate action on the part of Chateau, subject to the approval of the issuance of the Merger Consideration to the ROC stockholders pursuant to the Chateau Stockholder Approvals. The execution and delivery of the Operating Partnership Agreement Amendment has been duly authorized by Chateau and by all other necessary partnership action, the Operating Partnership Agreement Amendment will constitute a valid and binding obligation of the Operating Partnership, enforceable against the Operating Partnership in accordance with its terms. This Agreement and the Chateau Option Agreement have been duly executed and delivered by Chateau and constitute valid and binding obligations of Chateau, enforceable against Chateau in accordance with their terms. The Chateau Principal Proxies have been duly executed and delivered by the Chateau Principals and constitute valid and binding proxies of the Chateau Principals enforceable in accordance with their terms. Except as set forth in Schedule 3.2(d) to the Chateau Disclosure Letter, the execution and delivery of this Agreement and the Chateau Option Agreement by Chateau do not, and the consummation of the Transactions contemplated hereby and thereby to which Chateau is a party and compliance by Chateau with the provisions of this Agreement and the Chateau Option Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Chateau or any Chateau Subsidiary under, (i) the Charter or By-laws of Chateau or the comparable charter or organizational documents or partnership or similar agreement (as the case may be) of any Chateau Subsidiary, each as amended or supplemented to the date of this Agreement, (ii) any loan or credit agreement, note, bond, mortgage, indenture, reciprocal easement agreement, lease or other agreement, instrument, permit, concession, franchise or license applicable to Chateau or any Chateau Subsidiary or their respective properties or assets or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Laws applicable to Chateau or any Chateau Subsidiary or their respective properties or assets, other than, in the case of clause (ii) or (iii), any such conflicts, violations, defaults, rights or Liens that individually or in the aggregate would not (x) have a Chateau Material Adverse

Effect or (y) prevent the consummation of the Transactions. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Chateau or any Chateau Subsidiary in connection with the execution and delivery of this Agreement or the Chateau Option Agreement by Chateau or the consummation by Chateau of any of the Transactions contemplated hereby and thereby, except for (i) the filing with the SEC of (x) the Proxy Statement and the Registration Statement and (y) such reports under Section 13(a) and Section 14 of the Exchange Act as may be required in connection with this Agreement and the Transactions contemplated by this Agreement, (ii) the filing of the Articles of Merger for the Merger with the Department of Assessments and Taxation of the State of Maryland, (iii) such filings as may be required in connection with the payment of any Transfer and Gains Taxes and (iv) such other consents, approvals, orders, authorizations, registrations, declarations and filings as are set forth in Schedule 3.2(d) to the Chateau Disclosure Letter or (A) as may be required under (x) federal, state or local environmental laws or (y) the "blue sky" laws of various states or (B) which, if not obtained or made, would not prevent or delay in any material respect the consummation of any of the Transactions contemplated by this Agreement or otherwise prevent Chateau from performing its obligations under this Agreement in any material respect or have, individually or in the aggregate, a Chateau Material Adverse Effect.

(e) SEC Documents; Financial Statements; Undisclosed Liabilities. Chateau has filed all required reports, schedules, forms, statements and other documents with the SEC since November 16, 1993 and the Operating Partnership has filed all required reports, schedules, forms, statements, and other documents with the SEC since March 2, 1995 (collectively, the "Chateau SEC Documents"). All of the Chateau SEC Documents (other than preliminary material), as of their respective filing dates, complied in all material respects with all applicable requirements of the Securities Act and the Exchange Act and, in each case, the rules and regulations promulgated thereunder applicable to such Chateau SEC Documents. None of the Chateau SEC Documents at the time of filing contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent such statements have been modified or superseded by later filed Chateau SEC Documents. Other than as set forth in Schedule 3.2(e) to the Chateau Disclosure Letter, there is no unresolved violation, criticism or exception by any Governmental Entity of which Chateau or the Operating Partnership has received written notice with respect to any Chateau or Operating Partnership report or statement which, if resolved in a manner unfavorable to Chateau or the Operating Partnership, could have a Chateau Material Adverse Effect. The consolidated financial statements of Chateau and the Operating Partnership included in the Chateau SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with

GAAP (except, in the case of interim financial statements, as permitted by Forms 10-Q and 8-K of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented, in accordance with the applicable requirements of GAAP, the

consolidated financial position of Chateau and the Chateau Subsidiaries, taken as a whole, as of the dates thereof and the consolidated results of operations and cash flows for the periods then ended (subject, in the case of interim financial statements, to normal year-end adjustments). Except as set forth in the Chateau Filed SEC Documents (as defined below), in Schedule 3.2(e) to the Chateau Disclosure Letter or as permitted by Section 4.2 (for the purposes of this sentence, as if Section 4.2 had been in effect since December 31, 1995), neither Chateau nor any Chateau Subsidiary has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by GAAP to be set forth on a consolidated balance sheet of Chateau or the Operating Partnership or in the notes thereto and which, individually or in the aggregate, would have a Chateau Material Adverse Effect.

(f) Absence of Certain Changes or Events. Except as disclosed in the Chateau SEC Documents filed and publicly available prior to the date of this Agreement (referred to collectively as the "Chateau Filed SEC Documents") or in Schedule 3.2(f) to the Chateau Disclosure Letter, since the date of the most recent financial statements included in the Chateau Filed SEC Documents (the "Chateau Financial Statement Date") and to the date of this Agreement, Chateau and the Chateau Subsidiaries have conducted their business only in the ordinary course and there has not been (i) any material adverse change in the business, financial condition or results of operations of Chateau and the Chateau Subsidiaries taken as a whole, that has resulted or would result, individually or in the aggregate, in Economic Losses (as defined in Section 6.3 below) of $5,000,000 or more (a "Chateau Material Adverse Change"), nor has there been any occurrence or circumstance that with the passage of time would reasonably be expected to result in a Chateau Material Adverse Change, (ii) except for (A) regular quarterly dividends (in the case of Chateau) not in excess of $.425 per share of Common Stock, (B) regular quarterly distributions (in the case of the Operating Partnership) not in excess of $.425 per OP Unit and (C) any distributions by any Chateau Subsidiaries (other than the Operating Partnership) to other Chateau Subsidiaries or to Chateau, in each case with customary record and payment dates, any declaration, setting aside or payment of any dividend or distribution (whether in cash, stock or property) with respect to any of Chateau's capital stock or any OP Units, (iii) any split, combination or reclassification of any of Chateau's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for, or giving the right to acquire by exchange or exercise, shares of its capital stock or any issuance of an ownership interest in any Chateau Subsidiary, except as permitted by Section 4.2, (iv) any damage, destruction or loss, whether or not covered by insurance, that has or would have a Chateau Material Adverse Effect or (v) any change in accounting methods, principles

or practices by Chateau or any Chateau Subsidiary materially affecting its assets, liabilities or business, except insofar as may have been disclosed in the Chateau Filed SEC Documents or required by a change in GAAP.

(g) Litigation. Except as disclosed in the Chateau Filed SEC Documents or in Schedule 3.2(g) of the Chateau Disclosure Letter, and other than personal injury and other routine tort litigation arising from the ordinary course of operations of Chateau or the Chateau Subsidiaries which are covered by adequate insurance, there is no suit, action or proceeding pending or, to the knowledge of Chateau, threatened against or affecting Chateau or any Chateau Subsidiary that, individually or in the aggregate, could reasonably be expected to (i) have a Chateau Material Adverse Effect or (ii) prevent the consummation of any of the Transactions, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Chateau or any Chateau Subsidiary having, or which, insofar as reasonably can be foreseen, in the future would have, any

such effect.

(h) Absence of Changes in Benefit Plans; ERISA Compliance.

(i) Except as disclosed in the Chateau Filed SEC Documents or in Schedule 3.2(h)(i) to the Chateau Disclosure Letter and except as permitted by Section 4.2 (for the purpose of this sentence, as if Section 4.2 had been in effect since December 31, 1995), since the date of the most recent audited financial statements included in the Chateau Filed SEC Documents, there has not been any adoption or amendment in any material respect by Chateau or any Chateau Subsidiary of any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical or other employee benefit plan, arrangement or understanding (whether or not legally binding) providing benefits to any current or former employee, officer or director of Chateau or any Chateau Subsidiary or any person affiliated with Chateau under Section 414(b), (c), (m) or (o) of the Code (collectively, "Chateau Benefit Plans").

(ii) Except as described in the Chateau Filed SEC Documents or in Schedule 3.2(h)(ii) to the Chateau Disclosure Letter or as would not have a Chateau Material Adverse Effect, (A) all Chateau Benefit Plans, including any such plan that is an "employee benefit plan" as defined in Section 3(3) of ERISA, are in compliance with all applicable requirements of law, including ERISA and the Code, and (B) neither Chateau nor any Chateau Subsidiary has any liabilities or obligations with respect to any such Chateau Benefit Plans, whether accrued, contingent or otherwise (other than obligations to make contributions and pay benefits and administrative costs incurred in the ordinary course), nor to the knowledge of Chateau are any such liabilities or obligations expected to be incurred. Except as set forth in Schedule 3.2(h)(ii) to the Chateau Disclosure Letter, the execution of, and

performance of the Transactions contemplated in, this Agreement will not (either alone or together with the occurrence of any additional or subsequent events) constitute an event under any Chateau Benefit Plan, policy, arrangement or agreement, trust or loan that will or may result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any employee or director. The only severance agreements or severance policies applicable to Chateau or the Chateau Subsidiaries are the agreement and policies specifically referred to in Schedule 3.2(h)(ii) to the Chateau Disclosure Letter.

(i) Taxes.

(i) Each of Chateau and each Chateau Subsidiary (including the Operating Partnership) has timely filed with the appropriate taxing authority all Tax Returns and reports required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Entity having authority to do so). Each such Tax Return is true, correct and complete in all material respects. Chateau and each Chateau Subsidiary (including the Operating Partnership) have paid (or Chateau has paid on their behalf), within the time and manner prescribed by law, all Taxes that are due and payable. Except as disclosed in Schedule 3.2(i)(i) to the Chateau Disclosure Letter, the federal, state and local income, sales and franchise tax returns of Chateau and each Chateau Subsidiary have not been audited by any Taxing Authority. There are no Tax liens upon the assets of Chateau or any Chateau Subsidiary. The most recent financial statements contained in the Chateau Filed SEC Documents reflect an adequate reserve for all material Taxes payable by Chateau and by each Chateau Subsidiary for all taxable periods and portions thereof through the date of such financial statements. Since the

Chateau Financial Statement Date, Chateau has incurred no liability for Taxes under Section 857(b), 860(c) or 4981 of the Code, and neither Chateau nor any Chateau Subsidiary has incurred any liability for Taxes other than in the ordinary course of business. Except as set forth in Schedule 3.2(i)(i) to the Chateau Disclosure Letter, to the knowledge of Chateau, no event has occurred, and no condition or circumstance exists, which presents a material risk that any material Tax described in the preceding sentence will be imposed upon Chateau. To the knowledge of Chateau, no deficiencies for any Taxes have been proposed, asserted or assessed against Chateau or any of the Chateau Subsidiaries, and no requests for waivers of the time to assess any such Taxes have been granted or are pending.

(ii) Chateau (A) for all of its taxable years commencing with 1993 through the most recent December 31, has been subject to taxation as a REIT within the meaning of the Code and has satisfied the requirements to qualify as a REIT for such years, (B) has operated, and intends to continue to operate, in such a manner as to qualify as a REIT for its tax year ending December 31, 1996, and (C) has not taken or omitted to take any action which could reasonably be expected to result in a challenge to its status

as a REIT, and, to Chateau's knowledge, no such challenge is pending or threatened. The Operating Partnership has at all times, and each other Chateau Subsidiary which is a partnership or files Tax Returns as a partnership for federal income tax purposes has since its acquisition by Chateau, been classified for federal income tax purposes as a partnership and not as a corporation or as an association taxable as a corporation.

(j) No Loans or Payments to Employees, Officers or Directors. Except as set forth in Schedule 3.2(j) to the Chateau Disclosure Letter or as otherwise specifically provided for in this Agreement, there is no (i) loan outstanding from or to any employee or director, (ii) employment or severance contract, (iii) other agreement requiring payments to be made on a change of control or otherwise as a result of the consummation of any of the Transactions with respect to any employee, officer or director of Chateau or any Chateau Subsidiary or (iv) any agreement to appoint or nominate any person as a director of Chateau.

(k) Brokers; Schedule of Fees and Expenses. No broker, investment banker, financial advisor or other person, other than Merrill Lynch & Co. ("Merrill Lynch") and Goldman Sachs & Co. ("Goldman"), the fees and expenses of which, as set forth in separate letter agreements between Chateau and Merrill Lynch and Chateau and Goldman, respectively, have previously been disclosed to ROC and will be paid by Chateau, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Chateau or any other Chateau Subsidiary.

(l) Compliance with Laws. Except as disclosed in the Chateau Filed SEC Documents and except as set forth in Schedule 3.2(l) to the Chateau Disclosure Letter, neither Chateau nor any of the Chateau Subsidiaries has violated or failed to comply with any statute, law, ordinance, regulation, rule, judgment, decree or order of any Governmental Entity applicable to its business, properties or operations, except for violations and failures to comply that would not, individually or in the aggregate, reasonably be expected to result in a Chateau Material Adverse Effect.

(m) Contracts; Debt Instruments.

(i) Neither Chateau nor any Chateau Subsidiary is in violation of or in default under, in any material respect (nor does there exist any condition which upon the passage of time or the giving of notice or

both would cause such a violation of or default under), any material loan or credit agreement, note, bond, mortgage, indenture, lease, permit, concession, franchise or license, or any agreement to acquire real property, or any other material contract, agreement, arrangement or understanding, to which it is a party or by which it or any of its properties or assets is bound, except as set forth in Schedule 3.2(m)(i) to the Chateau Disclosure Letter and except for violations or defaults that would not, individually or in the aggregate, result in a Chateau Material Adverse Effect.

(ii) Except for any of the following expressly identified in the most recent financial statements contained in the Chateau Filed SEC Documents and except as permitted by Section 4.2, Schedule 3.2(m)(ii) to the Chateau Disclosure Letter sets forth (A) a list of all loan or credit agreements, notes, bonds, mortgages, indentures and other agreements and instruments pursuant to which any indebtedness of Chateau or any of the Chateau Subsidiaries in an aggregate principal amount in excess of $2,000,000 per item is outstanding or may be incurred and (B) the respective principal amounts outstanding thereunder on June 30, 1996.

(iii) Schedule 3.2(m)(iii) to the Chateau Disclosure Letter sets forth a complete list of each agreement (including a description thereof) made by Chateau and/or any Chateau Subsidiary with a limited partner of the Operating Partnership relating to any commitment to maintain any specific debt allocations or permit any such limited partner to take any action to assure any debt allocation.

(iv) Schedule 3.2(m)(iv) to the Chateau Disclosure Letter sets forth a complete list of each consulting agreement between Chateau and any Chateau Subsidiary, including the annual compensation payable thereunder and the date as of which such consulting agreement expires.

(n) Operating Partnership Agreement. The execution and delivery of the Operating Partnership Agreement has been duly authorized, executed and delivered by Chateau. Assuming due execution by the limited partners of the Operating Partnership, the Operating Partnership Agreement constitutes a valid and binding obligation of Chateau enforceable against Chateau in accordance with its terms.

(o) Environmental Matters. Except as disclosed in Schedule 3.2(o) to the Chateau Disclosure Letter or in the environmental audits/reports listed thereon, each of Chateau and each Chateau Subsidiary has obtained all licenses, permits, authorizations, approvals and consents from Governmental Entities which are required in respect of its business, operations, assets or properties under any applicable Environmental Law, and each of Chateau and each Chateau Subsidiary is in compliance in all material respects with the terms and conditions of all such licenses, permits, authorizations, approvals and consents and with any applicable Environmental Law. Except as disclosed in Schedule 3.2(o) to the Chateau Disclosure Letter or in the environmental audits/reports listed thereon:

(i) No Order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is pending or threatened by any Governmental Entity with respect to any alleged failure by Chateau or any Chateau Subsidiary to have any license, permit, authorization, approval or consent from Governmental Entities required under any applicable Environmental Law in connection with the conduct of the business or operations of

Chateau or any Chateau Subsidiary or with respect to any Release by Chateau or any Chateau Subsidiary of any Hazardous Material.

(ii) Neither Chateau nor any Chateau Subsidiary nor any prior owner or lessee of any property now or previously owned or leased by Chateau or any Chateau Subsidiary has handled any Hazardous Material on any property now or previously owned or leased by Chateau or any Chateau Subsidiary; and, without limiting the foregoing, (A) no polychlorinated biphenyl is or has been present, (B) no friable asbestos is or has been present, (C) there are no underground storage tanks, active or abandoned and (D) no Hazardous Material has been Released in a quantity reportable under, or in violation of, any Environmental Law, at, on or under any property now or previously owned or leased by Chateau or any Chateau Subsidiary, during any period that Chateau or any Chateau Subsidiary owned or leased such property or, to the knowledge of Chateau and its Subsidiaries, prior thereto.

(iii) Neither Chateau nor any Chateau Subsidiary has transported or arranged for the transportation of any Hazardous Material to any location which is the subject of any action, suit, arbitration or proceeding that could be reasonably expected to lead to claims against Chateau or any Chateau Subsidiary for clean-up costs, remedial work, damages to natural resources or personal injury claims, including, but not limited to, claims under CERCLA.

(iv) No oral or written notification of a Release of a Hazardous Material has been filed or should have been filed by or on behalf of Chateau or any Chateau Subsidiary and no property now or previously owned or leased by Chateau or any Chateau Subsidiary is listed or proposed for listing on the National Priorities List promulgated pursuant to CERCLA or on any similar state list of sites requiring investigation or clean-up.

(v) There are no Liens arising under or pursuant to any Environmental Law on any real property owned or leased by Chateau or any Chateau Subsidiary, and no action of any Governmental Entity has been taken or, to the knowledge of Chateau and its Subsidiaries, is in process which could subject any of such properties to such Liens, and neither Chateau nor any Chateau Subsidiary would be required to place any notice or restriction relating to the presence of Hazardous Material at any such property owned by it in any deed to such property.

(vi) There have been no environmental investigations, studies, audits, tests, reviews or other analyses conducted by, or which are in the possession of, Chateau or any Chateau Subsidiary in relation to any property or facility now or previously owned or leased by Chateau or any Chateau Subsidiary which have not been listed in Schedule 3.2(o) to the Chateau Disclosure Letter and made available to ROC prior to the execution of this Agreement.

(p) Tangible Property and Assets. Except as disclosed in Schedule 3.2(p) to the Chateau Disclosure Letter, Chateau and

its Subsidiaries have good and marketable fee simple title to, or have valid leasehold interests in, those manufactured housing communities described in the Chateau Disclosure Letter, free and clear of all Liens other than (i) any statutory Lien arising in Schedule 3.2(p) to the ordinary course of business by operation of law with respect to a liability that is not yet due or

delinquent and (ii) any easement, restriction or minor imperfection of title or similar Lien which individually or in the aggregate with other such Liens does not materially impair the value of the property or asset subject to such Lien or the use of such property or asset in the conduct of the business of Chateau or any such Chateau Subsidiary.

(q) Books and Records.

(i) The books of account and other financial records of Chateau and each Chateau Subsidiary are in all material respects true, complete and correct, have been maintained in accordance with good business practices, and are accurately reflected in all material respects in the financial statements included in the Chateau Filed SEC Documents.

(ii) Chateau has previously delivered or made available to ROC true and correct copies of the Charter and By-laws of Chateau, as amended to date, and the charter, by-laws, organization documents, partnership agreements and joint venture agreement of its Subsidiaries, and all amendments thereto. All such documents are listed in Schedule 3.2(q)(ii) to the Chateau Disclosure Letter. Chateau has also delivered to ROC evidence of its Director and Officer liability insurance policy.

(iii) The minute books and other records of corporate or partnership proceedings of Chateau and each Chateau Subsidiary that had previously been made available to ROC in connection with the execution of the Original Agreement, contained, as of the date of the Original Agreement, in all material respects accurate records of all meetings and accurately reflect in all material respects all other corporate action of the stockholders and directors and any committees of the Board of Directors of Chateau and the Chateau Subsidiaries which are corporations.

(r) Opinion of Financial Advisors. Chateau has received the opinion of each of Merrill Lynch and Goldman, satisfactory to Chateau, a signed version of each of which will be provided to ROC, with regard to the fairness of the Merger and the issuance of the Merger Consideration to the ROC stockholders to Chateau and the stockholders of Chateau from a financial point of view.

(s) State Takeover Statutes. No Takeover Statute of the State of Maryland, including, without limitation, the control share acquisition provisions of Section 3-701 et seq. of the MGCL or the business combination provisions of Section 3-601 et seq. of the MGCL, applies or purports to apply to the Merger, this Agreement or any of the Transactions.

(t) Registration Statement. The information furnished by Chateau for inclusion in the Registration Statement will not, as of the effective date of the Registration Statement, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(u) Vote Required. The affirmative vote of holders representing a majority of the shares of Common Stock present (in person or represented by proxy) at the Chateau Stockholders Meeting (as herein defined) (assuming the total vote cast represents at least a majority of the outstanding shares of Common Stock as of the record date for the Chateau Stockholders Meeting) is the only vote of the holders of any class or series of Chateau's capital stock necessary (under applicable law, rules of the NYSE or otherwise) to approve the issuance of the Merger Consideration to the ROC stockholders.

ARTICLE IV

Covenants

SECTION 4.1 Conduct of Business by ROC. During the period from the date of this Agreement to the Effective Time, ROC shall, and shall cause the ROC Subsidiaries each to, carry on its businesses in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent therewith, use commercially reasonable efforts to preserve intact its current business organization, goodwill, ongoing businesses and its status as a REIT within the meaning of the Code. Without limiting the generality of the foregoing, the following additional restrictions shall apply: During the period from the date of this Agreement to the Effective Time, except as set forth in Schedule 4.1 to the ROC Disclosure Letter or as otherwise contemplated by this Agreement, ROC shall not and shall cause the ROC Subsidiaries not to (and not to authorize or commit or agree to):

(a) (i) except for regular quarterly dividends not in excess of $.405 per share of ROC Stock (which may be increased to an amount not in excess of $.425 per share of ROC Stock upon prior notice to Chateau) with customary record and payment dates, declare, set aside or pay any dividends on, or make any other distributions in respect of, any of ROC's capital stock or stock in any ROC Subsidiary that is not directly or indirectly wholly owned by ROC, (ii) except as permitted by Section 4.1(e), split, combine or reclassify any capital stock or partnership interests or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of such capital stock or partnership interests or (iii) except as permitted by Section 4.1(e), purchase, redeem or otherwise acquire any shares of capital stock of ROC;

(b) except (i) as permitted under Section 4.1(e), (ii) for the adoption by ROC of a stockholder's rights plan (which plan can be withdrawn upon consummation of the Merger and does not materially and adversely affect, in the reasonable judgment of the ROC Board, the prospects for consummation of the Merger and the other Transactions or the economic impact of the Merger on the Chateau stockholders) and the issuance of rights or securities by ROC under such plan, (iii) for the ROC Option Agreement and the exercise of outstanding ROC Stock Options, or (iv) for the issuance of up to 1,000,000 shares of capital stock by ROC in a cash transaction subject to Section 5.21, issue, deliver or sell, or grant any option or other right, in respect of, any shares of capital stock, any other voting or redeemable securities of ROC or any ROC Subsidiary or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible or redeemable securities except to ROC or a ROC Subsidiary;

(c) except as otherwise contemplated by this Agreement or amendments to the Charter or By-Laws of ROC that do not materially and adversely affect, in the reasonable judgment of the ROC Board, the prospects for consummation of the Merger and the other Transactions or the economic impact of the Merger on the Chateau stockholders, amend the Charter, By-laws, partnership agreement or other comparable charter or organizational documents of ROC or any ROC Subsidiary;

(d) except as permitted by Section 4.1(e), in the case of ROC or any of its Subsidiaries, merge or consolidate with any Person;

(e) (x) in a transaction involving capital, securities or other assets or indebtedness of ROC or a ROC Subsidiary or any combination

thereof in excess of $10,000,000, without providing to Chateau in each case reasonable prior written notice of and an opportunity to consult in connection with such transaction or (y) in a transaction involving capital, securities, other assets or obligations of ROC or a ROC Subsidiary or any combination thereof in excess of $20,000,000, without obtaining the prior written consent of Chateau, which consent shall not unreasonably be withheld or delayed: (i) acquire or agree to acquire by merging or consolidating with, or by purchasing all or a substantial portion of the equity securities or assets of, or by any other manner, any business or any corporation, partnership, limited liability company, joint venture, association, business trust or other business organization or division thereof or interest therein or any assets; (ii) mortgage or otherwise encumber or subject to any Lien or sell, lease or otherwise dispose of any of its material properties or assets or assign or encumber the right to receive income, dividends, distributions and the like or agree to do any of the foregoing; or (iii) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of ROC, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any

financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, prepay or refinance any indebtedness or make any loans, advances or capital contributions to, or investments in, any other person;

(f) engage in any transactions of the types described in clauses (i), (ii) and (iii) of paragraph (e) above, whether or not related, involving, in the aggregate, capital, securities or other assets or indebtedness of ROC or a ROC Subsidiary or any combination thereof in excess of $40,000,000, without obtaining the prior written consent of Chateau, which may be withheld for any reason or no reason;

(g) make any tax election (unless required by law or necessary to preserve ROC's status as a REIT);

(h) (i) change in any material manner any of its methods, principles or practices of accounting in effect at the Financial Statement Date, or (ii) make or rescind any express or deemed election relating to taxes, settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes, except in the case of settlements or compromises relating to taxes on real property in an amount not to exceed, individually or in the aggregate, $500,000, or change any of its methods of reporting income or deductions for federal income tax purposes from those employed in the preparation of its federal income tax return for the taxable year ending December 31, 1995, except, in the case of clause (i), as may be required by the SEC, applicable law or GAAP and with notice thereof to Chateau;

(i) except as provided in this Agreement, adopt any new employee benefit plan, incentive plan, severance plan, bonus plan, stock option or similar plan, grant new stock appreciation rights or amend any existing plan or rights, or enter into or amend any employment agreement or similar agreement or arrangement (other than as contemplated under Section 5.11(b)(iv)) or, except in the ordinary course consistent with past practice, grant or become obligated to grant any increase in the compensation of officers or employees, except such changes as are required by law or which are not more favorable to participants than provisions presently in effect;

(j) settle any stockholder derivative or class action claims arising out of or in connection with any of the Transactions; and

(k) enter into or amend or otherwise modify any agreement or arrangement with persons that are affiliates or, as of the date hereof, are officers, directors or employees of ROC or any ROC Subsidiary not approved by a majority of the "independent" members of the Board of Directors of ROC.

SECTION 4.2 Conduct of Business by Chateau. During the period from the date of this Agreement to the Effective Time,

Chateau shall, and shall cause the Chateau Subsidiaries each to, carry on its businesses in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent therewith, use commercially reasonable efforts to preserve intact its current business organization, goodwill, ongoing businesses and its status as a REIT within the meaning of the Code. Without limiting the generality of the foregoing, the following additional restrictions shall apply: During the period from the date of this Agreement to the Effective Time, except as set forth in Schedule 4.2 to the Chateau Disclosure Letter or as otherwise contemplated by this Agreement, Chateau shall not and shall cause the Chateau Subsidiaries not to (and not to authorize or commit or agree to):

(a) (i) except (x) in the case of Chateau, for regular quarterly dividends not in excess of $.405 per share of Common Stock (which may be increased to an amount not in excess of $.425 per share of Common Stock upon prior notice to ROC), and (y) in the case of the Operating Partnership, for regular quarterly distributions to the general and limited partners of the Operating Partnership not in excess of $.405 per OP Unit (which may be increased to an amount not in excess of $.425 per OP Unit upon prior notice to ROC), and (z) any distributions by any other wholly owned Chateau Subsidiaries, in each case with customary record and payment dates, declare, set aside or pay any dividends on, or make any other distributions in respect of, any of Chateau's capital stock or the OP Units or partnership interests or stock in any Chateau Subsidiary that is not directly or indirectly wholly owned by Chateau, (ii) except for a one-time 3.16% Common Stock dividend (and corresponding adjustment of outstanding OP Units in accordance with the Operating Partnership Agreement) to be declared by Chateau to its stockholders of record on any date on or prior to the record date established for the Chateau Stockholders Meeting to approve the issuance of the Merger Consideration to the ROC stockholders (the payment of which, however, being conditioned on the Chateau Stockholder Approval having been obtained) or as otherwise permitted by Section 4.2(e) or as contemplated under the exchange provisions of the Operating Partnership Agreement, split, combine or reclassify any capital stock or partnership interests or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of such capital stock or partnership interests or (iii) except for the repurchase by Chateau of up to 1,500,000 shares of its Common Stock or as contemplated under the exchange provisions of the Operating Partnership Agreement or as permitted under Section 4.2(e), purchase, redeem or otherwise acquire any shares of capital stock of Chateau or OP Units or any options, warrants or rights to acquire, or security convertible into, shares of capital stock of Chateau or such OP Units;

(b) except (i) as permitted under or required pursuant to this Agreement, (ii) Chateau's dividend reinvestment plan, (iii) Section 4.2(e), (iv) the Chateau Option Agreement, (v) for the adoption (with the consent of ROC which shall not be unreasonably withheld or delayed) by Chateau of a stockholder's rights plan and

the issuance of rights or securities by Chateau under such plan, (vi) the issuance of shares of Common Stock by Chateau to its or its Subsidiaries' existing equity owners of up to the number of shares, if any, that may be repurchased by Chateau as permitted under Section 4.2(a)(ii) above (at an average price per share at least equal to the average price per share paid on such repurchase), (vii) the exercise of outstanding Chateau Stock Options or (viii) as contemplated under the exchange provisions of the Operating Partnership Agreement, issue, deliver or sell, or grant any option or other right in respect of, any shares of capital stock, any other voting or redeemable securities (including OP Units or other partnership interests) of Chateau or any Chateau Subsidiary or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible or redeemable securities except to Chateau or a Chateau Subsidiary;

(c) except as otherwise contemplated by this Agreement or except for By-law amendments that are consented to by ROC (which consent shall not be unreasonably withheld or delayed), amend the Charter, By-laws, partnership agreement or other comparable charter or organizational documents of Chateau or any Chateau Subsidiary;

(d) except as permitted by Section 4.2(e), in the case of Chateau, the Operating Partnership or any other Chateau Subsidiary, merge or consolidate with any Person;

(e) (x) in a transaction involving capital, securities or other assets or indebtedness of Chateau or a Chateau Subsidiary or any combination thereof in excess of $10,000,000, without providing to ROC reasonable prior written notice of and an opportunity to consult in connection with such transaction or (y) in a transaction involving capital, securities, other assets or indebtedness of Chateau or a Chateau Subsidiary or any combination thereof in excess of $20,000,000, without obtaining the prior written consent of ROC, which consent shall not unreasonably be withheld or delayed: (i) acquire or agree to acquire by merging or consolidating with, or by purchasing all or a substantial portion of the equity securities or assets of, or by any other manner, any business or any corporation, partnership, limited liability company, joint venture, association, business trust or other business organization or division thereof or interest therein or any assets; (ii) mortgage or otherwise encumber or subject to any Lien or sell, lease or otherwise dispose of any of its material properties or assets or assign or encumber the right to receive income, dividends, distributions and the like or agree to do any of the foregoing; or (iii) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of Chateau or any Chateau Subsidiary, guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, prepay or refinance any indebtedness or make

any loans, advances or capital contributions to, or investments in, any other person;

(f) engage in any transactions of the types described in clauses (i), (ii) and (iii) of paragraph (e) above, whether or not related, involving, in the aggregate, capital, securities or other assets or obligations of Chateau or a Chateau Subsidiary or any combination thereof in excess of $40,000,000, without obtaining the prior written consent of ROC,

which consent may be withheld for any reason or no reason;

(g) make any tax election (unless required by law or necessary to preserve Chateau's status as a REIT or the status of the Operating Partnership as a partnership for federal tax purposes);

(h) (i) change in any material manner any of its methods, principles or practices of accounting in effect at the Chateau Financial Statement Date, or (ii) make or rescind any express or deemed election relating to taxes, settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to taxes, except in the case of settlements or compromises relating to taxes on real property in an amount not to exceed, individually or in the aggregate, $500,000, or change any of its methods of reporting income or deductions for federal income tax purposes from those employed in the preparation of its federal income tax return for the taxable year ending December 31, 1995, except, in the case of clause (i), as may be required by the SEC, applicable law or GAAP and with notice thereof to ROC;

(i) except as provided in this Agreement or by a severance plan that, by its terms, terminates upon consummation of the Merger, adopt any new employee benefit plan, incentive plan, severance plan, bonus plan, stock option or similar plan, grant new stock appreciation rights or amend any existing plan or rights, or enter into or amend any employment agreement or similar agreement or arrangement (other than as contemplated under Section 5.11(b)(iv)) or, except in the ordinary course consistent with past practice, grant or become obligated to grant any increase in the compensation of officers or employees, except such changes as are required by law or which are not more favorable to participants than provisions presently in effect;

(j) settle any stockholder derivative or class action claims arising out of or in connection with any of the Transactions; and

(k) except as provided in this Agreement or by a severance plan that, by its terms, terminates upon consummation of the Merger, enter into or amend or otherwise modify any agreement or arrangement with persons that are affiliates or, as of the date hereof, are officers, directors or employees of Chateau or any Chateau Subsidiary not approved by a majority of the "independent" members of the Board of Directors of Chateau.

SECTION 4.3 Other Actions. Each of ROC and Chateau shall not and shall cause its respective subsidiaries not to take any action that would result in (i) any of the representations and warranties of such party (without giving effect to any "knowledge" qualification) set forth in this Agreement that are qualified as to materiality becoming untrue, (ii) any of such representations and warranties (without giving effect to any "knowledge" qualification) that are not so qualified becoming untrue in any material respect or (iii) except as contemplated by Section 7.1, any of the conditions to the Merger set forth in Article VI not being satisfied.

ARTICLE V

Additional Covenants

SECTION 5.1 Preparation of the Registration Statement and the Proxy Statement; Stockholders Meetings.

(a) As soon as practicable following the date of this Agreement, ROC and Chateau shall prepare and file with the SEC a preliminary

Proxy Statement in form and substance satisfactory to each of Chateau and ROC, and ROC and Chateau will provide on a supplemental basis to the SEC the Registration Statement, in which the Proxy Statement will be included as a prospectus. Each of ROC and Chateau shall use its best efforts to (i) respond to any comments of the SEC and (ii) have the Registration Statement declared effective under the Securities Act and the rules and regulations promulgated thereunder as promptly as practicable after such filing and to keep the Registration Statement effective as long as is necessary to consummate the Merger. ROC shall use its best efforts to mail the Proxy Statement to the ROC stockholders as promptly as practicable after the Registration Statement is declared effective; provided that ROC may delay the mailing of the Proxy Statement to the ROC Stockholders until the condition specified in Section 6.3(i) has been satisfied. Further, Chateau shall establish a record date for the Chateau Stockholders Meeting as soon as practicable following the obtainment of the ROC Stockholder Approval at the ROC Stockholders Meeting and use its best efforts to mail the Proxy Statement to the Chateau stockholders as soon as practicable thereafter. Each party will notify the other promptly of the receipt of any comments from the SEC and of any request by the SEC for amendments or supplements to the Registration Statement or the Proxy Statement or for additional information and will supply the other with copies of all correspondence between such party or any of its representatives and the SEC with respect to the Registration Statement or the Proxy Statement. The Registration Statement and the Proxy Statement shall comply in all material respects with all applicable requirements of Law. Whenever any event occurs which is required to be set forth in an amendment or supplement to the Registration Statement or the Proxy Statement, Chateau or ROC, as the case may be, shall promptly inform the other of such occurrences and cooperate in filing with the SEC, and Chateau shall file with the

SEC and/or mailing to the stockholders of Chateau and the stockholders of ROC such amendment or supplement in a form reasonably acceptable to Chateau and ROC.

(b) Chateau covenants that the Proxy Statement shall include the recommendation of the Board of Directors of Chateau in favor of the issuance of the Merger Consideration to the ROC stockholders; provided that the recommendation of Chateau may not be included or may be withdrawn, modified or amended if Chateau shall approve or recommend a Superior Competing Transaction (as defined below) or enter into an agreement with respect to such Superior Competing Transaction and the Board of Directors of Chateau determines in good faith that is in compliance with Section 7.1. ROC covenants that the Proxy Statement shall include the recommendation of the Board of Directors of ROC in favor of the approval of the Merger, this Agreement and the other Transactions contemplated hereby; provided that the recommendation of ROC may not be included or may be withdrawn, modified or amended if ROC shall approve or recommend a Superior Competing Transaction (as defined below) or enter into an agreement with respect to such Superior Competing Transaction and the Board of Directors of ROC determines in good faith that is in compliance with Section 7.1. Chateau shall furnish all information concerning Chateau and the holders of Common Stock as may reasonably be requested in connection with any action required to be taken under any applicable state securities or "blue sky" laws in connection with the issuance of Common Stock pursuant to the Merger, and ROC shall furnish all information concerning ROC and the holders of ROC Stock as may be reasonably requested in connection with any such action. Chateau and ROC will use their best efforts to obtain, prior to the effective date of the Registration Statement, all necessary state securities or "blue sky" permits or approvals required to carry out the Merger and the other Transactions contemplated by this Agreement. In connection with the preparation of the Proxy Statement and the Registration Statement, Chateau shall use reasonable efforts to cause to be delivered to ROC, prior to the mailing of such Proxy Statement to ROC's stockholders and Chateau's

stockholders, the opinion dated the date of the Proxy Statement of Timmis & Inman, subject to certificates, letters and assumptions, reasonably satisfactory to ROC, that (i) Chateau was organized and has operated in conformity with the requirements for qualification as a REIT within the meaning of the Code since 1993 and (ii) the Operating Partnership has been during and since 1993 and each Chateau Subsidiary that is a partnership or limited liability company has been since its acquisition, and following the Merger shall be treated as of such date, for federal income tax purposes, as a partnership and not as a corporation or an association taxable as a corporation. In connection with the preparation of the Proxy Statement and the Registration Statement, ROC shall use reasonable efforts to cause to be delivered to Chateau, prior to the mailing of the Proxy Statement to ROC's stockholders and Chateau's stockholders, the opinion dated the date of the Proxy Statement of Rogers & Wells, subject to certificates, letters and assumptions, reasonably satisfactory to Chateau, that (i) ROC was organized and has operated in conformity with the requirements for qualification

as a REIT within the meaning of the Code since 1993, (ii) the Financing Partnership (as defined below), following the merger of the Financing Sub (as defined below) with and into the Financing Partnership as contemplated by the Contribution Agreement, will be treated as of such date for federal income tax purposes as a partnership and not as a corporation or as an association taxable as a corporation and (iii) following the Merger (after giving effect thereto), Chateau's proposed method of operation will enable it to meet the requirements for qualification and taxation as a REIT under the Code.

(c) ROC will, as soon as practicable following the date of this Agreement, duly call, give notice of, convene and hold a meeting of its stockholders (the "ROC Stockholders Meeting") for the purpose of obtaining the ROC Stockholder Approvals. ROC will, through its Board of Directors, recommend to its stockholders approval of the Merger, this Agreement and the other Transactions contemplated by this Agreement; provided that prior to the ROC Stockholders Meeting such recommendation may be withdrawn, modified or amended if ROC shall approve or recommend a Superior Competing Transaction (as defined below) or enter into an agreement with respect to such Superior Competing Transaction and the Board of Directors of ROC determines in good faith that is in compliance with Section 7.1.

(d) Chateau will, as soon as practicable following the obtainment of the ROC Stockholder Approval, duly call, give notice of, convene and hold a meeting of its stockholders (the "Chateau Stockholders Meeting") for the purpose of obtaining the Chateau Stockholder Approvals. Chateau will, through its Board of Directors, recommend to its stockholders approval of issuance of the Merger Consideration to the ROC stockholders; provided that prior to the Chateau Stockholders Meeting such recommendation may be withdrawn, modified or amended if Chateau shall approve or recommend a Superior Competing Transaction (as defined below) or enter into an agreement with respect to such Superior Competing Transaction and the Board of Directors of Chateau determines in good faith that is in compliance with Section 7.1.

SECTION 5.2 Access to Information; Confidentiality. Subject to the requirements of confidentiality agreements with third parties, each of ROC and Chateau shall, and shall cause each of its respective subsidiaries to, afford to the other party and to the officers, employees, accountants, counsel, financial advisors and other representatives of such other party, reasonable access during normal business hours during the period prior to the Effective Time to all their respective properties, books, contracts, commitments, personnel and records and, during such period, each of ROC and Chateau shall, and shall cause each of its respective subsidiaries to, furnish promptly to the other party (a) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the

requirements of federal or state securities laws and (b) all other information concerning its business, properties and personnel as such other party may reasonably request. Each of ROC and Chateau

will hold, and will cause its respective subsidiaries' officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any nonpublic information in confidence to the extent required by, and in accordance with, and will comply with the provisions of the letter agreement between ROC and Chateau dated as of June 4, 1996, as amended to date (as so amended, the "Confidentiality Agreement").

SECTION 5.3 Best Efforts; Notification.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each of Chateau and ROC agrees to use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other in doing, all things necessary, proper or advisable to fulfill all conditions applicable to such party pursuant to this Agreement and to consummate and make effective, in the most expeditious manner practicable, the Merger and the other Transactions contemplated hereby, including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings and the taking of all reasonable steps as may be necessary to obtain an approval, waiver or exemption from, or to avoid an action or proceeding by, any Governmental Entity, (ii) the obtaining of all necessary consents, approvals, waivers or exemption from non-governmental third parties; provided, however, that if either party is obliged to make expenditures, or incur costs, expenses or other liabilities to obtain the consent of any non-governmental party, it shall consult reasonably with the other party upon reasonable notice prior to making payment of any such amount, and in no event shall either ROC or Chateau make payment of any such amount in excess of $500,000 in obtaining such consents without obtaining the prior written consent of the other, which consent shall not unreasonably be withheld or delayed, (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging the Merger, this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity vacated or reversed, and (iv) the execution and delivery of any additional instruments necessary to consummate the Transactions contemplated by and to fully carry out the purposes of, this Agreement; provided, however, that a party shall not be obligated to take any action pursuant to the foregoing if the taking of such action or the obtaining of any waiver, consent, approval or exemption is reasonably likely to result in the imposition of a condition or restriction of the type referred to in Section 6.1(d). In connection with and without limiting the foregoing, ROC, Chateau and their respective Boards of Directors shall (i) take all action necessary so that no "fair price," "business combination," "moratorium," "control share acquisition" or any other anti-takeover statute or similar statute enacted under state or federal laws of the United States or similar statute or regulation (a "Takeover Statute") is or becomes applicable to the Merger, this Agreement or any of the other Transactions and (ii) if any Takeover Statute becomes applicable to the Merger, this

Agreement or any other Transaction, take all action necessary so that the

Merger and the other Transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such Takeover Statute on the Merger and the other Transactions.

(b) ROC shall give prompt notice to Chateau, and Chateau shall give prompt notice to ROC, if (i) any representation or warranty made by it contained in this Agreement that is qualified as to materiality becomes untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becomes untrue or inaccurate in any material respect or (ii) it fails to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

SECTION 5.4 Affiliates. Prior to the Closing Date, ROC shall deliver to Chateau a list identifying all persons who are, at the time this Agreement is submitted for approval to the stockholders of ROC, an "affiliate" of ROC for purposes of Rule 145 under the Securities Act. ROC shall use its best efforts to cause each of such affiliate to deliver on or prior to the Closing Date a written agreement substantially in the form attached as Exhibit H hereto.

SECTION 5.5 Tax Treatment. Each of Chateau and ROC shall use its reasonable best efforts (a) to cause the Merger and the transfer of OP Units and other property by the holders thereof to be viewed as an integrated transaction and together to qualify for federal income tax purposes as tax-free transfers by the stockholders of ROC and the transferring OP Unit holders of their shares of ROC Stock and OP Units and other property to Chateau in exchange for shares of Common Stock under Section 351 of the Code, and (b) to obtain the opinion of counsel referred to in Section 6.3(e).

SECTION 5.6 No Solicitation of Transactions. Subject to Section 7.1, each of Chateau and ROC shall not directly or indirectly, through any officer, director, employee, agent, investment banker, financial advisor, attorney, accountant, broker, finder or other representative, initiate or solicit (including by way of furnishing nonpublic information or assistance) any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Competing Transaction (as defined below), or authorize or permit any of its officers, directors, employees or agents, attorneys, investment bankers, financial advisors, accountants, brokers, finders or other representatives to take any such action. Each of Chateau and ROC shall notify the other in writing (as promptly as practicable) of all of the relevant details relating to all inquiries and proposals which it or any of its Subsidiaries or any such officer, director, employee, agent, investment banker, financial advisor, attorney,

accountant, broker, finder or other representative may receive relating to any of such matters and if such inquiry or proposal is in writing, each of Chateau and ROC shall deliver to the other a copy of such inquiry or proposal. For purposes of this Agreement, "Competing Transaction" shall mean any of the following (other than the Transactions contemplated by this Agreement): (i) any merger, consolidation, share exchange, business combination, or similar transaction involving Chateau (or any of its Subsidiaries) or ROC (or any of its Subsidiaries), as the case may be; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 30% or more of the assets of Chateau and its Subsidiaries taken as a whole or ROC and its Subsidiaries taken as a whole, as the case may be, in a single transaction or series of related transactions, excluding any bona fide financing transactions which do not, individually or in the aggregate, have as a purpose or effect the sale or

transfer of control of such assets; (iii) any tender offer or exchange offer for 30% or more of the outstanding shares of capital stock of Chateau (or any of its Subsidiaries) or ROC (or any of its Subsidiaries) or the filing of a registration statement under the Securities Act in connection therewith; or (iv) any public announcements of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

SECTION 5.7 Public Announcements. Chateau and ROC will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to the Transactions, including the Merger, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange. The parties agree that the initial press release to be issued with respect to the Transactions will be in the form agreed to by the parties hereto prior to the execution of this Agreement.

SECTION 5.8 Listing. Chateau will promptly prepare and submit to the NYSE a supplemental listing application covering the Common Stock issuable in the Merger. Prior to the Effective Time, Chateau shall use its best efforts to have NYSE approve for listing, upon official notice of issuance, the Common Stock to be issued in the Merger.

SECTION 5.9 Letters of Accountants.

(a) ROC shall use its reasonable best efforts to cause to be delivered to Chateau and ROC "comfort" letters of Deloitte & Touche LLP, ROC's independent public accountants, dated and delivered the date on which the Registration Statement shall become effective and as of the Effective Time, and addressed to Chateau and ROC, in form and substance reasonably satisfactory to Chateau and ROC and reasonably customary in scope and substance for letters delivered by independent public accountants in connection with transactions such as those contemplated by this Agreement.

(b) Chateau shall use its reasonable best efforts to cause to be delivered to ROC and Chateau "comfort" letters of Coopers & Lybrand L.L.P., Chateau's independent public accountants, dated the date on which the Registration Statement shall become effective and as of the Effective Time, and addressed to ROC and Chateau, in form and substance reasonably satisfactory to ROC and Chateau and reasonably customary in scope and substance for letters delivered by independent public accountants in connection with transactions such as those contemplated by this Agreement.

SECTION 5.10 Transfer and Gains Taxes. Chateau and ROC shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains (including, without limitation, any New York State Tax on Gains Derived from Certain Real Property Transfers and New York State Real Estate Transfer Tax), sales, use, transfer, value added stock transfer and stamp taxes, any transfer, recording, registration and other fees and any similar taxes which become payable in connection with the Transactions (together with any related interests, penalties or additions to tax, "Transfer and Gains Taxes"). From and after the Effective Time, Chateau shall cause the Operating Partnership to pay or cause to be paid all Transfer and Gains Taxes.

SECTION 5.11 Benefit Plans and Other Employee Arrangements.

(a) Benefit Plans. Subject to subsections (b) and (c) below, upon and after the Effective Time, Chateau or the Operating Partnership (or

their respective successors or assigns) shall provide benefits to former employees of ROC and its Subsidiaries that are not materially less favorable in the aggregate to such employees than those provided under the ROC Benefit Plans, as in effect on the date of this Agreement. With respect to any Chateau Benefit Plan which is an "employee benefit plan" as defined in Section 3(3) of ERISA in which employees of ROC or its Subsidiaries may participate, solely for purposes of determining eligibility to participate, vesting and entitlement to benefits but not for purposes of accrual of pension benefits, service with ROC or its Subsidiaries shall be treated as service with Chateau or the Operating Partnership, as the case may be; provided, however, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits under both a ROC Benefit Plan or a Chateau Benefit Plan, on the one hand, and a benefit plan of Chateau, on the other hand (or is not otherwise recognized for such purposes under the benefit plans of Chateau or the Operating Partnership).

(b) Stock Incentive Plans.

(i) Immediately prior to or as of the Effective Time and solely with respect to individuals employed by ROC immediately prior to the Effective Time, ROC shall cause the ROC Stock Options to be accelerated, thereby causing the ROC Stock Options to be fully vested and immediately exercisable and solely

with respect to individuals employed by Chateau or the Operating Partnership immediately prior to that date, Chateau shall cause the Chateau Stock Options to be accelerated, thereby causing the Chateau Stock Options to be fully vested and immediately exercisable.

(ii) As of the Effective Time, each outstanding ROC Stock Option shall be assumed by Chateau and shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such ROC Stock Option, the same number of shares of Common Stock as the holder of such ROC Stock Option would have been entitled to receive pursuant to the Merger had such holder exercised such ROC Stock Option in full immediately prior to the Effective Time at a price per share equal to the aggregate exercise price for the shares subject to such ROC Stock Option divided by the number of full shares of Common Stock deemed to be purchasable pursuant to such ROC Stock Option; provided, however, that the number of shares of Common Stock that may be purchased upon exercise of such ROC Stock Option shall not include any fractional share but shall be rounded upward to the next whole number of shares.

(iii) At the Effective Time, Chateau shall adopt a new long-term stock incentive plan (the "1996 Chateau Plan") to be administered by a committee appointed by the Board of Directors. The 1996 Chateau Plan shall provide for grants of restricted stock, options and other incentive compensation to key employees and directors of Chateau and its Subsidiaries (after giving effect to the Merger as provided more fully in Exhibit G hereto).

(c) Employment Agreements. Chateau shall prepare and execute the Employment Agreements for the executive officers named in Section 1.6 prior to the Effective Time, which Employment Agreements shall provide that they shall become effective at the Effective Time.

(d) Cooperation. ROC and Chateau shall cooperate in good faith with respect to the effectuation of the covenants described in subsections (b) and (c) above.

SECTION 5.12 Indemnification.

(a) (i) ROC shall, and, from and after the Effective Time, Chateau shall, indemnify, defend and hold harmless each person who is now or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of ROC or any ROC Subsidiary (the "ROC Indemnified Parties") against all losses, claims, damages, costs, expenses (including attorneys' fees and expenses), liabilities or judgments or amounts that are paid in settlement of, with the approval of the indemnifying party (which approval shall not be unreasonably withheld), or otherwise in connection with any threatened or actual claim, action, suit, proceeding or investigation in connection with any threatened or actual claim, action, suit, proceeding or investigation based on or arising out of the fact that such person

is or was a director or officer of ROC or any ROC Subsidiary at or prior to the Effective Time, whether asserted or claimed prior to, or at or after, the Effective Time ("ROC Indemnified Liabilities"), including all ROC Indemnified Liabilities based on, or arising out of, or pertaining to this Agreement or the Transactions, in each case to the full extent a corporation is permitted under the MGCL to indemnify its own directors or officers, as the case may be (and ROC or Chateau, as the case may be, will pay expenses in advance of the final disposition of any such action or proceeding to each ROC Indemnified Party to the full extent permitted by law subject to the limitations set forth in Section 5.12(a)(iii)). Chateau shall, prior to and after the Effective Time, indemnify, defend and hold harmless each person who is now or has been at any time prior to the date hereof or who becomes prior to the Effective Time, an officer or director of Chateau or any Chateau Subsidiary (the "Chateau Indemnified Parties" and, together with the ROC Indemnified Parties, the "Indemnified Parties") against all losses, claims, damages, costs, expenses (including attorneys' fees and expenses), liabilities or judgments or amounts that are paid in settlement of, with the approval of the indemnifying party (which approval shall not be unreasonably withheld), or otherwise in connection with any threatened or actual claim, action, suit, proceeding or investigation in connection with any threatened or actual claim, action, suit, proceeding or investigation based on or arising out of the fact that such person is or was a director or officer of Chateau or any Chateau Subsidiary at or prior to the Effective Time, whether asserted or claimed prior to, or at or after, the Effective Time ("Chateau Indemnified Liabilities" and, together with the ROC Indemnified Liabilities, the "Indemnified Liabilities"), including all Chateau Indemnified Liabilities based on, or arising out of, or pertaining to this Agreement or the Transactions, in each case to the full extent a corporation is permitted under the MGCL to indemnify its own directors or officers, as the case may be (and Chateau will pay expenses in advance of the final disposition of any such action or proceeding to each Chateau Indemnified Party to the full extent permitted by law subject to the limitations set forth in Section 5.12(a)(iii)).

(ii) Any Indemnified Parties proposing to assert the right to be indemnified under this Section 5.12 shall, promptly after receipt of notice of commencement of any action against such Indemnified Parties in respect of which a claim is to be made under this Section 5.12 against ROC and/or Chateau (collectively, the "Indemnifying Parties"), notify the Indemnifying Parties of the commencement of such action, enclosing a copy of all papers served. If any such action is brought against any of the Indemnified Parties and such Indemnified Parties notify the Indemnifying Parties of its commencement, the Indemnifying Parties will be entitled to participate in and, to the extent that they elect by delivering written notice to such Indemnified Parties promptly after receiving notice of the commencement of the action from the Indemnified Parties, to assume the defense of the action and after notice from the Indemnifying Parties to the Indemnified Parties of their election to assume the defense, the Indemnifying

Parties will not be liable to the Indemnified Parties for any legal or other

expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the Indemnified Parties in connection with the defense. If the Indemnifying Parties assume the defense, the Indemnifying Parties shall have the right to settle such action without the consent of the Indemnified Parties; provided, however, that the Indemnifying Parties shall be required to obtain such consent (which consent shall not be unreasonably withheld) if the settlement includes any admission of wrongdoing on the part of the Indemnified Parties or any decree or restriction on the Indemnified Parties or their officers or directors; provided, further, that no Indemnifying Parties, in the defense of any such action shall, except with the consent of the Indemnified Parties (which consent shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Parties of a release from all liability with respect to such action. The Indemnified Parties will have the right to employ their own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such Indemnified Parties unless (i) the employment of counsel by the Indemnified Parties has been authorized in writing by the Indemnifying Parties, (ii) the Indemnified Parties have reasonably concluded (based on advice of counsel) that there may be legal defenses available to them that are different from or in addition to those available to the Indemnifying Parties, (iii) a conflict or potential conflict exists (based on advice of counsel to the Indemnified Parties) between the Indemnified Parties and the Indemnifying Parties (in which case the Indemnifying Parties will not have the right to direct the defense of such action on behalf of the Indemnified Parties) or (iv) the Indemnifying Parties have not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the Indemnifying Parties.

(iii) It is understood that the Indemnifying Parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such Indemnified Parties unless (a) the employment of more than one counsel has been authorized in writing by the Indemnifying Parties, (b) any of the Indemnified Parties have reasonably concluded (based on advice of counsel) that there may be legal defenses available to them that are different from or in addition to those available to other Indemnified Parties or (c) a conflict or potential conflict exists (based on advice of counsel to the Indemnified Parties) between any of the Indemnified Parties and the other Indemnified Parties, in each case of which the Indemnifying Parties shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(iv) The Indemnifying Parties will not be liable for any settlement of any action or claim effected without their written consent (which consent shall not be unreasonably withheld).

(v) Chateau shall cause ROC's current officers' and

directors' liability insurance to be continuously maintained in full force and effect without reduction of coverage for a period of four years after the Effective Time (provided that Chateau may substitute therefor policies of at least the same coverage and amounts containing terms and conditions which are not materially less advantageous).

(b) The provisions of this Section 5.12 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and his or her personal representatives and shall be binding on all successors and assigns of Chateau and ROC.

SECTION 5.13 Operating Partnership Agreement Amendment. Chateau hereby agrees that, immediately prior to the Effective Time, it shall have duly executed and delivered the Operating Partnership Agreement Amendment.

SECTION 5.14 By-laws Amendment. Chateau will, prior to the Effective Time, adopt the By-law amendments to be effected at the Effective Time, as contemplated by Exhibit F.

SECTION 5.15 Contribution Agreement. Immediately following the Effective Time, Chateau, ROC and the Operating Partnership shall execute and deliver the Contribution Agreement and shall perform their respective obligations thereunder.

SECTION 5.16 Private Placement of Common Stock of RSub. ROC shall use its best efforts to cause 120 "accredited investors" (as defined in Rule 501(a) under the Securities Act) to purchase, on or prior to the Effective Date, one share each of RSub Common Stock, at a purchase price of $100 per share.

SECTION 5.17 Chateau Board of Directors. Chateau covenants that, contemporaneously with the Effective Time, (i) two of the seven directors of Chateau then in office shall resign from the Chateau Board of Directors and, in accordance with the By-law amendments specified in Exhibit F, the remaining Chateau directors then in office shall increase the size of the Chateau Board from seven to ten directors, and (ii) the five vacancies on the Chateau Board shall be filled by the vote of the remaining Chateau directors then in office with five nominees selected by the ROC Board of Directors such that such five nominees as well as the five directors of Chateau then in office shall constitute all of the members of the Chateau Board of Directors at the Effective Time.

SECTION 5.18 Provisions Relating to Certain ROC Indebtedness. Notwithstanding any other provision of this Agreement, ROC and Chateau shall be required to utilize reasonable efforts and to cooperate with each other to cause the condition

specified in Section 6.2(f) to be satisfied on or prior to the Closing Date.

SECTION 5.19 Exemptions from Certain Provisions of the MGCL. Prior to the Effective Time, the Board of Directors of Chateau shall adopt an irrevocable resolution to the effect that the ROC Principals and the present or future affiliates or associates of any of the foregoing or any other person acting in concert or as a group with any of the foregoing shall be exempted from the business combination provisions of Section 3-601 et seq. and from the control share provisions of Section 3-701 et seq. of the MGCL or any successor or similar statutory provisions.

SECTION 5.20 Percentage Ownership. Chateau agrees that, upon consummation of the Merger, stockholders of Chateau who had been or are then

holders of OP Units will not then represent more than 34.0% of the outstanding shares of Common Stock.

SECTION 5.21 Share Issuance. (a) ROC agrees that prior to January 17, 1997 and for the period during the term of this Agreement occurring after the date of the ROC Stockholders Meeting, it will not issue any shares of capital stock in a cash transaction as provided in Section 4.1(b)(iv) unless it first obtains the prior consent of Chateau (which consent shall not be unreasonably withheld or delayed).

(b) Following January 17, 1997 (but only on a date that is on or prior to the date of the ROC Stockholders Meeting), ROC may issue such shares without obtaining the consent of Chateau. However, prior to effecting such issuance, ROC shall notify Chateau of its intention to effect the issuance, specifying in such notice (the "Issuance Notice") the number and minimum price of the shares it proposes to issue, and such issuance may give rise to termination rights in favor of Chateau as specified in Section 8.1(n).

ARTICLE VI

Conditions Precedent

SECTION 6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of ROC and Chateau to effect the Merger and to consummate the other Transactions contemplated to occur on the Closing Date is subject to the satisfaction or waiver on or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. The Stockholder Approvals shall have been obtained.

(b) Listing of Shares. The NYSE shall have approved for listing the Common Stock to be issued in the Merger.

(c) Registration Statement. The Registration Statement shall have become effective under the Securities Act and shall not

be the subject of any stop order or proceedings by the SEC seeking a stop order.

(d) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Merger or any of the other Transactions shall be in effect.

(e) Blue Sky Laws. Chateau shall have received all state securities or "blue sky" permits and other authorizations necessary to issue the shares of Common Stock comprising the Merger Consideration.

(f) Opinion Related to REIT Status. Chateau and ROC shall have received an opinion dated as of the Closing Date of Timmis & Inman, subject to certificates, letters and assumptions, reasonably satisfactory to Chateau and ROC that following the Merger (after giving effect thereto), Chateau's proposed method of operation will enable it to meet the requirements for qualification and taxation as a REIT under the Code.

(g) The Investment Company Act Opinion. Chateau and ROC shall have received an opinion dated as of the Closing Date of Rogers & Wells, subject to certificates, letters and assumptions, reasonably satisfactory to Chateau and ROC, to the effect that neither Chateau nor any of its

Subsidiaries is an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(h) Evidence of Completion of Private Placement. Each of ROC and Chateau shall have received reasonably satisfactory evidence of the completion of the Private Placement referred to in Section 5.16.

(i) Certain Actions and Consents. All material actions by or in respect of or filings with any Governmental Entity required for the consummation of the Transactions shall have been obtained or made.

SECTION 6.2 Conditions to Obligations of Chateau. The obligations of Chateau to issue the Merger Consideration to the ROC stockholders and to consummate the other Transactions contemplated to occur on the Closing Date are further subject to the following conditions, any one or more of which may be waived by Chateau:

(a) Representations and Warranties. The representations and warranties of ROC (without giving effect to any "materiality" qualification or limitation) set forth in this Agreement shall be true and correct as of the Closing Date, as though made on and as of the Closing Date, except to the extent the representation or warranty is expressly limited by its terms to another date, and Chateau shall have received a certificate (which certificate may be qualified by knowledge to the same extent as such representations

and warranties are so qualified) signed on behalf of ROC by the chief executive officer or the chief financial officer of ROC to such effect. This condition shall be deemed satisfied notwithstanding any failure of a representation or warranty of ROC to be true and correct as of the Closing Date (without giving effect to any materiality qualification) if the aggregate amount of Economic Losses (as defined below) that would reasonably be expected to arise as a result of the failures of such representations and warranties to be true and correct as of the Closing Date does not exceed $5,000,000 (such amount to be calculated by counting in all cases from the first dollar of such Economic Losses without giving effect to the $5,000,000 limitation set forth in Section 3.1(f)). "Economic Losses," as used in this Section 6.2, shall mean any and all net damage, net loss (including diminution in the value of properties or assets which diminution, with regard to permanent cash flow losses from any property or assets that produces cash flow, shall be measured by multiplying the annual net cash flow produced by such property or asset over the 12-month period preceding the date of the applicable loss by a factor of 10), net liability or expense suffered by ROC and the ROC Subsidiaries taken as a whole, but shall not include any claims, damages, loss, expense or other liability resulting from any class action or stockholders' derivative lawsuits relating to the Transactions against ROC, if any, filed subsequent to the date of this Agreement or any amounts paid or expenses incurred by ROC in obtaining non-governmental third party consents, as contemplated by Section 5.3 up to the amount of $500,000 provided therein.

(b) Performance of Obligations of ROC. ROC shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Effective Time, and Chateau shall have received a certificate signed on behalf of ROC by the chief executive officer or the chief financial officer of ROC to such effect.

(c) Material Adverse Change. Since the date of this Agreement, there has been no material adverse change in the business, results of operations or financial condition of ROC and the ROC Subsidiaries, taken as a whole, that have resulted or would result, individually or in the aggregate, in Economic Losses of $5,000,000 or more. Chateau shall have received a

certificate of the chief executive officer or chief financial officer of ROC to the effect that there has been no such material adverse change.

(d) Opinions Relating to REIT Status. Chateau shall have received an opinion dated as of the Closing Date of Rogers & Wells, subject to certificates, letters and assumptions, reasonably satisfactory to Chateau, that (i) commencing with its taxable year ended December 31, 1993, ROC was organized and has operated in conformity with the requirements for qualification as a REIT within the meaning of the Code, (ii) following the Merger (after giving effect thereto), ROC's proposed method of operation will enable it to meet the requirements for qualification and taxation as a REIT under the Code and (iii) following the Merger (after giving effect thereto), the Financing Partnership will be treated for federal

income tax purposes as a partnership and not as a corporation or an association taxable as a corporation.

(e) Other Tax Opinion. Chateau shall have received an opinion dated as of the Closing Date from Rogers & Wells, subject to certificates, letters and assumptions, reasonably satisfactory to Chateau, to the effect that the Merger will be treated for federal income tax purposes as a tax-free transfer by the stockholders of ROC of their shares of ROC Stock to Chateau in exchange for shares of Common Stock, and the transfer by holders of OP Units pursuant to the CS Letter Agreement (as defined below) shall be treated for federal income tax purposes as a tax-free transfer by such holders of their OP Units in exchange for shares of Common Stock under Section 351 of the Code, and no gain or loss will be recognized by ROC, its stockholders or such holders who transfer OP Units pursuant to the CS Letter Agreement as a result of such transfers, except to the extent provided in Sections 357(c) and 1245 of the Code.

(f) Consents. All consents and waivers from third parties necessary in connection with the consummation of the Transactions shall have been obtained, other than such consents and waivers from third parties, which, if not obtained, would not result, individually or in the aggregate, in Economic Losses of $5,000,000 or more.

(g) Certain ROC Indebtedness. The Specified Debt Obligations (as herein defined) of ROC or any ROC Subsidiary that are outstanding immediately prior to the Effective Time, and will remain outstanding and shall be assumed by, or otherwise become the indebtedness of, the Operating Partnership or the Financing Partnership, as the case may be, upon consummation of the transactions contemplated by the Contribution Agreement, will, following such transactions, provide by their respective terms to the effect that neither ROC, Chateau nor any partner of the Financing Partnership (other than the Operating Partnership) or the Operating Partnership will have any liability for the repayment of the Specified Debt Obligations. For purposes hereof, "Specified Debt Obligation" shall include the indebtedness owed by ROC or any ROC Subsidiary under the Credit Agreement (Revolving) or Credit Agreement (Term), dated as of May 2, 1996, with each of the lenders named therein or under any credit agreements with Pacific Mutual Insurance Company.

Notwithstanding the foregoing, Chateau shall not be obligated to effect the Merger if the Economic Losses resulting from the failure of one or more of the conditions set forth in Sections 6.2(a), 6.2(c) and 6.2(f) to be satisfied (the determination of whether a failure of any of such conditions has occurred for the purposes of this sentence being made without giving effect to the $5,000,000 limitations set forth in such sections), in the aggregate, but without duplication exceeds $5,000,000.

SECTION 6.3 Conditions to Obligation of ROC. The obligation of ROC to effect the Merger and to consummate the other Transactions contemplated to occur on the Closing Date is further subject to the following conditions, any one or more of which may be waived by ROC:

(a) Representations and Warranties. The representations and warranties of Chateau (without giving effect to any "materiality" qualification or limitation) set forth in this Agreement shall be true and correct as of the Closing Date, as though made on and as of the Closing Date, except to the extent the representation or warranty is expressly limited by its terms to another date, and ROC shall have received a certificate (which certificate may be qualified by knowledge to the same extent as such representations and warranties are so qualified) signed on behalf of Chateau by the chief executive officer or the chief financial officer of Chateau to such effect. This condition shall be deemed satisfied notwithstanding any failure of a representation or warranty of Chateau to be true and correct as of the Closing Date (without giving effect to any materiality qualification) if the aggregate amount of Economic Losses (as defined below) that would reasonably be expected to arise as a result of the failures of such representations and warranties to be true and correct as of the Closing Date does not exceed $5,000,000 (such amount to be calculated by counting in all cases from the first dollar of such Economic Losses without giving effect to the $5,000,000 limitation set forth in Section 3.2(f)). "Economic Losses," as used in this Section 6.3, shall mean any and all net damage, net loss (including diminution in the value of properties or assets which diminution, with regard to permanent cash flow losses from any property or assets that produces cash flow, shall be measured by multiplying the annual net cash flow produced by such property or asset over the 12-month period preceding the date of the applicable loss by a factor of 10), net liability or expense suffered by Chateau or the Chateau Subsidiaries taken as a whole, but shall not include any claims, damages, loss, expense or other liability resulting from any class action or stockholders' derivative lawsuits relating to the Transactions against Chateau, if any, filed subsequent to the date of this Agreement or any amounts paid or expenses incurred by Chateau in obtaining non-governmental third party consents, as contemplated by Section 5.3 up to the amount of $500,000 provided therein.

(b) Performance of Obligations of Chateau. Chateau shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Effective Time, and ROC shall have received a certificate of Chateau signed on behalf of Chateau by the chief executive officer or the chief financial officer of such party to such effect.

(c) Material Adverse Change. Since the date of this Agreement, there has been no material adverse change in the business, results of operations or financial condition of Chateau, the Operating Partnership and the other Chateau Subsidiaries taken as a whole, that have resulted or would result, individually or in

the aggregate, in Economic Losses of $5,000,000 or more. ROC shall have received a certificate of the chief executive officer or chief financial officer of Chateau to the effect that there has been no such material adverse

change.

(d) Opinions Relating to REIT and Partnership Status. ROC shall have received an opinion dated as of the Closing Date of Timmis & Inman, subject to certificates, letters and assumptions, reasonably satisfactory to ROC, that (i) commencing with its taxable year ended December 31, 1993, Chateau was organized and has operated in conformity with the requirements for qualification as a REIT within the meaning of the Code and (ii) the Operating Partnership has been at all times (and each Chateau Subsidiary organized as a partnership, joint venture or limited liability company has since its acquisition by Chateau) and, following the Merger (after giving effect thereto), will be treated as a partnership for federal income tax purposes and not as a corporation or an association taxable as a corporation.

(e) Other Tax Opinion. ROC shall have received an opinion dated as of the Closing Date from Timmis & Inman, subject to certificates, letters and assumptions, reasonably satisfactory to ROC, to the effect that the Merger will be treated for federal income tax purposes as a tax-free transfer by the stockholders of ROC of their shares of ROC Stock to Chateau in exchange for shares of Common Stock, and the transfer by holders of OP Units pursuant to the CS Letter Agreement shall be treated for federal income tax purposes as a tax-free transfer by such holders of their OP Units in exchange for shares of Common Stock, under Section 351 of the Code, and no gain or loss will be recognized by ROC, its stockholders or holders who transfer OP Units pursuant to the CS Letter Agreement as a result of such transfers, except to the extent provided in Sections 357(c) or 1245 of the Code.

(f) Consents. All consents and waivers from third parties necessary in connection with the consummation of the Transactions shall have been obtained, other than such consents and waivers from third parties, which, if not obtained, would not result, individually or in the aggregate, in Economic Losses of $5,000,000 or more.

(g) Registration Rights Agreement. Chateau shall have duly executed and delivered the Registration Rights Agreement substantially in the form attached as Exhibit C hereto.

(h) Chateau By-laws and Related Matters. ROC shall be reasonably satisfied that the Chateau By-laws, effective at the Effective Time, have been amended substantially in accordance with the terms outlined in Exhibit F hereto and that all of the other transactions contemplated by Sections 1.5 and 1.6 hereof shall have been completed or will be completed effective at the Effective Time.

(i) Chateau Securityholder Letter Agreement. Holders of OP Units who, together with the ROC stockholders and other

transferors, will satisfy the 80% test described below upon completion of the Merger (such OP Unit holders being referred to herein as the "Transferring Holders"), shall have entered into a letter agreement with ROC (the "CS Letter Agreement"), pursuant to which such Transferring Holders will agree with ROC to act with ROC, the ROC stockholders and other transferors specified in the CS Letter Agreement to transfer to Chateau on or prior to the Effective Time a sufficient number of OP Units and other property in exchange for shares of Common Stock such that such shares when taken together with the number of shares of Common Stock to be issued to the ROC stockholders pursuant to the Merger and the number of shares of Common Stock owned by such Transferring Holders and any other transferors making transfers pursuant to the CS Letter Agreement will together constitute, based on the number of outstanding shares of capital stock of Chateau expected by the Transferring Holders to be outstanding at the Effective Time (which number shall be specified in the CS

Letter Agreement), at least 80% of the total combined voting power of all classes of Chateau stock entitled to vote upon consummation of the Merger. Each Transferring Holder shall agree in the CS Letter Agreement to exchange (i) a specified number of OP Units at or prior to the record date for the Chateau Stockholders Meeting and (ii) a specified number of OP Units on the Effective Day of the Merger. The CS Letter Agreement shall provide that the obligation of any Transferring Holder to transfer any OP Units to Chateau shall be conditioned upon (x) the obtainment of the ROC Stockholder Approval and (y) the delivery, prior to the date of exchange, of an opinion of Timmis & Inman, subject to certificates, letters and assumptions deemed reasonably appropriate by such counsel, to the effect that the transfer of OP Units pursuant to the CS Letter Agreement shall be treated for federal income tax purposes as a tax-free transfer by such transferors of such OP Units in exchange for shares of Common Stock under Section 351 of the Code and no gain or loss will be recognized as a result of such transfers, except to the extent provided under Sections 357(c) or 1245 of the Code (an approved form of which opinion shall be attached to the CS Letter Agreement). The CS Letter Agreement shall further provide that the obligation of any Transferring Holder to transfer any OP Units to Chateau on the Effective Day shall be conditioned upon the concurrent consummation of the Merger. Further, John Boll, Edward Allen and C.G. Kellogg shall agree in the CS Letter Agreement with Gary P. McDaniel that, for a period of three years following the Effective Time, they will vote all shares of Common Stock held by them in favor of the Group B nominees as specified in the amendments to the By-laws to be adopted in accordance with Exhibit F hereto.

Notwithstanding the foregoing, ROC shall not be obligated to effect the Merger if the Economic Losses resulting from the failure of one or more of the conditions set forth in Sections 6.3(a), 6.3(c) and 6.3(f) to be satisfied (the determination of whether a failure of any of such conditions has occurred for the purposes of this sentence being made without giving effect to the $5,000,000 limitations set forth in such sections), in the aggregate, but without duplication exceeds $5,000,000.

ARTICLE VII

Board Actions

SECTION 7.1 Board Actions. Notwithstanding Section 5.7 or any other provision of this Agreement to the contrary, to the extent required by the fiduciary obligations of the Board of Directors of either Chateau or ROC, as determined in good faith based on the advice of outside counsel, either Chateau or ROC may:

(a) disclose to its stockholders and OP Unit holders any information required to be disclosed under applicable law;

(b) in response to an unsolicited request therefor, participate in discussions or negotiations with, or furnish information with respect to itself pursuant to a confidentiality agreement no less favorable to itself than the Confidentiality Agreement (as determined by its outside counsel) to, any person in connection with a Competing Transaction proposed by such person; and

(c) approve or recommend (and in connection therewith withdraw or modify its approval or recommendation of (i) for ROC, this Agreement and the Merger and (ii) for Chateau, the issuance of the Merger Consideration to the ROC stockholders in the Merger) a Superior Competing Transaction (as defined below) or enter into an agreement with respect to such

Superior Competing Transaction (for purposes of this Agreement, "Superior Competing Transaction" means a bona fide proposal of a Competing Transaction made by a third party which a majority of the members of the Board of Directors of Chateau or ROC, as the case may be, determines in good faith (based on the advice of its investment banking firm) to be more favorable to its stockholders than the Merger, as the case may be.

ARTICLE VIII

Termination, Amendment and Waiver

SECTION 8.1 Termination. This Agreement may be terminated at any time prior to the filing of the Articles of Merger for the Merger with the Department of Assessments and Taxation of the State of Maryland, whether before or after either of the Stockholder Approvals are obtained:

(a) by mutual written consent duly authorized by the respective Boards of Directors of Chateau and ROC;

(b) by Chateau, upon a breach of any representation, warranty, covenant or agreement on the part of ROC set forth in this Agreement, or if any representation or warranty of ROC shall have become untrue, in either case such that the conditions set forth in Section 6.2(a) or Section 6.2(b), as the case may be,

would be incapable of being satisfied by March 31, 1997 (as otherwise extended);

(c) by ROC, upon a breach of any representation, warranty, covenant or agreement on the part of Chateau set forth in this Agreement, or if any representation or warranty of Chateau shall have become untrue, in either case such that the conditions set forth in Section 6.3(a) or Section 6.3(b), as the case may be, would be incapable of being satisfied by March 31, 1997 (as otherwise extended);

(d) by either Chateau or ROC, if any judgment, injunction, order, decree or action by any Governmental Entity of competent authority preventing the consummation of the Merger shall have become final and nonappealable;

(e) by either Chateau or ROC, if the Merger shall not have been consummated before March 31, 1997; provided, however, that a party that has willfully and materially breached a representation, warranty or covenant of such party set forth in this Agreement shall not be entitled to exercise its right to terminate under this Section 8.1(e);

(f) by either Chateau or ROC if, upon a vote at a duly held ROC Stockholders Meeting or any adjournment thereof, the ROC Stockholder Approvals shall not have been obtained as contemplated by Section 5.1;

(g) by either Chateau or ROC if, upon a vote at a duly held Chateau Stockholders Meeting or any adjournment thereof, the Chateau Stockholder Approvals shall not have been obtained as contemplated by Section 5.1;

(h) by ROC if prior to the ROC Stockholders Meeting, the Board of Directors of ROC or any committee thereof shall have withdrawn or modified in accordance with Section 7.1 hereof in any manner adverse to Chateau its approval or recommendation of the Merger or this Agreement in connection with the approval and recommendation of a Superior Competing Transaction;

(i) by Chateau if (i) prior to the ROC Stockholders Meeting, the Board of Directors of ROC or any committee thereof shall have withdrawn or modified in any manner adverse to Chateau its approval or recommendation of the Merger or this Agreement in connection with, or approved or recommended, any Superior Competing Transaction, (ii) ROC shall have entered into any agreement with respect to any Competing Transaction (other than a confidentiality agreement as contemplated by Section 7.1(b)) or (iii) the Board of Directors of ROC or any committee thereof shall have resolved to do any of the foregoing;

(j) by Chateau if prior to the Chateau Stockholders Meeting, the Board of Directors of Chateau or any committee thereof shall have withdrawn or modified in accordance with Section 7.1 hereof in any manner adverse to ROC its approval or recommendation

of the issuance of the Merger Consideration to the ROC stockholders in connection with the approval and recommendation of a Superior Competing Transaction;

(k) by ROC if (i) prior to the Chateau Stockholders Meeting, the Board of Directors of Chateau or any committee thereof shall have withdrawn or modified in any manner adverse to ROC its approval or recommendation of the issuance of the Merger Consideration to the ROC stockholders in connection with, or approved or recommended, a Superior Competing Transaction, (ii) Chateau shall have entered into any agreement with respect to any Competing Transaction (other than a confidentiality agreement as contemplated by Section 7.1(b)) or (iii) the Board of Directors of Chateau or any committee thereof shall have resolved to do any of the foregoing;

(l) by ROC or Chateau if, over any consecutive 20-Trading Day (as herein defined) period ending prior to the first date of the mailing of the Proxy Statement to the respective stockholders of ROC and Chateau, the average of the ratios determined by comparing the Closing Price (as herein defined) of the ROC Common Stock to the Closing Price of the Common Stock on each day over such period is more than 1.20 to one or less than 0.89 to one, and the party desiring such termination provides notice to the other party within three business days of the end of such consecutive 20-Trading Day period but in no event later than the date of the mailing; provided, however, that the right of either of Chateau or ROC to terminate this Agreement under this Section 8.1(l) shall not be available if, at the time such party proposes to exercise such termination right, such party has received a bona fide proposal for a Competing Transaction. For purposes hereof, "Trading Day" shall mean a day on which the NYSE is open for trading, and "Closing Price" shall mean the last reported sale price per share of the ROC Common Stock or Common Stock, as the case may be, as reported on the NYSE consolidated tape on the Trading Day in question;

(m) by ROC if the condition specified in Section 6.3(i) has not been satisfied on or prior to the later of November 16, 1996 or ten days after the SEC has cleared the Proxy Statement for mailing, or if on or prior to the record date for the Chateau Stockholders Meeting any of the Transferring Holders that have executed the CS Letter Agreement has failed to exchange the shares it has agreed to exchange under such agreement and such shares have not been replaced by shares held by other OP Unit holders; and

(n) by Chateau if (i) within five business days after ROC delivers the Issuance Notice as contemplated by Section 5.21, Chateau provides written notice to ROC to the effect that if ROC proceeds with the issuance contemplated by the Issuance Notice Chateau will terminate this Agreement, (ii) ROC, in spite of such notice from Chateau, proceeds with the issuance, and (iii) Chateau notifies ROC in writing of the termination of this Agreement within five business days after ROC notifies Chateau of the closing of the

issuance.

SECTION 8.2 Expenses.

(a) Except as otherwise specified in this Section 8.2 or agreed in writing by the parties, all out-of-pocket costs and expenses incurred in connection with this Agreement and the Transactions contemplated hereby shall be paid by the party incurring such cost or expense.

(b) ROC agrees that if this Agreement shall be terminated pursuant to Section 8.1(b), then ROC will pay to the Operating Partnership, or as directed by the Operating Partnership, an amount equal to the Chateau Break-Up Expenses (as defined below). In addition, ROC agrees that if this Agreement shall be terminated pursuant to Section 8.1(b), (f), (h) or (i) and, in the case of Section 8.1(b) or (f), following the date of the Original Agreement and prior to termination of this Agreement, ROC shall have received a proposal constituting a Competing Transaction and within 12 months following termination ROC shall enter into a definitive agreement providing for a Competing Transaction that is equally or more favorable from a financial point of view to ROC's stockholders as the Merger, then ROC will pay as directed by the Operating Partnership a fee in an amount equal to the Chateau Break-Up Fee (as defined below). Payment of any of such amounts shall be made, as directed by the Operating Partnership, by wire transfer of immediately available funds promptly, but in no event later than two business days after the amount is due as provided herein. The "Chateau Break-Up Fee" shall be an amount equal to the lesser of (i) $10,000,000 (the "Base Amount") or (ii) the sum of (A) the maximum amount that can be paid to the Operating Partnership without causing Chateau to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code determined as if the payment of such amount did not constitute income described in Sections 856(c)(2) and 856(3) of the Code ("Qualifying Income"), as determined by independent accountants to Chateau and (B) in the event Chateau receives a letter from outside counsel (the "Chateau Break-Up Fee Tax Opinion") indicating that Chateau has received a ruling from the IRS holding that the Operating Partnership's receipt of the Base Amount would either constitute Qualifying Income as to Chateau with respect to Chateau's proportionate share thereof or would be excluded from Chateau's gross income for purposes of Sections 856(c)(2) and (3) of the Code (the "REIT Requirements") or that the receipt by the Operating Partnership of the remaining balance of the Base Amount following the receipt of and pursuant to such ruling would not be deemed constructively received prior thereto, the Base Amount less the amount payable under clause (A) above. In the event that the Operating Partnership is not able to receive the full Base Amount, ROC shall place the unpaid amount in escrow and shall not release any portion thereof to the Operating Partnership unless and until ROC receives any one or a combination of the following: (i) a letter(s) from Chateau's independent accountants indicating the maximum amount that can be paid at that time to the Operating Partnership without causing Chateau to fail to meet the REIT Requirements or (ii) a Chateau Break-Up Fee Tax Opinion, in which event ROC shall pay to the Operating Partnership the lesser of the

unpaid Base Amount or the maximum amount stated in the letter(s) referred to in (i) above from time to time. ROC's obligation to pay any unpaid portion of

the Chateau Break-Up Fee (provided ROC has otherwise complied with its obligations under this provision) shall terminate (and any amount still held in such escrow shall be released to ROC) on the date that is five years from the date the Chateau Break-Up Fee first becomes due under this Agreement. In addition, amounts held in escrow may be earlier released as provided in Section 8.2(c). The "Chateau Break-Up Expenses" shall be an amount equal to the lesser of (i) the Operating Partnership's out-of-pocket expenses incurred in connection with the Original Agreement and this Agreement and the other Transactions (including, without limitation, all attorneys', accountants' and investment bankers' fees and expenses) but in no event in an amount greater than $4,000,000 (such amount not to exceed such $4,000,000 being referred to in this Section 8.2(b) or (c) as the "Expense Fee Base Amount") and (ii) the sum of (A) the maximum amount that can be paid to the Operating Partnership without causing Chateau to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code determined as if the payment of such amount did not constitute Qualifying Income, as determined by independent accountants to Chateau and (B) in the event Chateau receives a Chateau Break-Up Fee Tax Opinion indicating that Chateau has received a ruling from the IRS holding that the Operating Partnership's receipt of the Expense Fee Base Amount would either constitute Qualifying Income as to Chateau with respect to Chateau's proportionate share thereof or would be excluded from Chateau's gross income for purposes of the REIT Requirements or that receipt by the Operating Partnership of the remaining balance of the Expense Fee Base Amount following the receipt of and pursuant to such ruling would not be deemed constructively received prior thereto, the Expense Fee Base Amount less the amount payable under clause (A) above. In the event that the Operating Partnership is not able to receive the full amount of the Chateau Break-Up Expenses, ROC shall place the unpaid amount in escrow and shall not release any portion thereof to the Operating Partnership unless and until ROC receives any one or combination of the following: (i) a letter(s) from Chateau's independent accountants indicating the maximum amount that can be paid at that time to the Operating Partnership without causing Chateau to fail to meet the REIT Requirements or (ii) a Chateau Break-Up Fee Tax Opinion indicating that Chateau's receipt of the Expense Fee Base Amount would satisfy in whole or in part the REIT Requirements, in which event ROC shall pay to the Operating Partnership the lesser of the unpaid Expense Fee Base Amount or the maximum amount stated in the letter(s) referred to in (i) above from time to time. ROC's obligation to pay any unpaid portion of the Chateau Break-Up Expenses (provided ROC has otherwise complied with its obligations under this provision) shall terminate (and any amount still held in such escrow shall be released to ROC) on the date that is five years from the date the Chateau Break-Up Expenses first become due under this Agreement. In addition, amounts held in escrow may be earlier released as provided in Section 8.2(c).

(c) Notwithstanding anything to the contrary contained in Section 8.2(b) above, if the Operating Partnership realizes any

Total Profit pursuant to the ROC Option Agreement and at any time or from time to time the sum of (i) the Total Profit realized by the Operating Partnership, (ii) the Chateau Break-Up Fee paid to the Operating Partnership and (iii) the amount of Chateau Break-Up Expenses paid to the Operating Partnership exceeds the sum of (i) the Base Amount (which amount shall be counted as zero if ROC has not become obligated to pay the Chateau Break-Up Fee under this Agreement) and (ii) the Expense Fee Base Amount (which amount shall be counted as zero if ROC has not become obligated to pay the Chateau Break-Up Expenses under this Agreement), then the Chateau Break-Up Fee and/or Chateau Break-Up Expenses shall be reduced (it being agreed that the allocation of the reduction between the Chateau Break-Up Fee and the Chateau Break-Up Expenses shall be determined in the discretion of Chateau) by such excess, and the amount, if any, still held in escrow shall be released from the escrow account to ROC, and the Operating Partnership shall promptly refund the balance of such excess to ROC.

(d) Chateau agrees that if this Agreement shall be terminated by ROC pursuant to Section 8.1(m), then Chateau shall pay to ROC up to $2,000,000 in out-of-pocket expenses incurred in connection with the Original Agreement, this Agreement or the other Transactions (including, without limitation, all attorneys', accountants' and investment banking fees and expenses). Chateau agrees that if this Agreement shall be terminated pursuant to Section 8.1(c), then Chateau will pay, as directed by ROC, an amount equal to the ROC Break-Up Expenses (as defined below). In addition, Chateau agrees that if this Agreement shall be terminated pursuant to Section 8.1(c), (g), (j), (k) or (m) and, in the case of Section 8.1(c), (g) or (m) within 12 months following termination of this Agreement, Chateau shall enter into a definitive agreement providing for a Competing Transaction that is equally or more favorable from a financial point of view to Chateau's stockholders as the Merger, then Chateau will pay as directed by ROC a fee in an amount equal to the ROC Break-Up Fee (as defined below). Payment of any of such amounts shall be made, as directed by ROC, by wire transfer of immediately available funds promptly, but in no event later than two business days after the amount is due as provided herein. The "ROC Break-Up Fee" shall be an amount equal to the lesser of (i) $10,000,000 reduced by the amount, if any, paid by Chateau to ROC in accordance with the first sentence of this Section 8.2(d) (the "Base Amount") and (ii) the sum of (A) the maximum amount that can be paid to ROC without causing it to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code determined as if the payment of such amount did not constitute Qualifying Income, as determined by independent accountants to ROC and (B) in the event ROC receives a letter from outside counsel (the "ROC Break-Up Fee Tax Opinion") indicating that ROC has received a ruling from the IRS holding that ROC's receipt of the Base Amount would either constitute Qualifying Income or would be excluded from gross income for purposes of Sections 856(c)(2) and (3) of the Code or that the receipt by ROC of the remaining balance of the Base Amount following the receipt of and pursuant to such ruling would not be deemed constructively received prior thereto, the Base Amount less the amount payable

under clause (A) above. In the event that ROC is not able to receive the full Base Amount, Chateau shall place the unpaid amount in escrow and shall not release any portion thereof to ROC unless and until Chateau receives any one or a combination of the following: (i) a letter(s) from ROC's independent accountants indicating the maximum amount that can be paid at that time to ROC without causing ROC to fail to meet the REIT Requirements or (ii) a ROC Break-Up Fee Tax Opinion, in which event Chateau shall pay to ROC the lesser of the unpaid Base Amount or the maximum amount stated in the letter(s) referred to in (i) above from time to time. Chateau's obligation to pay the ROC Break-Up Fee (provided Chateau has otherwise complied with its obligations under this provision) shall terminate (and any amount still held in such escrow shall be released to Chateau) on the date that is five years from the date the ROC Break-Up Fee first becomes due under this Agreement. In addition, amounts held in escrow may be earlier released as provided in Section 8.2(e). The "ROC Break-Up Expenses" shall be an amount equal to the lesser of (i) ROC's out-of-pocket expenses (other than those expenses, if any, reimbursed under the first sentence of this Section 8.2(d)) incurred in connection with the Original Agreement and this Agreement and the other Transactions (including, without limitation, all attorneys', accountants' and investment bankers' fees and expenses) but in no event in an amount greater than $4,000,000 (such amount not to exceed such $4,000,000 being referred to in this Section 8.2(d) or (e) as the "Expense Fee Base Amount") and (ii) the sum of (A) the maximum amount that can be paid to ROC without causing it to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code determined as if the payment of such amount did not constitute Qualifying Income, as determined by independent accountants to ROC and (B) in the event ROC receives a ROC Break-Up Fee Tax Opinion indicating that ROC has received a ruling from the IRS holding that ROC's receipt of the Expense Fee Base Amount would either constitute Qualifying Income or would be excluded from gross income for

purposes of the REIT Requirements or that receipt by ROC of the remaining balance of the Expense Fee Base Amount following the receipt of and pursuant to such ruling would not be deemed constructively received prior thereto, the Expense Fee Base Amount less the amount payable under clause (A) above. In the event that ROC is not able to receive the full Expense Fee Base Amount, Chateau shall place the unpaid amount in escrow and shall not release any portion thereof to ROC unless and until Chateau receives any one or combination of the following: (i) a letter(s) from ROC's independent accountants indicating the maximum amount that can be paid at that time to ROC without causing ROC to fail to meet the REIT Requirements or (ii) a ROC Break-Up Fee Tax Opinion indicating that ROC's receipt of the Expense Fee Base Amount would satisfy in whole or in part the REIT Requirements, in which event Chateau shall pay to ROC the lesser of the unpaid Expense Fee Base Amount or the maximum amount stated in the letter(s) referred to in (i) above from time to time. Chateau's obligation to pay any unpaid portion of the ROC Break-Up Expenses (provided Chateau has otherwise complied with its obligations under this provision) shall terminate (and any amount still held in such escrow shall be released to Chateau) on the date that is five years from the date the ROC Break-Up Expenses first

become due under this Agreement. In addition, amounts held in escrow may be earlier released as provided in Section 8.2(e).

(e) Notwithstanding anything to the contrary contained in Section 8.2(d) above, if ROC realizes any Total Profit pursuant to the Chateau Option Agreement and at any time or from time to time the sum of (i) the Total Profit, (ii) ROC Break-Up Fee and (iii) the amount of ROC Break-Up Expenses exceeds the sum of (i) the Base Amount (which amount shall be counted as zero, if Chateau has not become obligated to pay the ROC Break-Up Fee under this Agreement) and (ii) the Expense Fee Base Amount (which amount shall be counted as zero, if Chateau has not become obligated to pay the ROC Break-Up Expenses under this Agreement), then the ROC Break-Up Fee and/or the ROC Break-Up Expenses shall be reduced (it being agreed that the allocation of the reduction shall be determined in the discretion of ROC) by such excess, and the amount, if any, still held in escrow shall be released from the escrow account to Chateau and ROC shall promptly refund the balance of such excess to Chateau.

(f) In the event that Chateau, the Operating Partnership or ROC is required to file suit to seek all or a portion of the amounts payable under this Section 8.2, and such party prevails in such litigation, such party shall be entitled to all expenses, including attorney's fees and expenses which it has incurred in enforcing its rights hereunder; provided that such expenses shall be considered part of out-of-pocket expenses incurred in connection with this Agreement and the other Transactions within the definition of Chateau Break-Up Expenses or ROC Break-Up Expenses, as the case may be.

SECTION 8.3 Effect of Termination. In the event of termination of this Agreement by either ROC or Chateau as provided in Section 8.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Chateau, or ROC, other than the last sentence of Section 5.2, Section 8.2, this Section 8.3 and Article IX and except to the extent that such termination results from a willful breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

SECTION 8.4 Amendment. This Agreement may be amended by the parties in writing by action of their respective Boards of Directors at any time before or after any Stockholder Approvals are obtained and prior to the filing of the Articles of Merger with the Department of Assessments and Taxation of the State of Maryland; provided, however, that, after the Stockholder Approvals are obtained, no such amendment, modification or

supplement shall alter the amount or change the form of the consideration to be delivered to ROC's or Chateau's stockholders or alter or change any of the terms or conditions of this Agreement if such alteration or change would adversely affect ROC's stockholders or Chateau's stockholders.

SECTION 8.5 Extension; Waiver. At any time prior to the Effective Time, each of ROC and Chateau may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any document delivered pursuant to this Agreement or (c) subject to the proviso of Section 8.4, waive compliance with any of the agreements or conditions of the other party contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. Any waivers pursuant to clause (c) of the second preceding sentence (i) of the provisions of Section 4.1(e) may be given in writing by or on behalf of Chateau by the chief executive officer of Chateau and (ii) of the provisions of Section 4.2(e) may be given in writing by or on behalf of ROC by the chief executive officer of ROC. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

ARTICLE IX

General Provisions

SECTION 9.1 Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 9.1 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

SECTION 9.2 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) to the parties or sent by telecopy (providing confirmation of transmission) at the following addresses or telecopy numbers (or at such other address or telecopy number for a party as shall be specified by like notice):

(a) if to Chateau or RSub, to

Chateau Properties, Inc.
19500 Hall Road
Clinton Township, MI 48038
Attn: C.G. ("Jeff") Kellogg
Fax: (810) 286-1496

with a copy to:

Timmis & Inman L.L.P.
300 Talon Centre
Detroit, MI 48207
Attn: Henry J. Brennan, III
Fax: (313) 396-4229

and

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, NY 10004
Attn: Arthur Fleischer
Fax: (212) 859-4000

(b) if to ROC, to

ROC Communities, Inc.
6430 S. Quebec Street
Englewood, CO 80111
Attn: Gary P. McDaniel
Fax: (303) 741-3715

with a copy to:

Rogers & Wells
200 Park Avenue
New York, NY 10166
Attn: Jay L. Bernstein, Esq.
Fax: (212) 878-8375

SECTION 9.3 Interpretation. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

SECTION 9.4 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 9.5 Entire Agreement; No Third-Party Beneficiaries. This Agreement, the Confidentiality Agreement and the other agreements entered into in connection with the Transactions (a) constitute the entire agreement and supersedes all prior agreements (including the Original Agreement) and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement and, (b) except for the provisions of Article II, Section 5.11(b) and (d) and Section 5.12, are not intended to confer upon any person other than the parties hereto any rights or remedies.

SECTION 9.6 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICT OF LAWS THEREOF.

SECTION 9.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the

parties without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 9.8 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of Maryland or in any Maryland State court, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself (without making such submission exclusive) to the personal jurisdiction of any federal court located in the State of Maryland or any Maryland State court in the event any dispute arises out of this Agreement or any of the Transactions contemplated by this Agreement and (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court.

ARTICLE X

Certain Definitions

SECTION 10.1 Certain Definitions. For purposes of this Agreement:

An "affiliate" of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person.

"Chateau Disclosure Letter" means the letter previously delivered to ROC by Chateau disclosing certain information in connection with the Original Agreement.

"Chateau Subsidiary" means the Operating Partnership and each other Subsidiary of Chateau.

"Financing Partnership" means a newly organized financing partnership into which the Financing Sub will merge pursuant to the terms of the Contribution Agreement.

"Financing Sub" means ROCF, Inc., a Maryland corporation.

"Knowledge" where used herein with respect to ROC shall mean the knowledge of the persons named in Schedule 10 to the ROC Disclosure Letter and where used with respect to Chateau shall mean the knowledge of the persons named in Schedule 10 to the Chateau Disclosure Letter.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

"ROC Disclosure Letter" means the letter previously delivered to Chateau by ROC disclosing certain information in connection with the Original Agreement.

"ROC Subsidiary" means each Subsidiary of ROC.

"Subsidiary" of any person means any corporation, partnership, limited liability company, joint venture or other legal entity of which such person (either directly or through or together with another Subsidiary of such person) owns 50% or more of the voting stock or other equity interests of such corporation, partnership, limited liability company, joint venture or other legal entity.

IN WITNESS WHEREOF, Chateau, ROC, and RSub have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

CHATEAU PROPERTIES, INC.

By: _____
Name:
Title:

ROC COMMUNITIES, INC.

By: _____
Name: Gary P. McDaniel
Title: President and Chief Executive Officer

R ACQUISITION SUB, INC.

By: _____
Name: C.G. Kellogg
Title: President