

WESLEY FARMS

Comstock Township, Kalamazoo County

PURCHASE AGREEMENT FOR UNIT ONLY

THIS PURCHASE AGREEMENT is made by JMG Development Company L.C. (also known of record as JMG Development LLC), a Michigan limited liability company, of 5071 Gull Road, Kalamazoo, MI 49048 (the "Developer"), and the following person(s) [insert name(s) and address(es)]

(collectively, the "Purchaser"). The telephone numbers and email addresses for the Purchaser are as follows:

() _____
() _____

1. Unit to be Purchased. Purchaser agrees to purchase from Developer, pursuant to the provisions of this document, the exclusive ownership of Unit No. ____ as depicted on the Condominium Subdivision Plan of Wesley Farms (the "Project") prepared by Wightman, together with the undivided appurtenant Percentage of Value in the Common Elements of the Project assigned to the condominium unit. In this Purchase Agreement, the condominium unit being purchased by Purchaser and the appurtenant undivided Percentage of Value interest in the Common Elements of the Project are called the "Unit." The Purchaser's rights to the Unit, are conveyed subject to the terms of Michigan's Condominium Act (Act 59, Public Acts of 1978), as amended (the "Act") and the provisions of the master deed (the "Master Deed") and other Condominium Documents for the Project.

2. Purchase Price and Terms of Purchase.

a. The purchase price for the Unit shall be as follows:

Base Price: \$ _____

Extras (please see Section 27):

•	_____	\$ _____
•	_____	\$ _____
•	_____	\$ _____
•	_____	\$ _____

Total Purchase Price for Unit: \$ _____

Buy In Fee (Please see Section 12) \$ _____

TOTAL AMOUNT OWED TO BE PAID ON OR BEFORE CLOSING \$ _____

b. Purchaser agrees that he or she will (check box which applies):

☐ Pay the Total Amount Owed in cash;

☐ Pay \$_____ of the Total Amount Owed in cash and finance the balance under a mortgage, in which case Purchaser's obligations under this Agreement are contingent upon the ability of Purchaser to secure, within _____ (____) days after the Effective Date of this Agreement, a mortgage commitment for \$_____, contingent only upon the lender's receipt of an acceptable appraisal and Purchaser's not doing anything after application to impair Purchaser's credit. Purchaser shall apply for the mortgage within ten (10) business days after delivery to Purchaser of the Section 84a documents and shall then promptly notify Developer of the name and address of the lender(s) to which Purchaser applied. If Developer is not notified in writing on or before _____, 20____, that Purchaser has not received a mortgage commitment as described above, then it shall be conclusively presumed that Purchaser has waived the mortgage contingency, has secured such a commitment or will purchase the Unit without mortgage financing.

If Developer is duly notified of Purchaser's inability to obtain mortgage financing, Developer may, at Developer's option, sell the Unit by land contract to Purchaser under the same terms as were contemplated by the mortgage financing, terminate this Agreement, or extend the deadline(s) for Purchaser's obtaining a mortgage commitment and/or for closing by written notice served on Purchaser.

3. Payment of Total Amount Owed. Purchaser agrees to pay the Total Amount Owed as follows:

Deposit upon execution of this Agreement: \$ _____

Promptly upon notice of the occurrence of the following events: _____ \$ _____

_____ \$ _____

At time of closing: \$ _____

Total Amount Owed: \$ _____
(Same as total amount in § 2a)

Purchaser agrees that, in addition to the Total Amount Owed and other sums set forth in this Agreement, he or she will be liable for the closing costs and other expenses as set forth in this Agreement.

4. Closing. This sale shall be closed, the payment of the Total Amount Owed and other sums required under this Agreement, and Developer's delivery to Purchaser of the deed to the Unit shall be made in accordance with this Agreement at such place and time and on such date as Developer shall designate by notice to Purchaser not less than ten (10) days prior to closing. Except as provided elsewhere in this Agreement, the deadline for closing shall be on or before _____, 20____. Unless Developer designates a different location for closing, the closing shall be held at the offices of Chicago Title of Michigan, Inc. ("Chicago Title") 941 West Milham Road, Portage, MI 49024.

5. Additional Provisions: _____

6. Other Conditions. The attached General Conditions are integral provisions of this Agreement and are incorporated by reference as if they are contained in this Section of this Agreement.

7. Effective Date. If this Agreement is executed by the Developer on the same date that it is executed by Purchaser, then such date shall be the Effective Date of this Agreement and, subject to Sections 14 and 15 of the General Conditions and to the Condominium Act and Rules, this Agreement shall be binding on such date. If this Agreement is not signed by Developer on the date of execution by Purchaser, then this document shall constitute Purchaser's offer to purchase the Unit, which offer shall be subject to acceptance by Developer no later than ten (10) days after the date of Purchaser's offer. If Developer does not accept this offer within the ten (10) day period, then the deposit will be returned promptly and the offer shall become void. If the offer is accepted by the Developer within the ten (10) day period, then this Agreement shall become a

contract between Purchaser and Developer, the Effective Date shall be the date of execution by Developer, and Developer shall promptly serve on Purchaser a fully executed original or copy of this Agreement.

Dated this _____ day of _____, 20__.

PURCHASER:

*

*

Accepted this _____ day
of _____, 20__.

DEVELOPER:

JMG DEVELOPMENT L.C.,
a Michigan limited liability company

By _____

*

Its: Authorized Agent

* Print or type name below signature line

**GENERAL CONDITIONS TO
WESLEY FARMS PURCHASE AGREEMENT**

8. Plan of Development. Developer is engaged in the development of a residential conversion condominium project known as Wesley Farms in Comstock Township, Kalamazoo County, Michigan (the "Project"). The Developer has caused to be organized a Michigan nonprofit corporation (the "Association") known as Wesley Farms Association for the purpose of operating and maintaining the common elements of the Project and enforcing the condominium documents. Each co-owner of a condominium unit in the Project shall become a member of the Association and shall be entitled to one (1) vote for each unit owned by that co-owner. According to the documents for the Project, each of the units in the Project shall have a percentage of value and voting right equal to the other units. By executing this Agreement, Purchaser agrees that Purchaser has reviewed the Condominium Documents for the Project and that upon becoming a member of the Association, he or she will be subject to and abide by all of the provisions of all of the documents pertaining to the Project and the Association.

9. The Unit. Purchaser acknowledges that Developer and Purchaser intend that Purchaser will cause a house and related improvements to be constructed within the Unit.

10. Financing. Any information provided by the Developer to the Purchaser relating to financing sources is intended only as an accommodation, and the Purchaser is entitled to secure financing from any institution or source, and upon any terms consistent with this Agreement. All costs related to obtaining financing shall be the responsibility of the Purchaser, unless specifically otherwise agreed to in writing by Developer and Purchaser.

If Purchaser intends to purchase the Unit for cash (i.e., without financing), he or she shall provide the Developer with evidence acceptable to the Developer of Purchaser's ability to close without financing within ten (10) working days after the Effective Date of this Agreement.

In any case, Purchaser represents to the Developer that to the best of Purchaser's knowledge, Purchaser is financially capable of closing on the purchase of the Unit on the terms and conditions contained in this Agreement and that Purchaser shall provide promptly to the Developer and/or Purchaser's intended mortgagee such evidence that either or both may reasonably request of Purchaser's financial ability to close on the purchase of the Unit. Developer's obligations under this Agreement are contingent on Developer's being satisfied that Purchaser has the credit and/or financial capability to purchase the Unit on the terms and conditions of this Agreement.

11. Conveyance of Title. Developer agrees to convey to Purchaser by warranty deed marketable title to the Unit, subject to (a) current general real estate taxes; (b) easements, covenants, restrictions, agreements and building lines of record, including the provisions of the Master Deed, Condominium Bylaws and other Condominium Documents for the Project,

and all amendments; (c) all governmental limitations including zoning and building laws and ordinances and Michigan's Condominium Act; (d) acts done or suffered by Purchaser; (e) liens and other matters over which the title insurer commits to insure; and (f) easements and other matters affecting the Unit and Common Elements that would be revealed by a visual inspection of the Project. Purchaser further agrees to consummate the purchase of the Unit on or before the deadline set forth in Section 4 of this Purchase Agreement and within ten (10) days after notice from Developer that it is prepared to tender title and possession, and to pay the balance of the Total Amount Owed as set forth above which shall be disbursed in accordance with the terms of the attached Escrow Agreement. General real estate taxes which are first due and payable in the same calendar year as the Effective Date of this Agreement shall be prorated to the day of closing on a calendar year basis, with Purchaser being liable for such taxes on the date of closing and thereafter. If a separate tax bill for the Unit has not been issued with respect to any tax bill to be prorated under this Agreement, the applicable tax bill covering the Unit and other property shall be equitably shared and paid by Developer and Purchaser so that each party pays a portion of the tax bill proportionate to that party's interest in the value of the Unit or such other property.

At or prior to closing, the Developer shall provide Purchaser, at Developer's expense, with a standard form commitment for issuance of a policy of title insurance by Chicago Title or such other title insurance company as Developer may designate showing title in Purchaser subject to (a) the general and standard printed exceptions and (b) those matters set forth in the preceding paragraph, and promptly after closing shall cause to be issued and delivered to Purchaser an owner's policy of title insurance based upon such commitment. The title policy or commitment shall be presumptive evidence that marketable title is being conveyed to Purchaser, and shall be in the amount of the total purchase price for the Unit set forth in Sections 2a and 3.

12. Assumption of Obligations. Purchaser agrees that Purchaser will assume as of the date of closing all obligations appurtenant to the Unit, including payment of utilities. At closing, Purchaser also agrees to deposit with the Developer, or to pay directly to the Association as directed by the Developer, in addition to the pro-rata share of the current assessment for the Unit being purchased, a "buy in fee" equal to two months Association assessments (\$_____) (the "Buy In Fee"), based on the current annual budget of the Association. The Buy In Fee shall be forwarded promptly by the Developer to the Association for use as working capital for operation and management of the Association and/or for any other legitimate purpose as determined by the Association and as provided in the Condominium Documents. This Buy In Fee shall not act as a credit against any future assessment.

13. Escrow Provisions. All sums received by Developer from Purchaser prior to closing and pursuant to this Agreement shall be deposited with Chicago Title as escrow agent ("Escrow Agent"), under a certain Escrow Agreement between Developer and the Escrow

Agent attached as Exhibit A and incorporated in this document by reference. The terms of the Escrow Agreement may be modified by written agreement of Developer, Purchaser and Escrow Agent, so long as such modifications are consistent with the Act. Purchaser agrees to be bound by the Escrow Agreement as though Purchaser was a party to the Escrow Agreement. If Purchaser withdraws from this Agreement in accordance with Section 14 prior to the time this Agreement becomes a binding purchase agreement, all funds paid by Purchaser in connection with the purchase of the Unit shall be returned to Purchaser within three (3) business days after such withdrawal in accordance with the Escrow Agreement.

After expiration of the withdrawal period, the Developer is required to retain sufficient funds in escrow or to provide sufficient security to assure completion of only those uncompleted structures and improvements which are labeled "must be built" (if any) under the terms of the Condominium Documents. Given that all "must be built" items for the Project have been constructed, after expiration of the withdrawal period, it is likely that the Escrow Agent will pay to Developer prior to closing all sums paid to Escrow Agent by Purchaser.

In the event that all funds paid by Purchaser to Escrow Agent have not been paid to Developer pursuant to the preceding paragraph, then Purchaser agrees that after the expiration, or any written waiver or rescission, of the withdrawal period and after delivery to Purchaser of a written representation that all "must be built" items for which money must be held in escrow are either "substantially completed" or their completion has been deemed adequately secured by the Escrow Agent, Purchaser will promptly upon demand execute and deliver to Developer a written authorization for the Escrow Agent to release from escrow all money deposited with the Escrow Agent in accordance with the Escrow Agreement.

If Purchaser orders modifications of the Unit or the acquisition and installation of Extras for the Unit after this Agreement becomes binding on Purchaser, Developer may require an additional sum or sums to be paid in escrow or to Developer in an amount not to exceed the full amount of the estimated cost of such Extras. Purchaser shall pay such sum(s) within ten (10) days of the Developer's written demand. If such sums are not timely paid, then Developer, at its option, may refuse to proceed with the completion of the Unit, or may proceed with completion of any Extras to the Unit without the modifications or acquisition and installation of any or all of such Extras, or may proceed with the completion of the Unit with all or some of the Extras and collect at closing or such other time demanded by Developer, all of the costs of such Extras, plus late charges on such costs calculated at the rate of seven percent (7%) per annum from the date(s) the costs were incurred by Developer until the date(s) payment is received.

14. Cancellation Rights of Purchaser. This Agreement shall not become binding on Purchaser and Purchaser may withdraw without cause and without penalty before conveyance of the Unit and within nine (9) business days (including the day on which the documents are received if that day is a business day) after the Developer provides to the Purchaser copies of

the recorded Master Deed and the other documents required by Section 84a of the Act. If Purchaser shall determine to so withdraw, Purchaser shall notify Developer in writing of Purchaser's desire to withdraw, and all rights and liabilities of Purchaser and Developer to consummate this transaction shall terminate.

15. Cancellation Rights of Developer. If, prior to the date on which this Agreement becomes a binding purchase agreement, Developer for any reason desires to withdraw as a party to this Agreement, Developer shall so notify Purchaser in writing. In either case, Developer reserves the right to cause all sums paid under this Agreement to be returned to Purchaser, in which event all rights of Purchaser under this Agreement and/or in connection with the Unit shall cease and terminate without further liability on the part of Developer.

Purchaser's credit is subject to approval by Developer and by any proposed mortgagee. Subsequent to the date on which this Agreement becomes a binding purchase agreement, Developer may cancel Purchaser's rights under this Agreement only in accordance with Section 16 of this Purchase Agreement after a default of this Purchase Agreement by Purchaser.

16. Default. If Purchaser shall default in the performance of any of the payments or obligations called for in this Agreement and such default shall continue for nine (9) business days after written notice sent by Developer to Purchaser, then, at the written option of Developer, served on Purchaser, all rights of Purchaser under this Agreement shall immediately terminate.

If Purchaser's rights terminate prior to the time this Agreement becomes a binding purchase agreement, all sums paid by Purchaser shall be refunded to Purchaser within three (3) business days of the date of termination and neither party shall have any further liability to the other under this Agreement. If subsequent to the date this Agreement becoming a binding purchase agreement, Purchaser's rights are terminated for any reason other than default by Developer, then any amount paid by Purchaser toward the purchase price (but not to exceed ten percent (10%) of the Total Amount Owed plus any sums owed by Purchaser under Section 27 of this Agreement) may be retained by the Developer as liquidated damages, or Developer, at its option, may elect to pursue any legal or equitable remedy available to it under applicable law. If Developer defaults after this Agreement becomes a binding purchase agreement, then Purchaser shall be entitled to the immediate return of the Deposit and Purchaser may elect to pursue any legal or equitable remedy available to Purchaser.

17. Arbitration. At the exclusive option of the Purchaser, any claim which might be the subject of a civil action against the Developer which involves an amount less than \$2,500.00, and arises out of or relates to this Agreement or the Unit or the Project, shall be settled by binding arbitration conducted by the American Arbitration Association. The arbitration shall be conducted in accordance with applicable law and the currently applicable

rules of the American Arbitration Association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction.

18. Possession. Developer agrees to deliver possession of the Unit at time of closing unless otherwise mutually agreed in writing by Purchaser and Developer.

19. Closing Costs. In addition to the costs set forth elsewhere in this Agreement, Purchaser shall pay for recording the deed to the Unit, mortgage costs (if any), an equal share with the Developer of any closing fee and fee for the preparation of closing documents (but not mortgage documents, the costs for preparation of which shall be paid by Purchaser) charged by the closing or escrow agent and other closing costs customarily paid by purchasers of comparable real estate in Kalamazoo County, Michigan.

20. Possible Closing Delay. Notwithstanding any provision in this Agreement to the contrary, if the owner's policy or commitment of title insurance shows a defect in Developer's title or if Purchaser requested Extras or Modifications to the Unit which have not been completed, then the closing deadline will be extended sixty (60) days so that Developer may cure the defect or cause the title insurance company to insure against risk of loss or damage to Purchaser occasioned by the defect and/or cause the completion of the Extras and/or Modifications. If Developer fails to clear its title by the extended deadline for closing, then Purchaser may either accept whatever title Seller is able to tender Purchaser, without any reduction in the purchase price of the Unit, or elect to terminate this Agreement upon written notice served on Developer, in which case all deposits made by Purchaser shall be returned to Purchaser within three (3) business days of Developer's receipt of Purchaser's election. Once the deposits are returned, Developer shall have no further liability to Purchaser.

21. Failure to Perform. Tender of deed or purchase money shall not be necessary when the other party has defaulted. A failure to appear at the time and place stated above on notice to close the transaction shall be a default. A failure to furnish Developer and/or mortgagee all requested credit information and to sign customary papers relating to the application and securing of a mortgage commitment pursuant to this Agreement shall be a default. Time is of the essence of this Agreement.

22. Advertising. For the purpose of completing the sales promotion of this Project, Developer and its agents are given full right and authority to maintain on the Project (excluding the Unit) until the sale of the last Unit in the Project, such signs, transient parking, sales offices and/or model units as Developer may desire, together with the rights of ingress and egress for Developer and its agents, and any of their respective licensees or invitees.

23. Assignability. Purchaser shall not assign, set over or transfer this Agreement or any of Purchaser's rights or interests in this Agreement without the prior written consent of Developer, and at Developer's option any such purported assignment shall be void and of no

effect. Developer's refusal to consent to an assignment shall not entitle Purchaser to terminate this Agreement or give rise to any claim for damages against Developer. Developer may assign its rights under this Agreement and, if such assignment shall be for the purpose of securing a lender, Purchaser's rights under this Agreement shall, at the option of such lender, be subject and subordinate to the rights of the lender.

24. Entire Agreement. This Agreement constitutes the entire agreement between the parties. NO REPRESENTATION, WARRANTY, UNDERTAKING, OR PROMISE, WHETHER VERBAL, IMPLIED OR OTHERWISE, CAN BE MADE OR HAS BEEN MADE BY EITHER DEVELOPER OR ITS AGENTS OR BROKERS, TO PURCHASER OR ANYONE ACTING ON BEHALF OF PURCHASER UNLESS EXPRESSLY STATED IN THIS AGREEMENT OR UNLESS MUTUALLY AGREED TO IN WRITING BY THE PARTIES. ALL AMENDMENTS, SUPPLEMENTS OR RIDERS TO THIS AGREEMENT, IF ANY, SHALL BE IN WRITING EXECUTED BY BOTH PARTIES AND ATTACHED TO THIS AGREEMENT. PURCHASER SHALL NOT RECORD THIS AGREEMENT OR ANY AFFIDAVIT OR MEMORANDUM OF THIS AGREEMENT.

25. Notices. All notices and demands made under this Agreement shall be in writing and shall be deemed served on the day following the day on which such notice is deposited in the United States mail, first class or certified mail, return receipt requested, postage prepaid, and addressed to Developer, or to Purchaser, at the respective addresses given within this document, or to Purchaser's attorney at his or her business address, or shall be deemed served on the day that the written notice or demand is personally delivered to either party or to such party's attorney. If the parties both agree in writing (which agreement need not be by amendment to this Agreement) that notices may be sent and deemed received by other means (such as email), then notices may be sent and deemed received as agreed by the parties.

26. No Warranty. DEVELOPER MAKES NO WARRANTY OF THE UNIT, EXPRESS OR IMPLIED, OF THE IMPROVEMENTS WITHIN THE UNIT, OR OF THE COMMON ELEMENTS OTHER THAN AS MAY BE SET FORTH IN THIS PURCHASE AGREEMENT. ALSO, UNDER NO CIRCUMSTANCES WILL DEVELOPER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND.

27. Extras and Termination of Purchase Agreement. If pursuant to the written request of Purchaser, Developer constructs or adds additional items, changes or extra features to the Unit ("Extras") and this Agreement is terminated as a result of the default of Purchaser, or if, after this Agreement becomes binding on Purchaser, Purchaser fails to close for any reason other than default or withdrawal by Developer, then an amount equal to the amount that Purchaser agreed to pay for the Extras constructed or installed by Developer, together with interest on such amount at the rate of seven percent (7%) per annum from the date the costs were incurred to the date payment is received, shall be paid to Developer by Purchaser or by the Escrow Agent out of the Purchaser's escrowed funds. Such payment shall be in addition to

the liquidated damage provisions described in Section 16 of this Agreement, but shall not be collected if payment of such amounts is collected under another provision of this Agreement and enforcement of this Section 27 would create a double recovery for Developer.

If after this Agreement is binding, the Purchaser defaults or fails to close for any reason other than default or withdrawal by Developer and the Developer has caused Extras to be added to the Unit and/or the Common Elements at Purchaser's written request, and Developer, in its sole discretion determines those Extras, whether completed or not, to diminish the value or marketability of the Unit, then Developer has the right to restore the Unit to the condition it was in before construction or installation of the Extras, and the amount of additional cost and restoration shall be established by Developer in its sole and absolute discretion, and such additional cost shall similarly be paid to Developer by Purchaser or by the Escrow Agent out of Purchaser's escrowed funds.

28. Usage of Terms. The pronouns and relative words used in this document shall be construed respectively to include the masculine, feminine and neuter genders, and the singular and plural numbers unless the context clearly indicates a contrary intention. "Business day" as used in this document means a day of the year excluding a Saturday, Sunday, or legal holiday.

29. Michigan Law. This Agreement shall be governed by Michigan law.

30. Risk of Loss. Until the date of closing, all risk of loss from fire and the elements shall be borne by Developer.

31. Brokerage. Purchaser and Developer acknowledge that unless otherwise provided in this Agreement, this Agreement was procured through the services of Developer or its agent(s), without the intervention of any real estate broker or agent on Purchaser's behalf. Purchaser shall indemnify Developer against all costs, including attorney fees, incurred by Developer as a result of any claim asserted by any broker or agent of Purchaser.

32. Disclosure of Information. Developer and Purchaser acknowledge and agree that the price, terms, and other details with respect to this transaction (when closed) are not confidential and may be disclosed to the applicable multiple listing service(s) and the people who participate in them. Developer and the multiple listing service(s) and their respective agents may use, disclose, and publish the details of this transaction in the ordinary course of their respective businesses.

33. Enforceability. The contract arising from the execution of this Agreement shall be binding upon and specifically enforceable by the parties and their respective heirs, personal representatives and permitted assigns.

WESLEY FARMS

ESCROW AGREEMENT

THIS AGREEMENT is made as of the 14 day of July, 2026, between JMG Development Company, L.C., a Michigan limited liability company, with an office at 5071 Gull Rd, Kalamazoo, MI 49048 (the "Developer"), and Chicago Title Insurance Company, a Missouri corporation (the "Escrow Agent"), by and through its representative, Chicago Title of Michigan, with an office at 941 West Milham Rd, Portage, MI 49024.

RECITALS:

WHEREAS, the Developer is establishing a residential site condominium project known as Wesley Farms, in the Township of Comstock, Kalamazoo County, Michigan (the "Project") under Michigan's Condominium Act (Act No. 59, Public Acts of 1978, as amended, the "Act"); and

WHEREAS, the Developer intends to sell Units in Wesley Farms, and plans to enter into preliminary reservation agreement and purchase agreements with purchasers for such Units in substantially the forms attached (individually and collectively "Purchase Agreements"), and each such Purchase Agreement requires that all deposits made by a Purchaser be held by Escrow Agent under an Escrow Agreement; and

WHEREAS, the parties desire to enter into such an Escrow Agreement for the benefit of the Developer and for the benefit of each prospective purchaser (the "Purchaser") who makes a deposit under a Purchase Agreement;

NOW, THEREFORE, it is agreed as follows:

1. Developer shall, promptly after receipt, transmit to the Escrow Agent all sums deposited with it under a Purchase Agreement, together with a fully executed copy of the Purchase Agreement itself.

2. All sums paid to the Escrow Agent under the terms of any Purchase Agreement shall be held and released to the Developer or to the Purchaser only after receipt of mutually executed written directions, and upon the following conditions:

A. Except as provided in Paragraphs 2F and 2G, amounts required to be retained in escrow in connection with the purchase of a Unit shall be released to the Developer pursuant to Paragraph 4 when all of the following have occurred:

(i) Issuance of a certificate of occupancy for the Unit, if required by local ordinance.

(ii) Conveyance of legal or equitable title to the Unit to the Purchaser.

(iii) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that those portions of the phase of the Project in which the Condominium Unit is located and which on the Condominium Subdivision Plan are labeled "must be built" are substantially complete, or determining the amount necessary for substantial completion of such improvements.

(iv) Receipt by the Escrow Agent of a certificate signed by a licensed professional engineer or architect either confirming that recreational or other facilities which on the Condominium Subdivision Plan are labeled "must be built", whether located within or outside of the phase of the Project in which the Condominium Unit is located, and which are intended for common use, are substantially complete, or determining the amount necessary for substantial completion of such improvements.

B. In the event that the Purchaser under a Purchase Agreement shall default in making any payments required by the Purchase Agreement and/or in fulfilling any other obligations imposed by the Purchase Agreement for a period of 10 days after written notice has been given by the Developer to the Purchaser, then upon written notice of the Developer, Escrow Agent shall release sums held pursuant to such Purchase Agreement to the Developer in accordance with the terms of the Purchase Agreement.

C. In the event that a Purchaser fails to obtain a mortgage as provided in the Purchase Agreement, Purchaser's obligations under the Purchase Agreement are contingent upon Purchaser's obtaining a mortgage and Purchaser has properly invoked the contingency, then upon written notice of the Developer, Escrow Agent shall release all sums held by it under the Purchase Agreement to the Purchaser.

D. Escrow Agent shall be under no obligation to earn interest upon the escrowed sums held under this Escrow Agreement. In the event that interest is requested to be earned upon such sums, however, such interest shall be separately accounted for by Escrow Agent and shall be held in escrow and paid to Developer upon termination of this Escrow Agreement; provided, that if this Purchase Agreement terminates pursuant to Paragraph 2C, such interest, if any, shall be paid to the Purchaser.

E. In the event that a Purchaser withdraws from a Purchase Agreement prior to the time that the parties are bound under the provisions of the Purchase

Agreement, Escrow Agent shall, within 3 business days from the date of receipt of written notice of such withdrawal, release to Purchaser all of the Purchaser's deposits held under the Purchase Agreement.

F. If Developer requests that all or any part of the escrowed funds held under this Escrow Agreement be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to the Developer upon written request if the Developer either has furnished Escrow Agent with evidence of adequate security for the repayment of the sums released, including, without limitation (if requested in writing by Escrow Agent), an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent and securing full repayment of such sums, a lending commitment, indemnification agreement, or other resource having a value, in the judgment of Escrow Agent, of not less than the sums requested to be released, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved in writing by Escrow Agent.

G. If Escrow Agent has received a certificate or certificates described in Subparagraph 2A(iii) above (and Subparagraph 2A(iv) above, if applicable) and has received written notification from Developer that a Purchase Agreement has become binding on the Purchaser of a Unit because either the 9 business day withdrawal period under Sections 84 and 84a of the Act has expired or the Purchaser has waived the withdrawal period under Subsection 84(5) of the Act, then promptly after receipt of written request from Developer that all money paid into escrow to Escrow Agent with respect to that Unit shall be released to Developer, Escrow Agent shall release and pay all such money to Developer; provided, however, that if at any time before the closing of the sale of that Unit such Purchaser disputes in writing that the Purchase Agreement became binding or that the Purchaser waived the withdrawal period, Developer shall repay Escrow Agent all sums released to Developer with respect to such Unit within three (3) business days of receipt by Developer of Escrow Agent's written demand for the return of such money.

3. A. Substantial completion and the estimated cost for substantial completion of the items described in Paragraphs 2A(iii), 2A(iv) and in Paragraph 4 shall be determined by a licensed professional engineer or architect, as provided in Paragraph 3B, subject to the following:

(i) Items referred to in Paragraph 2A(iii) shall be substantially complete only after all utility mains and leads, all major structural components of buildings, all building exteriors and all sidewalks, driveways, landscaping and access roads, to the extent such items are designated on the Condominium Subdivision Plan as "must be built", are substantially complete in accordance with the pertinent plans for such improvements.

(ii) If the estimated cost of substantial completion of any of the items referred to in Paragraphs 2A(iii) and 2A(iv) cannot be determined by a licensed professional engineer or architect due to the absence of plans, specifications, or other details that are sufficiently complete to enable such a determination to be made, such cost shall be the minimum expenditure specified in the recorded Master Deed or amendment for completion of such improvements. To the extent that any item referred to in Paragraphs 2A(iii) and 2A(iv) is specifically depicted on the Condominium Subdivision Plan, an estimate of the cost of substantial completion prepared by a licensed professional engineer or architect shall be required in place of the minimum expenditure specified in the recorded Master Deed or amendment.

B. A structure, element, facility or other improvement shall be deemed to be substantially complete when it can be reasonably employed for its intended use and, for purposes of certification under this Paragraph, shall not be required to be constructed, installed, or furnished precisely in accordance with the specifications for the Project. A certificate of substantial completion shall not be deemed to be a certification as to the quality of the items to which it relates.

4. Upon receipt of a certificate issued pursuant to Paragraph 2A(iii) and/or 2A(iv) determining the amounts necessary for substantial completion, Escrow Agent may release to Developer all funds in escrow in excess of the amounts determined by the issuer of such certificate to be necessary for substantial completion. In addition, upon receipt by Escrow Agent of a certificate signed by a licensed professional engineer or architect confirming substantial completion in accordance with the pertinent plans of an item for which funds have been deposited in escrow, Escrow Agent shall release to Developer the amount of such funds specified by the issuer of the certificate as being attributable to such substantially completed item. However, if the amounts remaining in escrow after such partial release would be insufficient in the opinion of the issuer of such certificate for substantial completion of any remaining incomplete items for which funds have been deposited in escrow, only the amount in escrow in excess of such estimated cost to substantially complete shall be released by Escrow Agent to Developer. Notwithstanding a release of escrowed funds that is authorized or required by this Paragraph, Escrow Agent may refuse to release funds from an escrow account if Escrow Agent, in its judgment, has sufficient cause to believe the certificate confirming substantial completion or determining the amounts necessary for substantial completion is fraudulent or without factual basis.

5. Not earlier than nine (9) months after closing the sale of the first Unit in the Condominium Project for which escrowed funds have been retained under Paragraph 2A(iii) or for which security has been provided under Paragraph 2F, Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify Developer of the amount of funds deposited under Paragraph 2A(iii) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. In the case of a recreational facility or other facility intended for general common use, not earlier than

nine (9) months after the date on which the facility was promised in the Condominium Documents to be completed by Developer, Escrow Agent, upon the request of the Association or any interested Co-owner, shall notify Developer of the amount of funds deposited under Paragraph 2A(iv) or security provided under Paragraph 2F for such purpose that remains, and of the date determined under this Paragraph upon which those funds can be released. Three months after receipt of a request pertaining to funds described in Paragraph 2A(iii) or 2A(iv), funds that have not yet been released to Developer may be released by Escrow Agent for the purpose of completing incomplete improvements for which the funds were originally retained, or for a purpose specified in a written agreement between the Association and Developer entered into after the Transitional Control Date. The agreement may specify that issues relating to the use of the funds be submitted to arbitration. Escrow Agent may release funds in the manner provided in such an agreement or may initiate an interpleader action and deposit retained funds with a court of competent jurisdiction. In any interpleader action, the circuit court shall be empowered, in its discretion, to appoint a receiver to administer the application of the funds. Any notice or request provided for in this Paragraph shall be in writing.

6. Escrow Agent in the performance of its duties under this Agreement shall be deemed an independent party not acting as the agent of Developer, any Purchaser, Co-owner, or other interested party. So long as Escrow Agent relies upon any certificate, cost estimate, or determination made by a licensed professional engineer or architect as described in the Act, Escrow Agent shall have no liability whatever to Developer or to any Purchaser, Co-owner, or other interested party for any error in such certificate, cost estimate, or determination, or for any act or omission by Escrow Agent in reliance on the certificate. Escrow Agent shall be relieved of all liability upon release, in accordance with this Paragraph, of all amounts deposited with it as required by the Act.

A licensed professional architect or engineer undertaking to make a certification under Section 103b of the Act and/or pursuant to this Escrow Agreement shall be held to the normal standard of care required of a member of that profession in determining substantial completion and the estimated cost of substantial completion under the Act, but such architect or engineer shall not be required to have designed the improvement or item or to have inspected or to have otherwise exercised supervisory control thereof during the course of construction or installation of the improvement or item with respect to which the certificate is delivered. The certification by a licensed professional architect or engineer shall not be construed to limit Developer's liability for any defect in construction.

For purposes of this Escrow Agreement, "licensed professional engineer or architect" means a member of those professions who satisfies all requirements of the laws of Michigan for the practice of the profession, and who is not an employee of Developer or of a firm in which Developer or an officer or director of Developer is a principal or holds 10% or more of the outstanding shares of that firm.

7. Escrow Agent may require written direction and/or reasonable proof of occurrence of any of the events, actions, or conditions stated above before releasing any sums held by it under a Purchase Agreement to a Purchaser or to Developer.

8. Except as to deposits of funds for which Escrow Agent has received express written direction concerning other handling, the parties to this Escrow Agreement agree that the Escrow Agent shall be under no duty to invest or reinvest any deposits at any time held by it under this Escrow Agreement and, further, that Escrow Agent may commingle such deposits with other deposits or with its own funds and may use any part or all of such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any. Provided, however, nothing herein shall diminish Escrow Agent's obligation to apply the full amount of the deposits in accordance with the terms of this Escrow Agreement. Further, if no interest bearing account is set up for the deposited funds, the funds will be deposited with other escrow funds in Chicago Title Insurance Company general escrow account. As a result, Chicago Title Insurance Company may receive an array of bank services, accommodations or other benefits from the depository, which shall accrue to Chicago Title Insurance Company and its affiliates. Chicago Title Insurance Company will have no obligation to account to any party for the value of such services, accommodations or other benefits.

9. Upon making delivery of the funds deposited with Escrow Agent under a Purchase Agreement and performance of the obligations and services stated in the Purchase Agreement or in this Escrow Agreement, Escrow Agent shall be released from any further liability under this Escrow Agreement and any such Purchase Agreement, it being expressly understood that liability is limited by the terms and provisions described in such Escrow Agreement and in this Purchase Agreement, and that by acceptance of this Escrow Agreement, Escrow Agent is acting in the capacity of a depository and is not as such, responsible or liable for the sufficiency, correctness, genuineness or validity of the instruments submitted to it, or the marketability of title to any Unit reserved or sold under any other Agreement. Escrow Agent shall not be responsible for the failure of any bank used by it as an escrow depository for funds received by it under this escrow.

10. Developer agrees to indemnify and hold Escrow Agent harmless for any loss or damage sustained by the Escrow Agent, including, but not limited to, reasonable attorney fees resulting from any litigation arising from the performance of Escrow Agent's obligations and services, provided such litigation is not a result of Escrow Agent's wrongful act or negligence.

In any interpleader action or in case Escrow Agent is made a party defendant to any suit or proceedings regarding this Escrow Agreement for itself, its employees, agents, successors, and assigns, Developer agrees to pay upon written demand, all costs, attorney's fees, and expenses incurred with respect to the defense of Escrow Agent and Escrow Agent shall have a lien on the deposit(s) herein for any and all such costs, fees and expenses. If said costs, fees and expenses are not paid, then Escrow Agent shall have the right to reimburse itself out of the said deposit(s).

In the event of any dispute between the parties to this Escrow Agreement as to the facts of a default, the validity or meaning of these instructions or any other fact or matter relating to the transaction between the parties, Escrow Agent is instructed as follows:

A. That Escrow Agent shall be under no obligation to act, except under the process or order of court, or until it has been adequately indemnified to its full

satisfaction, and shall sustain no liability for its failure to act pending such process or court order or indemnification;

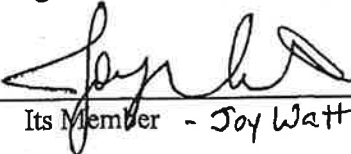
B. That Escrow Agent, in its sole and absolute discretion, may deposit the money escrowed or so much thereof as remains in its hands with the then clerk or acting clerk of the circuit court for Kalamazoo County, State of Michigan, in whose jurisdiction the subject property lies, and interplead all appropriate parties and upon depositing such property and filing its complaint in interpleader, the Escrow Agent shall be relieved of all liability under the terms of this Escrow Agreement as to the property so deposited, and furthermore, Developer and applicable Purchaser(s), for themselves, their heirs, legal representatives, successors and assigns, do hereby appoint the then clerk, or acting clerk, of said court as their agent for the service of all process in connection with said proceedings. The institution of any interpleader action shall not impair the rights of Escrow Agent under paragraph 9 of this Escrow Agreement.

11. All notices required or permitted under this Escrow Agreement and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered or certified mail, postage pre-paid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Escrow Agreement or in any of the applicable Purchase Agreements. For purposes of calculating time periods under the provisions of this Escrow Agreement, notice shall be deemed effective upon mailing or personal delivery, whichever is applicable.

IN WITNESS OF WHICH, the parties have caused this Escrow Agreement to be duly executed as of the date specified on Page One of this Agreement.

JMG DEVELOPMENT COMPANY, L.C.,
A Michigan limited liability company

By

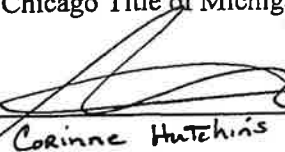

Its Member - Joy Watts

DEVELOPER

CHICAGO TITLE INSURANCE COMPANY

By: Chicago Title of Michigan

By


Corinne Hutchins

ESCROW AGENT

EXHIBIT B

WESLEY FARMS

EXPRESS LIMITED CONDOMINIUM UNIT WARRANTY

NOTE: CONSEQUENTIAL AND INCIDENTAL DAMAGES ARE EXCLUDED AND THERE ARE LIMITATIONS IN THE DURATION OF IMPLIED WARRANTIES, IF ANY.

Recitals

- A. Owner (also sometimes referred to in this document as "you") has purchased from JMG Development Company, LC. (the "Developer") a unit in the condominium project known as "Wesley Farms."
- B. Developer has caused, or will cause, licensed residential builder, Watts Construction Company d/b/a Watts Home & Construction ("Watts Homes"), Michigan Residential Builder License No. 2102101160, to construct a house and related improvements within the condominium unit (collectively, for purposes of this Limited Warranty, referred to as the "Unit" (in Section 6, the house and related improvements constructed within the Unit are individually and collectively referred to as the "Home").
- C. Developer has caused Watts Homes, as the residential builder of the Unit, to provide this Limited Warranty to Owner.

Provisions

1. **Term.** The terms of the various coverages of this Limited Warranty begin on the date of closing or the date of the certificate of occupancy is issued for the Unit, whichever comes first.

2. **Warranty Coverage for Unit.** Watts Homes warrants that all construction of the Unit has been performed in substantial conformity with the plans and specifications and change orders for the Unit. Watts Homes warrants that during the first sixty (60) days after the Owner first occupies the Unit, Watts Homes will adjust or correct minor defects, omissions, or malfunctions, such as missing equipment or hardware; sticking doors, drawers, and windows; dripping faucets; caulking around exterior openings and other minor malfunctions reported by Owner upon inspection of the Unit. Within one (1) year from the date of closing or of the issuance of a Certificate of Occupancy, whichever is first (the date of which is set forth on the last page of this Limited Warranty), Watts Homes will repair or replace, at Watts Homes' option, any latent defects in material or workmanship of the Unit. All workmanship and

materials shall satisfy the standards of construction described in the current version of *The Residential Construction Performance Guidelines - For Professional Developers and Remodelers Fifth Edition*, published by the National Association of Home Builders (the "Guidelines"). A latent defect is defined as one which was not apparent/ascertainable at the time of occupancy. The Owner agrees to accept a reasonable match in any repair or replacement in the event the original item is no longer reasonably and readily available.

3. **Coverage for Common Elements.** Watts Homes warrants that for a period of one (1) year after initial construction or one (1) year after the first closing of the sale of a unit in Wesley Farms, whichever is later with respect to the applicable Common Element, any Common Elements installed by Watts which are not covered by Section 2 of this Express Limited Condominium Unit Warranty will be free from any defects in materials and workmanship, including latest defects as defined above.

4. **Manufacturers' Warranties.** Watts Homes assigns and passes through to Owner, to the extent they are assignable, the manufacturer's warranties on all appliances and equipment. The following are examples of such appliances and equipment, though not every Unit includes all of these items and some Units may include appliances or equipment not in this list: refrigerator, range, washing machine, dishwasher, garbage disposal, ventilating attic fan, and air conditioner.

5. **Exclusions from Coverage.** WATTS HOMES DOES NOT ASSUME RESPONSIBILITY FOR ANY OF THE FOLLOWING, ALL OF WHICH ARE EXCLUDED FROM THE COVERAGE OF THIS LIMITED WARRANTY:

- a. Consequential or incidental damages.
- b. Defects in appliances and equipment that are covered by manufacturer's warranties. (Watts Homes has assigned these manufacturers' warranties to you, to the extent they are assignable, and you should follow the procedures in these warranties if defects appear in these items.)
- c. Damage resulting from fires, floods, storms, electrical malfunctions, accidents, acts of God; or damages from alterations, misuse or abuse of the covered items by any person; or damages resulting from the Owner's failure to observe any operating instructions furnished by the Watts Homes at the time of installation; or damages resulting from a malfunction of telephone, gas company, power company, or sewer or water company equipment or lines.
- d. Damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of your Unit.
- e. Notwithstanding any other provision in this document or any other document to the contrary, Watts Homes does not warrant, however, against alleged defects which are the result of characteristics common to the materials used, such as (but not limited to) warping or deflection of wood; fading, chalking or checking, flaking

or bleeding of paint or stain due to sunlight; nail popping and ordinary cracks in drywall; cracks caused by drying and curing of concrete, drywall, bricks and masonry; drying, shrinking or cracking of caulking and weatherstripping; heaving of cement; snow or ice build-up on roofs causing leakage in the Unit or in the Common Elements; and initial settlement of buildings, separation of drywall and/or material shrinkage commonly associated with new construction.

f. Defects in items installed by you or anyone else except Watts Homes or Watts Homes' subcontractors.

g. Any materials provided by and work done by you or anyone else except Watts Homes or Watts Homes' subcontractors.

h. Conditions resulting from condensation on, or expansion or contraction of, materials.

i. Paint applied over newly plastered interior walls.

j. Any damage to the extent that it is caused or made worse by:

- Negligence, improper maintenance or improper operation by anyone other than Watts Homes or Watts Homes' subcontractors.
- Failure by you or anyone other than Watts Homes to comply with the warranty requirements of manufacturers of appliances, equipment, or fixtures.
- Your failure to give notice to Watts Homes of defects within a reasonable time, as determined by Watts Homes.
- Changes in the grading of the ground by anyone other than Watts Homes or by Watts Homes' subcontractors with Watts Homes' written approval.
- Changes, alterations, or additions made to the home after the initial occupancy by you or anyone other than Watts Homes.
- Dampness, condensation or moisture due to your failure to maintain adequate ventilation.

k. Any loss or damage, which you have not taken timely action to minimize.

l. Any damage caused by soil movement for which compensation is provided by legislation or which is covered by insurance.

m. Insect damage.

- n. Any loss or damage which arises while the Unit is being used primarily for non-Residential purposes.
- o. Any condition which does not result in actual physical damage to the Unit.
- p. Bodily injury or damage to personal property for any reason.
- q. Loss or damage resulting from accidents, riots and civil commotion, fire, explosion, smoke, water, moisture, falling objects, aircraft, vehicles, acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven water, ice-damming, and changes in the level of the underground water table which are not reasonably foreseeable.
- r. Damages and liability stemming from any disconnection, improper maintenance, and/or improper operation of the continuous whole-house ventilation system.
- s. Pitting, chipping, spalling, and/or flaking of exterior concrete caused by the natural freeze/thaw cycle of the climate and/or by de-icing products used on the concrete.
- t. Defects in swimming pools and other recreational facilities, driveways, walkways, patios, boundary walls, retaining walls, bulkheads, fences, existing trees, off-site improvements, or other improvements not part of the Unit itself.
- u. Failure of wood-stained finishes to match other wood-stained finishes in your Unit. Differences in certain characteristics of wood (such as texture, color and grain) may cause one or more wood products in the Unit not to match one or more other wood products which were stained with the same finish. While Watts Homes and the contractors involved in the construction of the Unit will use reasonable efforts to match the stained finishes of wood products within a Unit, they do not guarantee or warrant that wood-stained finishes will match.
- v. Water in the Unit as a result of the failure of a sump pump to operate during a power failure. A sump pump was installed in the basement of your Unit. The primary purpose of a sump pump in most instances is to remove water at or near the foundation wall. The sump pump is powered by electricity, so if your Unit experiences a power outage, the sump pump will not work unless it is hooked up to an emergency generator or other source of power. Watts Homes suggests that you seriously consider connecting your sump pump to a generator or other source of emergency back up power. If your sump pump does not work, the risk of water seeping into the basement of your Unit increases.

6. **Statement of Non-Warrantable Conditions.** This statement of conditions that are not subject to the Limited Warranty ("Warranty") explains some of the changes and need for maintenance that occur in a new house over the first year of occupancy. A house requires more maintenance and care than most products because it is made of many different components, each with its own special characteristics.

Owner acknowledges that like all other products made by humans, a new house is not perfect. For purposes of this Section, the house, garage, and all other improvements constructed within the Unit are individually and collectively defined as the "Home". The Home may have flaws that Watts Homes is not responsible to correct. Watts Homes' responsibility is to perform construction to industry standards.

As described in the Limited Warranty provided to Owner, Watts Homes will correct certain defects that arise during defined time periods after construction is completed. Other items that are not covered by the Watts Homes warranty may be covered by manufactures' warranties.

Some conditions, including (but not limited to) those listed in this statement of non-warrantable conditions, are not covered under the Warranty. Owner acknowledges having read this statement carefully and understands that Owner has not contracted with Watts Homes to correct certain types of problems that may occur in the Home. This statement is intended to alert Owner to certain types of maintenance that are the responsibility of Owner and that could lead to problems if they are neglected.

The following list outlines some of the conditions that are not covered by the Warranty:

a. **Concrete:** Concrete foundations, steps, walks, drives and patios may develop cracks that do not affect the structural integrity of the structure. Cracks are frequently caused by characteristics of the concrete itself. No reasonable method of eliminating these cracks exists. This condition does not affect the strength of the building. Salt and chemicals can cause considerable damage to concrete and should not be used.

b. **Masonry and Mortar:** Masonry and mortar may develop cracks from shrinkage of either the mortar or the brick/stone. This condition is normal.

c. **Wood:** Wood will sometimes check or crack or fibers will spread apart because of the drying out process. This condition is frequently caused by the heat inside the house or exposure to the sun on the outside of the house. This condition is normal, and Owner is responsible for any maintenance or repairs resulting from it.

d. **Sheetrock and Drywall:** Sheetrock or drywall will sometimes develop nail pops or settlement cracks. Nail pops and settlement cracks are a normal part of the drying out process. These items can easily be handled by Owner with spackling during normal redecorating. However, if Owner requests in writing, Watts Homes will send the drywaller at the end of one (1) year, for a one time only visit, to make the necessary

repairs. Owner is responsible for any touch up paint to those repaired drywall areas. Drywall nail pops or cracks will not be repaired in garages.

e. **Floor Squeaks:** After extensive research and writing on the subject, technical experts have concluded that much has been tried but little can be done about floor squeaks. Generally, floor squeaks will appear and disappear over time with changes in the weather and other phenomenon.

f. **Floors:** Floors are not warranted for damage caused by neglect or the incidents of use. Wood, tile and carpet all require maintenance. Floor casters are recommended to prevent scratching or chipping of wood or tile, and stains should be cleaned from carpets, wood or tile immediately to prevent discoloration. Carpet has a tendency to loosen in damp weather and will stretch tight again in dryer weather.

g. **Caulking:** Exterior caulking and interior caulking in bathtubs, shower stalls, and ceramic tile surfaces will crack or bleed somewhat in the months after installation. These conditions are normal and should not be considered a problem. Any maintenance or repairs resulting from them are Owner's responsibility.

h. **Brick/Stone Discoloration:** Most brick/stone will discolor due to rain run-off, weathering or bleaching. Efflorescence – the formation of salts on the surface of the brick/stone walls – may occur because of the passage of moisture through the wall. Efflorescence is a common occurrence, and Owner may clean these areas as the phenomenon occurs.

i. **Broken Glass:** Any broken glass or mirrors that are not noted by Owner prior to occupancy are the responsibility of Owner.

j. **Frozen Pipes:** Owner must take precautions to prevent freezing of pipes and sillcocks during cold weather, such as removing outside hoses from sillcocks, leaving faucets with a slight drip, and turning off the water system if the house is to be left for extended periods during cold weather.

k. **Stained Wood:** All items that are stained will normally have variation of colors because of the different textures of the wood. Because of weather changes, doors that have panels will sometimes dry out and leave a small space of bare wood, which Owner may touch up. These normal conditions are not to be considered defects.

l. **Paint:** Quality paint has been used internally and externally on the Home. Nevertheless, exterior paint can sometimes crack or check. The source of this defect is most often something other than the paint. To avoid problems with paint, Owner should avoid allowing lawn sprinklers to hit painted areas, washing down painted areas, and so on. Owner should also not scrub latex painted, inside walls and be careful of newly painted walls as they move furniture. The best paint will stain or chip if it is not cared for properly. Any defects in painting that are not noted prior to occupancy are Owner's responsibility.

m. **Cosmetic Items:** Owner has not contracted with Watts Homes to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features of the Home. Chips, scratches or mars in the tile, woodwork, walls, porcelain, brick/stone, mirrors plumbing fixtures, marble, laminate countertops, lighting fixtures, kitchen and other appliances, doors, paneling, siding, screens, windows, carpet, all flooring, cabinets, and the like that are not noted prior to occupancy by Owner are non-warrantable conditions, and the upkeep of any cosmetic aspect of the house is Owner's responsibility.

n. **Plumbing:** Dripping faucets, toilet adjustments, and toilet seats are covered by Watts Homes warranty for the one year warranty period only. After that, they are Owner's responsibility. If the plumbing is stopped up during the warranty period and the person servicing the plumbing finds foreign materials in the line, Owner will be responsible for the same and will be billed for the call.

o. **Alterations to Grading:** The land has been graded to ensure proper drainage away from the house. It is Owner's responsibility to maintain positive drainage to prevent entrance water around the foundation. Should Owner want to change the drainage pattern because of landscaping, installation of patio or service walls, or other reasons, Owner should be sure to retain a proper drainage slope. Watts Homes assumes no responsibility for the grading or subsequent flooding or stagnant pool formation if the grade established by Watts Homes is altered.

p. **Lawn and Shrubs:** Watts Homes accepts no responsibility for the growth of grass or shrubs. Once Watts Homes grades, seeds and/or sods, and fertilizes the yard (if applicable and part of the purchase agreement), Owner must water the plants and grass the proper amount and plant ground cover, where necessary to prevent erosion. Watts Homes will not re-grade a yard, nor remove or replace any shrubs or trees, except for those that are noted as diseased prior to occupancy.

q. **Roof:** During the first year of the Warranty, the roof is covered for workmanship and materials. Warranty claims for any defects in materials will be handled with the manufacturer with Watts Homes assistance. Watts Homes' will not be responsible for any damage caused by walking on the roof or by installing a television antenna or satellite or other item on the roof.

r. **Heating and Air-Conditioning:** Owner's source of heating and air-conditioning is covered by a manufacturer's warranty. Owner is responsible for making sure the filters are kept clean and changed per the manufacturer's instructions/recommendations. Failure to do so may void the warranty. Having the equipment serviced or checked at least yearly is a good idea.

s. **Indoor Air Quality:** It is Owner's responsibility to control the level of humidity in the house with proper use of the range hood, microwave hood, bathroom fans, windows, and humidifier (if applicable). Excessive moisture can cause damage

and mold. See Mold Disclaimer and waiver for additional information on Mold, or contact your health department. Any repairs related to excessive moisture are Owner's responsibility.

t. **Normal Wear and Tear:** Normal wear and tear or normal deterioration is Owner's responsibility and not covered under the warranty.

u. **Loss or Damage:** Loss or damage not otherwise excluded under this warranty, which does not constitute a defect in the construction of the Home is Owner's responsibility and not covered under the warranty.

7. **No Other Warranties.** This Limited Warranty is the only express warranty given by Watts Homes and Watts Homes' total liability under this warranty is limited to the purchase price of the Home (or if the Home was purchased with the Unit, then the purchase price for the Unit less that value of the land included with the Unit) on the date of the purchase. Implied warranties, including but not limited to warranties of merchantability, fitness for a particular purpose, habitability and good workmanship, are expressly excluded, or to the extent not excludable by law, limited to the warranty period set forth above. This Limited Warranty gives you specific legal rights, and you may also have other rights.

8. **Claims Procedures.** If a defect appears that you think is covered by this Limited Warranty, you must write a letter (or use a form provided by Watts Homes) describing it to Watts Homes at the address for Watts Homes set forth below or such other address that Watts Homes may provide by written notice to you. The letter must be delivered to Watts Homes no later than fourteen (14) days after the expiration of the warranty period, even if the defects that are claimed in the letter may have arisen during the warranty period. You must tell Watts Homes in your letter what times during the day you or someone else at your direction will be at home, so that Watts Homes can schedule service calls appropriately. Include your phone number in the letter or on the form. If delay will cause extra damage (for example, if a pipe has burst), then please telephone Watts Homes or call those contractors responsible to service such emergency. At closing, you will be given a list of emergency phone numbers to call. Only emergency reports will be taken by phone. The name, address, and telephone number of the person responsible for fulfilling warranty claims is:

Matt Watts
Watts Homes & Construction
5071 Gull Road
Kalamazoo, MI 49048
(269) 345-3859

9. **Repairs.** After receipt of your written report of a defect, if the defective item is covered by this warranty, Watts Homes will repair or replace it at no charge to you within sixty (60) days (longer if weather conditions, labor problems, or material shortages cause delays). The work will be done by Watts Homes or subcontractors chosen by Watts Homes. The choice between repair or replacement is Watts Homes'.

10. **Limited Transferability.** This Limited Warranty is extended to Owner as the initial purchaser of the Unit and to any person who owns the Unit until expiration of the various coverages of this Limited Warranty.

11. **Only Warranty.** This is the only Warranty given by Watts Homes. Owner acknowledges that he/she/they has/have thoroughly examined the Unit and other property to be conveyed and relies/rely solely on his/her/their judgment in signing this Limited Warranty, and that there is no guarantee, warranty, understanding, or representation made by Watts Homes, or any representative of Watts Homes, that is not set forth in this document.

Estimated date of closing or occupancy (whichever occurred first): _____

Description of Unit: Wesley Farms, Unit _____.

Tax ID # _____

Property Address: _____

Property Legal Description: _____

WATTS CONSTRUCTION COMPANY,
a Michigan Corporation

By: _____
*

Its: Authorized Agent

Co-Owner

*

*

**Print name below signature*

EXHIBIT C

WESLEY FARMS NOTICE AND WAIVER

What Homeowners Should Know About Mold

Mold. Lately, mold has been in the news. Mold is a type of fungus. It occurs naturally in the environment, and it is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind, and is found everywhere life can be supported. Residential home construction is not, and cannot be, designed to exclude mold spores. If the growing conditions are right, mold can grow in your home. Most homeowners are familiar with mold growth in the form of bread mold and mold that may grow on bathroom tile.

In order to grow, mold requires a food source. This might be supplied by items found in the home, such as fabric, carpet or even wallpaper, or by building materials, such as drywall, wood and insulation, to name a few. Also, mold growth requires a temperate climate. The best growth occurs at temperatures between 40° F and 100° F. Finally, mold growth requires moisture. Moisture is the only mold growth factor that can be controlled in a residential setting. By minimizing moisture, a homeowner can reduce or eliminate mold growth.

Moisture in the home can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. Significant mold can develop within 24 to 48 hours of the creation of unattended moisture in a home.

Consequences of mold. All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reactions, including skin irritation, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Some experts contend that mold causes serious symptoms and diseases which may even be life threatening. However, experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may be caused by mold. The Center for Disease Control states that a causal link between the presence of toxic mold and serious health conditions has not been proven.

What the Homeowner can do. The homeowner can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps include the following:

1. Before bringing items in the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.
2. Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.
3. Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air, and to facilitate evaporation of water from wet surfaces.

4. Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand in your home. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.
5. Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors, and any visible signs of mold.
6. Should mold develop, thoroughly clean the affected area with a mild solution of bleach. First, test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, call on the services of a qualified professional cleaner.

WAIVER FOR (Address):

Whether or not you as a Homeowner experience mold growth depends largely on how you manage and maintain your home. The responsibilities of JMG Development Company, L.C., as developer of Wesley Farms, and Watts Construction Company ("Watts Homes"), as the builder of your home, do not cover every adverse situation that may affect your home. As explained in the Express Limited Condominium Unit Warranty provided by separate instrument (the "Unit Warranty"), Watts Homes will repair or replace defects in its construction (as defined in the Warranty) for a period of one (1) year.

The Homeowner acknowledges that neither the Developer nor Watts Homes will be responsible, under the Unit Warranty or otherwise, for any damages, costs, or expenses caused by mold, or by a similar fungus or organism, that may be associated with or caused by the construction of the Home, including, but not limited to, property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects. ALL EXPRESS AND IMPLIED WARRANTIES RELATING TO MOLD, INCLUDING AN IMPLIED WARRANTY OF WORKMANLIKE CONSTRUCTION, AN IMPLIED WARRANTY OF HABITABILITY, AND AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR USE, PURPOSE, OR MERCHANTABILITY, ARE HEREBY WAIVED AND DISCLAIMED.

The undersigned acknowledge receipt of this Notice and Waiver. The undersigned have carefully read and reviewed its terms. The undersigned agree to its provisions, and sign this document voluntarily and without duress. The undersigned further agree that the information given in this Notice and Waiver is adequate consideration for my/our signing this waiver.

Homeowner:

_____	(Homeowner)	_____	(Date)
_____	(Homeowner)	_____	(Date)