

ADDENDUM # 2 TO PURCHASE AGREEMENT

Project: 44 North

Seller: TML

Purchaser: _____

Unit No.: _____

Seller and Purchaser have entered into a purchase agreement (“Agreement”) pursuant to which Purchaser has agreed to purchase from Seller the condominium unit described above (the “Unit”) in 44 NORTH. This Addendum is attached to and made a part of the Agreement to set forth the general terms and conditions that apply to the sale of units in 44 NORTH. In case of conflict or inconsistency between the standard preprinted terms of the Agreement and the terms of this addendum, the terms of this addendum shall control.

1. Plan of Development. 44 NORTH is a mixed-use condominium project located in Traverse City, Michigan (the “Project”). 44 NORTH CONDOMINIUM ASSOCIATION is a Michigan nonprofit corporation (the “Association”) organized for the purpose of operating and maintaining the common elements of the Project. All co-owners of condominium units in the Project shall become members of the Association and shall be subject to and abide by all the terms and provisions in the Master Deed, Condominium Bylaws, and Subdivision Plan of the Project and in the Articles of Incorporation, Bylaws, and rules and regulations, if any, of the Association (the “Documents”).

2. Purchase of Unit. Purchaser agrees to purchase the Unit from Seller pursuant to the terms and conditions set forth in the Agreement, as modified by this addendum. The Unit is more fully described in the Documents. The purchase of the Unit shall include those additional items and extra features (if any) that are specified in the attached Exhibit A.

3. Construction Services. Harris Builders, LLC will act as the general contractor for each Co-Owner regarding the provision of required construction services of the Project, unless this covenant is waived in writing by the Seller and Harris Builders, LLC. Harris Builders, LLC is co-owned by an individual that holds a co-ownership interest in Seller.

The Construction Agreement for the Unit shall be completed and signed within four months from the date of this Agreement. Purchaser agrees to consummate the purchase of the Unit within 10 days after notice from Seller that Seller is prepared to tender title and possession and to pay the balance of the purchase price, which shall be disbursed in accordance with the terms of the attached Escrow Agreement.

4. Conveyance of Title. Seller agrees to convey to Purchaser good and marketable title to the Unit, at the time of conveyance subject to: (1) current general real estate taxes; (2) the outstanding balance of special assessments (principal and interest), as well as fees for sewer and water benefits, if any, against the Unit; (3) special township, city, or county taxes or assessments for improvements not yet completed; (4) easements, covenants, restrictions, and building lines of record; (5) applicable zoning and building laws or ordinances; (6) acts done or suffered by Purchaser; (7) the Act; (8) the Master Deed for the Project and all amendments to it; and (9) liens and other matters over which the title insurer provided for in this Agreement commits to insure.

Condominium assessments, rents, insurance, and any other items customarily prorated are to be adjusted to the date of closing. Property taxes billed against the Unit in the year of closing shall be prorated to the date of closing on a calendar-year basis, based on the most recent, available tax information.

Subject to the proration provisions set forth above, Purchaser shall pay all real estate taxes and installments of special assessments on the Unit that become due and payable on or after the date of closing, and Seller shall pay all real estate taxes and installments of special assessments on the Unit that become due and payable before the date of closing.

If Purchaser has entered into a contract for the modification of the Unit or for the acquisition and installation of extras for the Unit with a party other than the Seller, the rights of the parties shall be governed by that contract, and the Seller assumes no responsibility for any performance or payments required by that contract.

5. Assumption of Obligations under Master Deed. Purchaser assumes as of the date of closing all obligations appurtenant to the Unit under the Master Deed.

6. Cancellation Rights of Purchaser. All funds paid by Purchaser pursuant to this Agreement shall be deposited with Northern Title Agency, Inc. of Traverse City, Michigan, as Escrow Agent (or with another qualified escrow agent, who may be later substituted), under the Escrow Agreement between Seller and the Escrow Agent attached as Exhibit B and incorporated in this Agreement by reference, the terms of which Purchaser accepts and agrees to be bound by as though originally a party to the agreement. If Purchaser withdraws from this Agreement, as permitted in this paragraph, the escrowed funds shall be returned to Purchaser within three business days after the Escrow Agent receives written notification of the withdrawal, and all rights and liabilities of Purchaser and Seller under this Agreement shall end.

Unless Purchaser elects to voluntarily waive his or her right to withdrawal in writing, Purchaser may withdraw from this Agreement without cause and without penalty if the withdrawal is made before the conveyance of the Unit and within nine business days after receipt of the documents required by MCL 559.184a. This withdrawal period shall include the day on which those documents are received if that day is a business day.

After the withdrawal period expires, Seller shall retain sufficient funds in escrow (or provide sufficient security) to ensure completion of only those uncompleted structures and improvements labeled “must be built” under the terms of the Documents.

7. Cancellation Rights of Seller. If, before the date on which this Agreement becomes a binding purchase agreement, the Seller determines not to construct the Unit to be purchased under this Agreement or for any other reason desires to withdraw as a party to this Agreement, Seller shall notify Purchaser in writing. In either case, Seller reserves the right to cause to be returned to Purchaser or his or her successors all sums paid under this Agreement; on the return of these sums, all rights of Purchaser shall end without further liability on the part of the Seller.

8. Default by Purchaser. If Purchaser defaults in the performance of any of the payments or obligations called for in this Agreement and the default continues for 10 days after written notice by Seller to Purchaser, at the option of Seller, all rights of Purchaser under this Agreement shall terminate immediately.

If Purchaser’s rights terminate before the nine-business-day withdrawal period referenced in paragraph 6 expires or if Seller defaults under this Agreement, all sums paid by Purchaser shall be refunded to him or her, and neither party to this Agreement shall be obligated further. If Purchaser’s rights are terminated after the withdrawal period expires, at its option, Seller may retain any amount paid by Purchaser toward the purchase price not to exceed 10 percent of the total purchase price as liquidated damages or may elect to pursue any legal or equitable remedy available to it under Michigan law for the recovery of actual damages or otherwise.

9. Advertising. For the purpose of completing the sales promotion of the Project, Seller and its agents, successors, and assigns have full right and authority to maintain on the condominium property (excluding the Purchaser’s Unit) until the sale of the last unit in the Project, any signs, transient parking, sales offices, and model residences they desire, together with rights of ingress and egress from the Project for them and any of their licensees or invitees.

10. Assignability. This Agreement is personal to Purchaser and Purchaser may not assign this Agreement without the prior written consent of the Seller, which may be withheld with or without cause. Seller may assign its rights hereunder and, if such assignment shall be for the purpose of securing a lender to Seller, Purchaser’s rights hereunder shall, at the option of such lender, be subject and subordinate to the rights of such lender.

11. Warranty Matters. SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH REGARD TO THE CONDITION OF PURCHASER’S UNIT. All manufactured items sold with Purchaser’s Unit shall carry those warranties (if any) provided to purchasers by their manufacturers and no other warranties. Seller shall assign to and for the benefit of Purchaser all assignable warranties made to it by contractors and suppliers relative to services, materials, and equipment incorporated in the Purchaser’s Unit.

THERE ARE NO WARRANTIES WITH RESPECT TO PURCHASER'S UNIT OTHER THAN THOSE DESCRIBED IN THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY PARAGRAPH SUPERSEDES ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED.

12. **Arbitration.** At the exclusive option of Purchaser, any claim which might be the subject of a civil action against Seller which involves an amount less than \$2,500, and arises out of or relates to this Agreement or the Unit or the Project to which this Agreement relates, 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.

13. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties. This Agreement will supersede any and all understandings and agreements and constitutes the entire agreement between the parties and no oral representations or statements shall be considered a part hereof. 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 memorandum of it.

SELLER:

PURCHASER:

TML



By: Mark Johnson
Its: Manager of MIM
Managing member of TML

Date:

Date: _____