

**SANTREE**

**A MICHIGAN SITE CONDOMINIUM**

**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT is entered into this<sup>^^</sup>day of August, 1999, between **Holshoe Land Company, L.L.C.**, a Michigan limited liability company, of 2330 Strawberry Farms, Belmont, Michigan 49306, hereinafter referred to as the Developer, and First American Title Insurance Company, a California corporation, with offices in Troy, Michigan, by and through its representative, **Metropolitan Title Company**, of Grand Rapids, Michigan, hereinafter referred to as the Escrow Agent.

WHEREAS, the Developer intends to establish a site condominium development known as Santree under the Michigan Condominium Act (Act No. 59, Public Acts of 1978, as amended), hereinafter referred to as the Act; and

WHEREAS, Developer intends to execute Preliminary Reservation Agreements or Purchase Agreements (referred to herein as the Agreement) in substantially the form attached hereto and each Agreement requires that all deposits made under such Agreement be held by Escrow Agent under an Escrow Agreement; and

WHEREAS, all improvements to be made by the Developer with respect to the Santree project have not been completed; and

WHEREAS, the parties hereto desire to enter into an Escrow Agreement for the benefit of the Developer and each depositor, hereinafter referred to as the Depositor.

NOW, THEREFORE, it is agreed as follows:

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

2. The sums paid to Escrow Agent under the terms of an Agreement shall be held and released to Developer or Depositor only upon the conditions hereinafter set forth:

(a) Except as provided in paragraph 3 hereof, amounts required to be retained in escrow in connection with the purchase of a unit shall be released to the Developer upon conveyance of legal or equitable title to the unit to the Depositor.

(b) If the Depositor under an Agreement shall default in making any payment required by the Agreement or in fulfilling any other obligations thereunder for a period of ten (10) days after written notice by Developer to Depositor, Escrow Agent shall release sums held pursuant to the Agreement in accordance with the terms of the Agreement.

(c) If a Depositor withdraws from an Agreement prior to the time that the Agreement becomes binding, then Escrow Agent shall release to Depositor all of Depositor's deposits held thereunder.

3. If Developer requests that all of the escrowed funds held hereunder or any part thereof be delivered to it prior to the time it otherwise becomes entitled to receive the same, Escrow Agent may release all such sums to Developer if Developer has placed with Escrow Agent an irrevocable letter of credit drawn in favor of Escrow Agent in form and substance satisfactory to Escrow Agent securing full repayment of such sums, or has placed with Escrow Agent such other substitute security as may be permitted by law and approved by Escrow Agent

4. Escrow Agent, in the performance of its duties under this Escrow Agreement, shall be deemed an independent party not acting as the agent of the Developer, any Depositor, Co-Owner, or other interested party. Escrow Agent shall be relieved of all liability upon release, in accordance with this Escrow Agreement, of all amounts deposited with it pursuant to the Act.

5. Escrow Agent may require reasonable proof of the occurrence of any of the events, actions, or conditions stated herein before releasing any sums held by it pursuant to an Agreement to a Depositor thereunder or to the Developer.

6. Upon making delivery of the funds deposited with Escrow Agent pursuant to any Agreement and the performance of the obligations and services stated therein and herein, Escrow Agent shall be released from any further liability under any such Agreement, it being expressly understood that liability is limited by the terms and provisions set forth in 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. It is not responsible for the failure of any bank used by it as an escrow depository for funds received by it under this Escrow Agreement.

7. Developer hereby agrees to indemnify and hold harmless Escrow Agent for any loss or damage sustained by Escrow Agent in reliance hereto, provided such damage and loss is not a result of Escrow Agent's wrongful act or negligence.

8. All notices required or permitted hereunder and all notices of change of address shall be deemed sufficient if personally delivered or sent by registered mail, postage prepaid and return receipt requested, addressed to the recipient party at the address shown below such party's signature to this Escrow Agreement or upon any of the other 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 WHEREOF, the parties hereto have caused this Escrow Agreement to be executed by their duly authorized officers on the date set forth at the outset hereof.

DEVELOPER: HOLSHOE LAND COMPANY, L.L.C.

Frank J. Holshoe, Its Member

Frank J. Holshoe

Ardella K. Holshoe, its Member

Ardella K. Holshoe

ESCROW AGENT:

FIRST AMERICAN TITLE  
INSURANCE COMPANY

By: Metropolitan Title Company

By: Patricia K. Hoeller

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