

**KOTI CONDOMINIUM**

**PRELIMINARY RESERVATION AGREEMENT**

This Preliminary Reservation Agreement (the "Agreement") is made by KOTI Land Company, L.L.C., a Michigan Limited Liability Company, of 4230 M-72 East Highway, Williamsburg, Michigan 49690 ("Developer"), and \_\_\_\_\_, (Depositor), of

**Street** \_\_\_\_\_ **City** \_\_\_\_\_

**State** \_\_\_\_\_ **Zip Code** \_\_\_\_\_ **Phone Number** \_\_\_\_\_.

1. **Reservation of unit.** Depositor wishes to reserve the right to purchase from Developer, under the terms and conditions of this Agreement, the exclusive ownership of condominium unit number \_\_\_\_\_ in KOTI, a residential condominium project in Williamsburg, Michigan, (the Project), as shown on the site plan of the Project prepared by M2E, L.L.C., engineers, together with the undivided percentage interest appurtenant to that unit in the common elements of the Project (the "Unit").

2. **Terms of purchase.** The purchase price of the Unit shall be \$ \_\_\_\_\_ for delivery of the Unit in completed condition (as defined herein). Depositor acknowledges and agrees that the price specified above is only estimated and that Developer may raise or lower the price in its discretion.

3. **Reservation deposit.** In consideration of this reservation, Depositor deposits \$2,500.00 (the Deposit) to be held by Northern Title Agency, Inc., of 312 S. Union St., Traverse City, Michigan 49684 ("Title Company") as the escrow agent under a reservation escrow agreement, a copy of which is attached.

4. **Transfer of deposit.** Depositor agrees that, on Developer's request, Depositor will sign and deliver to Developer formal documents of purchase (the Purchase Agreement) for the Unit that will specify in greater detail the precise terms of purchase together with all obligations of Developer and Depositor respecting the purchase of the Unit. Any additional deposits required by the Purchase Agreement will be made as specified in those documents, and all deposits made under this Agreement shall be treated as though originally made under the Purchase Agreement as provided by MCL 559.184 of the Michigan Condominium Act (the Act).

5. **Default.** If Depositor fails or refuses for 15 days after Developer's request to (a) sign and deliver the Purchase Agreement or (b) deliver financial information Developer requires, this Agreement shall, at Developer's option, terminate, and the Deposit shall be refunded to Depositor without further liability on the part of either party.

6. **Cancellation rights.** If Depositor desires to withdraw this reservation at any time before signing and delivering the Purchase Agreement, this Agreement shall terminate immediately on written notice by Depositor to Developer, and the Deposit shall be refunded in full within three business days after Developer's receipt of the notice without further liability on the part of either party. If Developer elects not to proceed with the Project or for any other reason desires to withdraw as a party to this Agreement, this Agreement shall terminate immediately on written notice to Depositor, and the Deposit shall be refunded to Depositor in full without further liability on the part of either party.

7. **Furnished Condition.** Depositor acknowledges that the Purchase Price reflected herein is for delivery of the Unit in a completed, furnished condition consistent with the schedule of furnishings provided to Buyer.

8. **Effect of agreement.** This Agreement is not a purchase agreement. No lien of any sort is acquired by Depositor either on the Unit covered by this Agreement or on the Project site. The Developer's liability under this Agreement is at all times limited to the return of the Deposit to Depositor without interest.

DEPOSITOR

DEVELOPER

**KOTI LAND COMPANY, L.L.C.**

Name

By: /s/ \_\_\_\_\_

Daniel J. Kelly

Its: **Managing Member**

\_\_\_\_\_  
Dated: \_\_\_\_\_

\_\_\_\_\_  
Dated: \_\_\_\_\_