

SCHEDULE 5

LIMITED WARRANTY

Issued To and Accepted By _____ Unit Owner of Condominium Unit No. _____, at The Porches of Kennebunk Condominium.

Village Developers ME, LLC is the Declarant of The Porches of Kennebunk and shall be referred to in this Limited Warranty Certificate as "Declarant." Declarant is selling to you Unit No. ____, in The Porches of Kennebunk Condominium, located at Kennebunk, Maine. The units at The Porches of Kennebunk are new. To the best of our knowledge, Your Unit was constructed in accordance with the building code in effect at that time in the Town of Kennebunk, Maine. This Limited Warranty Certificate describes Declarant's obligations to make such adjustments and outlines the methods for you to follow to obtain such adjustments. Please read it carefully.

1. WARRANTY SPECIFICS

1. Dry Basement – If the Unit contains a basement, we will correct any serious seepage occurring during periods of normal high-water table that are reported to us within one year. However, we cannot be responsible for seepage caused by extraordinary weather conditions such as 2" or more of rain within a 24-hour period or heavy snow turning to heavy rain, or heavy snow melts occurring during a rain. It is the homeowner's responsibility to correct any water problems that occur because of any of these extraordinary weather conditions. If the Seller cannot repair seepage or a basement water issue by other means; then the Seller will install a sump pump in the basement area to prevent the entry of water into the basement. Also, it is not possible to assure you that condensation will not occur as this is the nature of new concrete and therefore, we expressly cannot be responsible for any dampness caused by reason of condensation. Moreover, it is the homeowner's responsibility to correct any minor settlement near the foundation which may cause water pockets, to keep bulkhead areas clear of heavy snow, and to maintain positive drainage away from the building at all times.

2. Plumbing and Sewage Disposal Systems - The operation of plumbing and sewage disposal systems is warranted for a period of one year, except if in the course of correcting a stoppage, any foreign objects from the Buyer's household are found within the system, the Buyer will pay the entire cost of correction. The builder will repair dripping faucets and/or loose fixtures, occurring within (90) ninety days. Owners must insure that exterior faucets are drained and shut off inside before the advent of winter. Frozen exterior faucets are never the responsibility of the builder.

3. The Heating System - is warranted to heat the home to a temperature of 70 degrees in all portions of the building intended for habitation during weather conditions normally and generally encountered in the area. The homeowner should clean or change filters monthly during the heating season. Furnace pilots should be left on during the summer to insure dry furnace and basement. Homeowners should have a service contract with a reputable company as we do not service the furnace. Parts will be replaced free of charge, but the owner is responsible for any labor cost.

4. The Central Air Conditioning System (if applicable) – is warranted to cool the home to a temperature of 74 degrees Fahrenheit as measured in the center of each room at a height of 5 feet above the floor, under local outdoor summer design conditions as specified in the ASHRAE handbook. In the case of the outside temperature exceeding 94 degrees F, a differential of 20 degrees F from the outside temperature will be maintained.

5. Appliances – Appliances are guaranteed or warranted by the manufacturer and no guarantee or warranty of the appliances is made or intended by the builder. The buyer will handle all warranty work directly with manufacturer or supplier. All kitchen and bathroom equipment and counter tops are assumed to be accepted by the buyer unless defects are brought to the builder's attention in writing prior to either conveyance or occupancy whichever comes first. The homeowner according to manufacturer's instructions must maintain all equipment.

6. Roof – We represent that the roof will not leak by reason of defective material or labor performed in a non-workman like manner for a period of one year from date of occupancy or closing, whichever comes first. Under no circumstances can we accept the responsibility for leaks caused by reason of ice backup. If installed, it is the responsibility of the homeowner to insure free passage of gutters and downspouts at all times. Gutters and downspouts if installed are warranted for (90) ninety days against leaks and looseness. Damage caused by windblown rain or snow through roof gable or soft vents or louvers into the attic space is exempt from the provision of this warranty.

7. Electrical Adjustments – All electrical wiring and components are warranted to be free of defects for a period of one (1) year from the date of conveyance.

8. Landscaping – The landscaping and lawns have been properly prepared by us. However, we cannot be responsible for problems caused by owner's failure to properly care for the same, or for washouts and droughts caused by nature or for any settlement in areas that were excavated as part of the construction of your home. The area excavated by the builder will be landscaped, i.e. loomed and seeded at the builder's discretion. We cannot guarantee grass to grow properly as it takes 2 to 3 years of proper care to grow a good lawn. Consult your local garden shop for instructions in liming and fertilizing. Occasionally rocks will

appear after a rain or in the spring; these should be removed by the homeowner. The grading and sloping of the land, including the driveway, is determined by the Town of West Newbury's various boards and we must adhere to any determination or grading requirements from the Town of West Newbury or its inspectors.

9. Glass or Screen Breakage – is not covered by this policy unless the builder is notified in writing prior to occupancy or conveyance, whichever occurs first. Scratches in glass reported to the Seller prior to the conveyance of the home will be corrected if they are visible to the naked eye from a distance of (5) five feet.

10. Asphalt and Grass Grill Driveways and Walks – are warranted for a period of (1) one year against disintegration. In hot weather, heavy vehicles should not be permitted on driveways. High heeled shoes and gasoline and oil spillage will make holes in asphalt. Minor frost heaves and depressions are natural occurrences and are not covered by this policy, nor are tire markings and stones that flake out, since these are normal characteristics of asphalt.

11. Ceramic and Resilient Tiles – occasionally include imperfections which do not require service. The occurrences of scratches or cracked tile are not covered by this policy unless brought to the attention of the builder prior to conveyance or occupancy. Loose tiles and flagstones are covered by this policy for (180) one hundred eighty days. Defects caused by the penetration of moisture into floors and walls caused by the owner are not covered under this policy.

12. Granite Counter Tops – Scorching caused by hot objects are not covered. Chips and scratches are not covered unless the builder is notified of such defects in writing prior to either conveyance or occupancy, whichever is earlier.

13. Interior and Exterior Paint Failures – are covered for (180) one hundred and eighty days against blistering and peeling. Normal fading of paint is not covered. Paint on clapboards is warranted for a period of (180) one hundred and eighty days. No interior paint peeling, dents, scratches, or other imperfections are covered unless the builder is notified of such defects in writing prior to either conveyance or occupancy, whichever is earlier.

14. Siding – Any shrinking of siding is normal and we cannot prevent this. However, we will repair any major problems within (180) one hundred eighty days from date of occupancy or closing, whichever occurs first.

15. Protruding Drywall and Plaster – Nails or seams are covered for (90) ninety days. Hairline cracks are not covered by this policy, as they do not represent structural failure. Repairs of plaster or gypsum wallboard may not completely blend with surrounding materials, as it is almost impossible to match exactly the color and texture of the original surface.

Repairs without charge will be limited to the problem area.

16. Doors, Drawers, Windows and Interior Finish – are covered by this policy for warping, sticking or looseness for (90) ninety days. These items have a tendency to swell and shrink at different times of the year. Some may warp in winter and straighten out in summer. Within (90) ninety days, items that cannot be made to operate will be exchanged. Windows are not 100% leak proof, and cold air outside can set up moving air inside. If this is the case, storm windows are recommended. Shrinkage of doors inside the jamb is normal, and if doors can be made to operate, they will not be replaced. Shrinkage and joint opening of the door and window and baseboard casings are not covered by this policy. During the summer months the space between doors and jambs and sills is approximately 1/8" to 1/4". During the winter this increases to approximately 1/4" to 3/8".

17. Concrete Foundation and Floor – It is not possible to prevent concrete from cracking because of the nature of the material. Cracking, pitting and flaking can occur and are not covered. Cracks do not impair the structural strength of the dwelling. Water seepage due to cracks in concrete is not covered by this policy.

18. Some Items of Construction – Not Requiring Service and Not Covered by This Policy:

- a. Shrinkage and separation of floorboards.
- b. Checks and twisting of studs, joints and beams.
- c. Cracking (hairline checking) in interior exposed beams and exterior plywood.
- d. Normal fading of paint.
- e. Shrinkage of joint opening of door and window casing and other wood materials.
- f. Normal occasional dents associated with installation of woodwork doors or wallboard.
- g. Discoloration of concrete.
- h. Color variations in woodwork or cabinetry or flooring.

Declarant, at its option, will repair or replace the affected item or component at no cost to you within (30) thirty days depending on Builder's schedule and availability of warranted item. Replacement items or components will be substantially comparable to those replaced (although identical colors and shades and other features may not necessarily be available). Declarant will correct the defect in such manner as to restore the component to the condition which would have existed had the defect not been present.

2. WARRANTY EXCLUSIONS AND DISCLAIMERS

1. Exclusions

A. Declarant's warranty does not include loss or damage with respect to a claim unless written notice of the defect causing the loss or damage shall have been given by you to

Declarant's within the warranty period as prescribed by this Limited Warranty Certificate.

B. Declarant's warranty does not include cracks, popping nails or other effects of normal settlement, or expansion, contraction, shrinkage or warping of materials that may occur in walls, floors, ceilings, doors or any of the components of the Unit, or drainage, seepage or other water problems, as long as such defect will not prevent the normal intended use of all or part of the Unit.

C. Declarant's warranty does not include defects, nicks or smudges in painted surfaces, chipping and/or cracking of marble, formica, fiberglass or tiles, defective or broken glass, or similar defects readily visible to the human eye.

D Declarant's warranty does not cover normal maintenance items or conditions resulting from wear and tear and/or misuse or negligence. Declarant's warranty does not apply where use or maintenance was contrary to the condominium instruments or rules and regulations of the Condominium or where any defect results from damage by you or by negligence or unreasonable use, including failure to provide reasonable and necessary maintenance.

E. Furniture, wallcoverings, furnishings or the like as shown in or about any model unit are for display purposes only and are not considered a part of the Unit. Further, the location of wall switches, thermostats, chases, plumbing and electrical outlets and similar items may vary from unit to unit and may not be as shown in any model unit. Any floor plans, sketches or sales drawings shown to you other than those which are a part of the plans or the Public Offering Statement are for display purposes only and the Units may not conform exactly to such floor plans, sketches or sales drawings. The Unit is being sold with the furnishings presently in the Unit and will contain the fixtures and equipment set forth in the Purchase and Sale Agreement between Declarant and you.

F. Declarant's warranty does not cover loss or damage caused by any defective design specified by you or by materials supplied by you or installed under your direction.

G. Declarant's warranty does not cover accidental loss or damage, and loss caused by explosion; smoke; water escape; changes, not reasonably foreseeable, in the level of underground water table; glass leakage; windstorms, hail or lightning, breakage or breakage in gas lines; falling trees, aircraft; vehicles, flood; earthquake, soil movement; and insects.

2. Disclaimers.

DECLARANT SPECIFICALLY DISCLAIMS ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL (SECONDARY) DAMAGE TO ANY PERSON, THE UNIT, OTHER COMPONENTS OR ANY OTHER REAL OR PERSONAL PROPERTY ARISING OUT OF ANY BREACH OF WARRANTY RELATING TO NONCONSUMER GOODS OR NONCONSUMER PRODUCTS.

DISCLAIMER OF IMPLIED WARRANTY OF QUALITY

Attached to this Certificate as Exhibit A are those specific defects or specific non-compliance with applicable laws for which Declarant disclaims liability.

DISCLAIMER OF IMPLIED WARRANTIES

On all nonconsumer products and nonconsumer goods, whether or not warranted by manufacturers, all implied warranties are expressly disclaimed and do not apply to the extent such disclaimer is permitted by law, including without limitation the implied warranties set forth in the Maine Condominium Act, Title 33 M.R.S.A. Section 1601-101 et seq. (the "Act"), such products being sold "AS IS" except for the above written warranty.

DISCLAIMER OF EXPRESS WARRANTIES

On all nonconsumer products and nonconsumer goods, whether or not warranted by manufacturers, all express warranties other than those set forth in this Limited Warranty Certificate are expressly disclaimed and do not apply to the extent such disclaimer is permitted by law. Declarant shall not be bound by or be responsible for statements or representations expressed by any agent of Declarant which extend beyond the warranties set forth in this Limited Warranty Certificate.

3. HOLDBACKS; INSPECTIONS.

At the closing there will be no money held back. We ask that you make a final inspection with one of our representatives before the closing date, and make note in writing to us of any errors, discrepancies, omissions and/or imperfections in the work we have performed. We will promptly rectify all such items mutually agreed. Please make your inspection with care as we will not be responsible for any damages, which occur during the process of moving into your new home.

To insure against any unnecessary misunderstandings, there shall be no material deviations from plans, specifications and/or standards of construction except by mutual agreement between the builder and prospective homeowner to the executed in writing.

The broker will handle all communications outside of the options selection process, until your home is completed. After your home is completed, please refer any problems to COTTAGE ADVISORS ME, LLC. Workers on the job site are instructed not to talk to the Buyers. NO warranty work will be done if any balance is owed by the buyers for any work performed on their home by COTTAGE ADVISORS ME, LLC or if there are any outstanding charges due to the SELLER for items that are the responsibility of the BUYER.

All Site Visits Must Be Accompanied by Your Broker Due To Insurance Regulations.

4. MAKING A WARRANTY CLAIM

A. The following procedures have been established to permit maximum efficiency in administering work under warranty.

1. If you have discovered defects that are covered by the Limited Warranty Certificate, in order to obtain performance of any of Declarant's warranty obligations, a written statement

of all warranty claims should be sent to:

Cottage Advisors, ME, LLC.
P.O. Box 339
Wells, Maine 04090

2. Upon receipt of the written statement, Declarant's representative will meet you, inspect the Unit and list all defects covered by this Limited Warranty Certificate.

3. Any latent defects that may be discovered subsequent to the completion of the list, during the period covered by the Limited Warranty Certificate, will be handled individually upon written notice from you to Declarant, sent to the address set forth in subparagraph 1 of this Section VII(A).

B. If you and Declarant's representative fail to agree upon the defects to be noted on the list or the workmanlike correction of any defects covered by this Limited Warranty Certificate, the dispute shall be submitted within ten (10) days after request by either you or Declarant's, to arbitration by three competent and disinterested persons, one arbitrator selected by each party and the third selected by the first two arbitrators. The decision of the majority of the arbitrators shall be binding and conclusive on you and Declarant.

The charge by the arbitrators for this service will be paid one-half by you and one-half by Declarant. The provisions of this Section B of Article VI shall not be applicable to any dispute involving "consumer products" as that term is defined in the Magnuson-Moss Federal Warranty Act (15 U.S.C. Section 2301 et seq).

C. This Limited Warranty Certificate may be assigned by you to a subsequent owner of the Unit effective on the date that the subsequent owner notifies Declarant in writing of such assignment; this Limited Warranty Certificate is not otherwise transferable.

D. ACCRUAL OF CAUSE OF ACTION With respect to accrual of a cause of action for breach of warranty of quality, Section 1604-115 provides in part:

(b) Subject to subsection (c), a cause of action for breach of warranty of quality, regardless of the purchaser's lack of knowledge of the breach, accrues:

(1) As to a unit, at the time the purchaser to whom the warranty is first made enters into possession if a possessory interest was conveyed or at the time of acceptance of the instrument of conveyance if a non-possessory interest was conveyed; and

(2) As to each common element, at the time the common element is completed or, if later:

(i) As to a common element which may be added to the condominium or portion thereof, at the time the first unit therein is conveyed to a bona fide purchaser; or

(ii) As to a common element within any other portion of the condominium, at the time the first unit in the condominium is conveyed to a bona fide purchaser.

(c) If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends,

whichever is earlier.

5. STATUTE OF LIMITATIONS.

You agree to execute by a separate instrument, substantially in the form attached hereto as Exhibit B, on or before settlement of the purchase of a Unit, an agreement to reduce, as permitted by Section 1604-115(a) of the Act, the statutory six year limitation period to two years.

Nothing contained herein shall be deemed to be in derogation of the warranty required by Section 1604-113(b) of the Act, as amended, as of this date. No action taken to correct defects shall extend this warranty. This Limited Warranty Certificate shall be governed by the laws of the State of Maine. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state.*

DATED:

BY THEIR SIGNATURE ABOVE, THE PURCHASERS ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE CONTENTS OF THIS LIMITED WARRANTY CERTIFICATE.

NOTE: This Limited Warranty Certificate has been prepared to comply with the disclosure requirements of the federal Magnuson-Moss Warranty Federal Trade Commission Improvement Act (15 U.S.C. Section 2301) enacted in 1975; the sentences indicated by asterisks are required by regulations promulgated by the Federal Trade Commission (16 C.F.R. Section 701.3 Dec. 31, 1975).

EXHIBIT A TO LIMITED WARRANTY CERTIFICATE
DISCLAIMER OF IMPLIED WARRANTY OF QUALITY

Disclaimer of implied warranty of quality is made for the following defects and/or noncompliance with applicable laws:

None

EXHIBIT B TO LIMITED WARRANTY AGREEMENT

2 YEAR LIMITATION ON TIME TO BRING WARRANTY CLAIMS

Pursuant to 33 M.R.S.A. Section 1604-115(a), the undersigned hereby agree to reduce from six years to two years the period of limitation on actions for the breach of any obligation arising under 33 M.R.S.A. Section 1604-112 (express warranties of quality) or 33 M.R.S.A. Section 1604-113 (implied warranties of quality) arising out of the transaction this day between the undersigned.

Dated:

WITNESS:

Purchaser

Purchaser

Declarant