

Exhibit B

8/26/13

CONFIDENTIAL - Contractor/MIWD Settlement Terms

- 1) This agreement is contingent upon successful negotiation of unresolved items, with subsequent approval by and the participation of Homeowner plaintiffs and their counsel, MIWD's insurance carriers (to MIWD's satisfaction) and approval of MIWD's board of directors on the terms set forth herein as well as on the amount of attorneys' fees, costs, and expenses to be awarded to counsel for Contractors.
- 2) This settlement is national in scope and applies to all owners and former owners of MIWD Windows that contain glazing tape and were manufactured between July 2001 and December 31, 2010. (MIWD will be defined expansively in any Settlement Agreement). Class Members are not permitted to assign or aggregate their claims. Class Members will be required to submit a mutually agreeable Claim Form which requires, among other things, that Class Members substantiate through photographs and other evidence that their windows were actually manufactured and sold by MIWD before they are eligible for any compensation/relief.
- 3) Class A Eligible Members are current Homeowners with MIWD window products who have Eligible Consequential Window Damage, which is defined as the following:
 - a. One or more instances of consequential water staining or damage to any adjoining or nearby finish or component of the home beyond the window frame itself that is reasonably attributable to one of the Identifiable Conditions in Paragraphs 4 (a) - (d) and not subject to any Exclusion Factors to be agreed upon by the Parties (e.g., a leak at the window head because of improper window flashing during installation); or
 - b. Consequential water damage evidenced by degradation or other loss of integrity of the substrate around the window in the form of swelling, warping, softness or crumbling of the substrate beyond the window frame itself that is reasonably attributable to one of the Identifiable Conditions in Paragraphs 4 (a) - (d) and not subject to any Exclusion Factors to be agreed upon by the Parties (e.g., a leak at the window head because of improper window flashing during installation).

(Proof of Eligible Consequential Window Damage will be by photographic or video evidence, to be detailed further in a Claim Form to be agreed to by the Parties).

- 4) In addition to establishing the threshold requirement of Eligible Consequential Window Damage (as defined in Paragraph 3 above) for Class A participation, Class A Eligible Members must also establish the existence of one of the following Identifiable Conditions through submission of a mutually agreed upon Claim Form and photographs or video sufficient to attribute the Eligible Consequential Window Damage to the Identifiable Condition for which the Claimant seeks recovery:
 - a. Sash: Visible Residue Line (to be defined by the parties) above or below lift handle.

- b. Sill Joints: Staining on upstand leg joint, leaking at joint, or open/unsealed joint.
 - c. Picture Window/Fixed/etc.: Water penetration through window glazing.
 - d. Mullions: Interior water penetration through a horizontal or vertical mullion between windows.
- 5) Class A Eligible Members who meet the requirements of paragraphs 3 and 4 above will be entitled to the following relief:
- a. Residue Line: MIWD to cap seal or supply a new sash (at MIWD's option) (per window).
 - b. Sill joints: MIWD to repair with sealant (per window).
 - c. Fixed/picture/other glazing leaks: MIWD to cap seal (per window).
 - d. Mullion Leaks: MIWD to repair with sealant (per window).
 - e. Failed IGU: MIWD to replace IGU (per window).
 - f. Consequential Damage Compensation, per home, one of:
 - i. \$250 for consequential water staining at up to three separate windows;
 - ii. \$500 for consequential water staining at four or more separate windows or consequential water damage resulting in degradation of building materials that are within 8 inches of the window frame at a single window; or
 - iii. Up to \$2,000 for extensive consequential water damage resulting in degradation of building materials that are more than 8 inches from the window frame at a single window.
- a. Eligibility for this relief requires submission of photos or video, estimate from a licensed contractor, and licensed contractor causation statement.

All repairs and replacements (as defined in (a) through (f) above) are warranted for two years. If the cap sealing method proves unsuccessful during this two year period, MIWD will provide new sash for cap sealed windows that fail. MIWD retains the right to inspect and challenge any claim submitted.

- 6) Class B Eligible Members are current Homeowners with an MIWD window product that exhibits a visible Residue Line (to be defined by the Parties) above or below the lift handle but who have not experienced Eligible Consequential Window Damage (as defined in paragraph 3 above). Class B Eligible Members will be entitled to a repair by cap seal, re-glazing, or new sash, at MIWD's option, with a two year warranty on the repair). MIWD retains the right to inspect and challenge any claim submitted.

- 7) The Claim Period will be three (3) months from the date that Notice of the settlement is first published.
- 8) Class C Eligible Members are current or former Homeowners that paid for repairs or replacement of windows and/or consequential water damage prior to Notice. To be eligible for relief under this paragraph, a Class C Eligible Member must submit a claim within three (3) months of Notice and prove that: (a) Claimant is a Current or Former Homeowner with MIWD window product which met the requirements of paragraphs 3 and 4; (b) Claimant made a prior warranty claim to MIWD for the damages specified in paragraphs 3 and 4; and (c) Claimant paid for repair or replacement of windows and/or consequential water damage and can produce relevant evidence (e.g., an invoice) and proof of payment from a licensed contractor. No photo or video is required. Upon proof of the foregoing, Claimant will be entitled to compensation for repair of consequential damages of up to \$250 per home. MIWD shall have the prepayment right to inspect and challenge the claim. Class Members may participate in Class C recovery in addition to Class A or Class B recovery provided there is no double recovery for the same window.
- 9) Notice, administration, and fees
 - a. MIWD will retain and work with a third party notice provider to create a constitutionally sufficient notice program to Class Members that is acceptable to the Parties and the Court.
 - b. Third Party Claims Administration to be mutually agreed upon by the Parties, including binding appeals to Third Party Claims Administrator.
 - c. Class representative fees of \$5,000 per current named class plaintiff representative in the pending MDL (one fee per house).
 - d. Attorney fees, costs, and expenses to be negotiated after material settlement terms reached.
- 10) Settlement Agreement drafted to clearly convey all terms and conditions.
- 11) Release: Except as otherwise set forth below (in subparagraphs “a” and “b”), Class Members (including Contractors) shall release MIWD (as defined in Paragraph 2, inclusive of current and former parent entities as well as related affiliates) and all vendors, component suppliers, distributors, sellers, developers, builders, contractors, subcontractors, and any other person or entity that was involved in the design, manufacture, marketing, sale, or installation of MIWD window products from any and all claims that the Class Member has, had, or might have in the future, known or unknown, arising from or related to MIWD windows. A detailed form of release and release terms will be set forth in the final Settlement Agreement.
 - a. Original Homeowners whose MIWD window product has not exhibited any damage covered by the warranty applicable to their windows prior to or during the Claim Period: Such Claimants shall reserve only the right to file a warranty claim (and no other type of common law or statutory claim) with MIWD for any window

or component that is warranted under the express written warranty applicable to their window product. All such claims must be submitted during the applicable warranty period as set forth in the express warranty applicable to their window products. If MIWD accepts a warranty claim, then MIWD's sole obligation shall be to repair the window or provide replacement parts (at its sole option). The Class Member will have no other remedy of any sort. The Class Member further agrees that any and all warranty claims must be filed with MIWD and cannot be filed in any court of law or any other forum. If the Class Member disagrees with MIWD's determination, the Class Member can appeal to the Claims Administrator. The Claims Administrator's decision shall be final and binding and the Claims Administrator cannot provide any relief other than repair of the window or provision of replacement parts. Class Members cannot assign or aggregate their claims and can only file claims for the affected window(s) in their own homes (Class Members cannot attempt to file a class action in a representative capacity).

- b. Subsequent Homeowners, who own property at time of Notice, whose MIWD window product has not exhibited any damage covered by the warranty applicable to their window prior to or during the Claim Period: Such Claimants shall reserve only the right to file a warranty claim (and no other type of common law or statutory claim) with MIWD for any window or component that is warranted under the express written warranty applicable to their window product (as though they were an original owner). All such claims must be submitted within 2 years of the date that Notice of the settlement is published or are forever barred. If MIWD accepts the claim, then MIWD's sole obligation shall be to repair the window or provide replacement parts (at its sole option). The Class Member will have no other remedy of any sort. The Class Member further agrees that any and all warranty claims must be filed with MIWD and cannot be filed in any court of law or any other forum. If the Class Member disagrees with MIWD's determination, the Class Member can appeal to the Claims Administrator. The Claims Administrator's decision shall be final and binding and the Claims Administrator cannot provide any relief other than repair of the window or provision of replacement parts. Class Members cannot assign or aggregate their claims and can only file claims for the affected window(s) in their own homes (Class Members cannot attempt to file a class action in a representative capacity).

12) Other:

- a. Class Members will have 30 days to opt out of the settlement or will be bound by its terms. [REDACTED]
- b. Class Members cannot assign or aggregate their claims.
- c. MIWD and its insurance carriers reserve the right to verify Claimant's ownership and/or inspect any Claimant's property and windows at a mutually convenient time if MIWD or its insurance carriers seek to challenge that a claim.

- d. If a Class Member files a lawsuit that violates the Settlement, MIWD will be entitled to injunctive relief and will be entitled to seek to recover its costs and fees for enforcing the settlement (after providing the Class Member with the notice of the settlement and 30 days to dismiss the action).
 - e. Any Class Member who has previously settled their claims with MIWD, had their claims dismissed in court, or accepted a final remedy from MIWD, shall be barred from any further recovery. (This provision will not affect windows that were not part of a prior settlement or prior resolution between the Class Member and MIWD).
- 13) Any Final Settlement Agreement is subject to agreement on more detailed settlement documents (including a Claim Form and terms, agreement on attorneys' fees, costs, and expenses, and court approval (and exhaustion of any appeals with no change to substantive terms of agreement)).
- 14) Court to maintain jurisdiction over class to enforce settlement. Court to enjoin all pending or future actions involving settled matters as to persons or entities that have not opted out of the settlement.
- 15) This class and settlement excludes any claims for personal injury.

Agreed:

MI Windows and Doors, Inc.

Contractor Plaintiffs