

Limited Warranty

This limited warranty excludes consequential damages, limits the duration of implied warranties and is in lieu of and excludes all other warranties of any kind whatsoever, express, implied or statutory, including but not limited to all express or implied warranties of merchantability, fitness for a particular purpose, and/or construction in good and workman like manner; all such warranties which exceed the limited warranty set forth in this agreement are hereby disclaimed by the builder and excluded from this agreement.

Before the buyer occupies the new home, a representative of the builder will perform a walk-through with the buyer. During this walk-through, every room and passageway will be inspected to record any construction defects or items needing adjustment, completion, repair, or replacement. The builder agrees that, within 30 days after closing, weather permitting, the builder will adjust, complete, repair, or replace any items on the buyer's check list that need adjustment, completion, repair, or replacement such as missing hardware, sticking doors, drawers, or windows; drywall and painting touch up; other deficiencies reported by the buyer at the time of the walk-through and those items that are agreed upon by the builder as needing repair.

The builder warrants the home described herein to be free from any major structural defects for a period of one (1) year. Major Structural Defect shall be described as actual physical damage to any of the following designated load bearing portions which affect their ability to bear a structural load to the extent the home becomes unsafe, unsanitary, or otherwise uninhabitable:

1. Foundation Systems & Footings
2. Beams
3. Girders
4. Columns
5. Walls and Partitions (Load-bearing only)
6. Floor Systems
7. Roof Framing Systems

The Major Structural Defect must occur as a result of the materials used in construction or from improper layout or construction within one (1) year from the date the Home Buyer took possession of the Residence.

Damage to the following non-load bearing portions of the Residence does NOT constitute a "Major Structural Defect" as provided for hereunder:

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1. Roofing and Sheathing
2. Drywall and/or plaster
3. Exterior Siding
4. Floor covering material
5. Brick, stone or stucco veneer
6. Wall tile and other wall coverings
7. Non-load bearing walls & partitions
8. Concrete floors in an attached garages and basements that are built separately from foundation walls or other structural elements of the home
9. Electrical, plumbing, heating, cooling & ventilation systems
10. Appliances, Fixtures and items of equipment
11. Paint
12. Doors and Windows
13. Trim
14. Cabinetry
15. Hardware
16. Insulation
17. Any other item constructed by Builder which is covered under applicable Iowa Law

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What is NOT COVERED in this Limited Warranty

This warranty does not cover the following:

1. Damage resulting from fires, floods, storms, electrical malfunctions, accidents, and acts of God
2. Damage from alterations, misuse, or abuse of the covered items by any person
3. Damage resulting from the Buyer's failure to observe any operating or maintenance instructions furnished by the Builder at the time of installation
4. Damage resulting from a malfunction of the following equipment or lines: telephone, gas, power, water, cable, irrigation.
5. Any items listed as "Non-warranted Conditions" on the list that is incorporated into this contract; the Buyer acknowledges receipt of the list of "Non-warranted Conditions".
6. Any item furnished or installed by the Buyer; and any appliance or piece of equipment installed or included in the Buyer's property. The only warranties for items listed below are those that the manufacturer provides to the Buyer.

Roofing
Brick
Siding
Plumbing Fixtures
Heating Equipment
Cooling Equipment
Water Heater
Kitchen Appliances
Refrigerator
Microwave
Ovens
Stove
Sink
Garbage Disposal
Mixer
Light Fixtures
Floor Coverings
Windows
Doors

The Builder hereby assigns (to the extent that they are assignable) and conveys to the Buyer all warranties provided to the Builder on any manufactured items that have been installed or included in the Buyer's property. The Buyer accepts this assignment and acknowledges that the Builder's only responsibility relating to such items is to provide assistance to the Buyer in setting any claim resulting from the installation of these products.

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NON-WARRANTED CONDITIONS

This statement of conditions that are not subject to the Builder's Limited Warranties explains some of the changes and need for maintenance that may occur in a new home over the first year or so of occupancy. As described in the Limited Warranty provided to the Buyer of which this statement of "Non-Warranted Conditions" is made a part, the Builder will correct certain defects that arise during defined time periods after construction is completed. Other items that are not covered by the Builder's warranty may be covered by the manufactures' warranties.

Some conditions, including (but not limited to) those listed in this statement of non-warranted conditions are not covered under the Builder's Limited Warranty. The Buyer should read these carefully and understand that the Buyer has not contracted for the Builder to correct certain types of problems that may occur in the Buyer's new house. These guidelines will alert the Buyer to certain types of maintenance (a) that are the responsibility of the Buyer and (b) that could lead to problems if they are neglected.

The following list outlines some of the conditions that are not warranted by the Builder. The Buyer should carefully review this list and should discuss any questions with the Builder. The Buyer is encouraged to consult an attorney before signing this warranty.

1. Concrete

Concrete foundations, walks, drives, and patios can develop cracks that do not affect structural integrity of the building. These cracks are caused by characteristics of expansion and contraction. No method of eliminating these cracks exists. This condition does not affect the strength of the building. Do not throw salt or any corrosive chemical on the concrete during the first two years you are in your new residence as this may cause the concrete to deteriorate.

2. Masonry and Mortar

Masonry and mortar can develop cracks from shrinkage of either the mortar or the bricks. This condition is normal and is not considered to be a defect

3. Wood

Wood will sometimes check, crack, or "spread apart" because of the drying out process. This condition is most often caused by the heat inside of the house or the exposure to the sun on the outside of the house. This condition is considered normal, and the buyer is responsible for any maintenance or repairs resulting from it. Buyer is advised that Builder does not provide a humidifier. A humidifier may prevent damage to the hardwood floors and other wood in the Residence.

4. Sheetrock or Drywall

Sheetrock or drywall will sometimes develop nail pops or settlement cracks. These nail pops and settlement cracks are normal part of the drying out process. These items can easily be handled

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by Buyer with spackling during normal redecorating. However, if the Buyer wishes, the Builder will send a worker at the end of one year to make necessary repairs, at Buyer's expense. Builder's repairs will not include repainting.

5. Floor Squeaks

Floor squeaks can occur and are not considered a construction defect. Builder, at its sole discretion, may elect to add additional screws to floors, but Builder does not warrant that floors will not squeak, either upon completion of construction or after Builder elects to add more screws.

Floors are not warranted for damage cause by neglect or the incident of use. Wood, tile, and carpet all require maintenance. Floor casters are recommended to prevent scratching or chipping of wood or tile, and stains should be cleaned from carpets, wood and tile immediately to prevent discoloration. Carpet has a tendency to loosen in damp weather and will stretch tight again in dryer weather.

6. Caulking

Exterior caulking and interior caulking in bathtubs, shower stalls, and ceramic tile surfaces will crack or bleed somewhat in the months after installation. These conditions are normal and are not considered to be a defect. Maintenance or repairs resulting from them are the Buyer's responsibility

7. Brick Discoloration

Most bricks may discolor because of the elements, rain, run-off, weathering, or bleaching.

8. Broken Glass

Any broken glass or mirrors that are not noted by the Buyer on the Final Walk Through are responsibility of the Buyer.

9. Frozen Pipes

The Buyer must take precautions to prevent freezing pipes and sill cocks during cold weather, such as leaving faucets with a slight drip and turning off water system if the Residence is to be left for extended periods during cold weather. Buyer is responsible for removing all hoses from sill cocks during freezing weather. If an irrigation system is present, Buyer is responsible for scheduling the bleeding of lines prior to freezing weather.

10. Stained Wood

All items that are stained will normally have a variation of colors because of the different texture of the woods. Because of weather changes, doors that have panels will sometimes dry out and leave a small space of bare wood. These normal conditions and are not considered to be defects.

11. Paint

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Good quality paint has been used internally in this Residence. Nevertheless, Buyer should not scrub latex painted, inside walls and be careful of newly painted walls as they move furniture. The best paint will be stained or chipped if it is not cared for properly. Builder uses high quality paint. Builder is not responsible for the touch up work caused by Buyer or Buyer's family or Buyer's agents. Builder will provide Buyer with a touch-up kit to enable Buyer to complete his/her own touch-up work.

12. Cosmetic Items

The Buyer has not contracted with the Builder to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features in the home. Chips, cracks, scratches, or mars in the tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, marble, granite, corian, quartz and formica tops, lighting fixtures, kitchen and other appliances, doors, paneling, siding, screens, windows, carpet, vinyl floors, cabinets, and the like that are not recognized and noted by the Buyer at the first walk through are non-warranted conditions. The upkeep of any cosmetic aspect of the home is the Buyer's responsibility.

13. Plumbing

Dripping faucets, toilet adjustments and toilet seats are covered by the Builder's warranty for one year. After that, they are the responsibility of the Buyer. The Buyer will be billed for any warranty repair request for plumbing if the person servicing the plumbing finds foreign materials in the line or discovers anything that is causing the problem that is not related to the original installation of the plumbing.

14. Leaks

The Builder will cover any leaks for one year. The Builder will not cover any damages caused by excessive winds or storms or damages resulting from walking on the roof or the installation of television antennas or other items on the roof.

15. Heating and Cooling

The Buyer's source of heating and air conditioning is covered by manufacturer's warranty. The Buyer is responsible for making sure the filters are kept clean and changed on a 30 to 90 day basis. Failure to do so may void the warranty. Having the equipment serviced or checked at least yearly is a good idea.

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Homeowner Maintenance Obligations

Maintenance of the residence is your responsibility. All residences require periodic maintenance to prevent premature deterioration, water intrusion, and to ensure adequate performance of all. The builder is not responsible for home maintenance issues or for damage that results from your failure to maintain the residence.

Coverage Limitations

Surfaces, finishes and coverings in the residence which require repair due to damage caused by a construction defect, or such damage caused in the course of Builder repair of a construction defect, shall be repaired and restored to approximately the same condition as existed prior to the construction defect, but not necessarily to a like new condition. When repairing or replacing surfaces, finishes and coverings, the repair or replacement will attempt to achieve as close a match with the original surrounding areas as is reasonably possible, but an exact match cannot be guaranteed due to such factors as fading, aging and unavailability of the same materials.

Home furnishings, carpet or personal property damaged by a construction defect shall be repaired or replaced at market value of the item at the time of damage. "Market value" shall mean the amount it would cost to repair or replace the damaged item with material of like kind and quality, less allowance for physical deterioration and depreciation, including obsolescence. At no time may the repair, maintenance or replacement of any construction defect exceed the value of the home when originally purchased by the first buyer.

Procedure to Request Builder to Perform Under this Limited Warranty

If you become aware of a condition that you believe is a construction defect under this Limited Warranty, you have the following responsibilities:

A. Notification

You must notify Builder in writing as soon as reasonably possible after you become aware of a condition that you believe may constitute a construction defect, but in no event may your written notice of a construction defect or your written request for warranty performance be received by Builder later than thirty (30) days after this limited warranty has expired. This extended period for providing notice of a construction defect shall not operate to extend the warranty period.

If the written notice is received by us more than thirty (30) days after the expiration of this Limited Warranty, Builder shall have no obligation to remedy the construction defect. Because of the importance of this written notice requirement, Builder recommends that notice always be sent by Certified Mail, return receipt requested, in order to establish a record.

B. Cooperate With Builder

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You must give Builder and any third parties acting on the Builder’s behalf reasonable help in inspecting, investigating, testing (including destructive testing), monitoring, repairing, replacing or otherwise correcting an alleged construction defect. Help includes, but is not limited to, granting reasonable access to the residence for the forgoing purposes. If you fail to cooperate or provide us reasonable access to the residence, we will have no further obligation under this Limited Warranty.

C. Do Not Make Voluntary Payments

You agree not to make any voluntary payments or assume any obligations or incur any expenses for the remedy of a condition you believe is a construction defect without prior written approval from Builder, or other parties authorized to act on our behalf. Builder will not reimburse you for costs incurred where you did not obtain prior written approval.

However, you may incur reasonable expenses in making repairs in an Emergency Condition without prior written approval, provided the repairs are solely for the protection of the residence from further damage or to prevent an unsafe living condition and provided you notify as soon as is reasonably possible. To obtain reimbursement for repairs made during an Emergency Condition, you must provide Builder with an accurate written record of the repair costs.

D. Sign A Release

When Builder or a third party acting on the Builder’s behalf has completed repairing, replacing or paying you as to any construction defect and related damage covered by this Limited Warranty, you may be requested to sign a full release of our obligation for the construction defect. The release shall be applicable to the construction defect and shall not prevent you from notifying Builder should you become aware of a subsequent construction defect.

E. If You Disagree With Builder

If you believe Builder has not satisfactorily responded to your request for warranty performance or satisfactorily worked with you to resolve any other claim or dispute between you and Builder, you should provide written notice to Builder requesting Mediation. Upon Builder’s receipt of written notice from you, a mediator acceptable to both parties may review and mediate your request. That mutually accepted mediator may communicate with you, Builder, and any other individuals or entities that the Mediator believes may possess relevant information. If after forty-five (45) days, the Mediator is unable to successfully mediate your claim or dispute, or at any earlier time when Mediator determines that you and Builder are at an impasse, the Mediator will notify you that your request remains unresolved and that you may elect to initiate binding arbitration. Binding arbitration as described in the following section is the sole remedy for the resolution of disputes between Builder and us.

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Binding Arbitration Procedure

Following commencement of the Warranty Period, any claim, controversy or dispute (hereafter collectively referred to as “dispute”) between you and Builder, or parties acting on your or Builder’s behalf, including any mediator, and any successor, or assign of either you or Builder, which relates to or arises from this Limited Warranty, or the design or construction of the residence, or the sale of the residence, will be resolved solely by binding arbitration and not through litigation in court before a judge or jury. This agreement to arbitrate is intended to inure to the benefit of, and be enforceable by, Builder’s contractor, subcontractors, agents, vendors, suppliers, design professionals, material men, and any of Builder’s direct or indirect subsidiaries or related entities alleged to be responsible for any construction defect. Disputes subject to binding arbitration include, but are not limited to:

- A. Any disagreement that a condition in the residence is a construction defect;
- B. Any disagreement as to the method or scope of repair required to correct a construction defect or whether a construction defect has been corrected in compliance with this Limited Warranty;
- C. Any alleged breach of this Limited Warranty;
- D. Any alleged violation of consumer protection, unfair trade practice, or any other statute;
- E. Any allegation of negligence, strict liability, fraud, and/or breach of duty of good faith, and any other claims arising in equity or from common law;
- F. Any dispute concerning the interpretation of this arbitration provision or the arbitrability of any issue;
- G. Any dispute concerning the timeliness of Builder’s performance and/or your notifications under this Limited Warranty;
- H. Any dispute as to the payment or reimbursement of the arbitration filing fee;
- I. Any dispute as to whether this Limited Warranty, or any provision hereof, including, but not limited to, this arbitration clause and any waiver hereunder, is enforceable;
- J. Any other claim arising out of or relating to the sale, design or construction of your residence , including, but not limited to any claim arising out of, relating to or based on any implied warranty or claim for negligence or strict liability not effectively waived by this Limited Warranty.

The arbitration shall be conducted by an Arbitrator or Arbitration company acceptable to both parties. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by and interpreted under the Federal Arbitration Act now in

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effect and as it may be hereafter amended (the “FAA”) to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own attorney’s fees and costs (including expert’s costs) for the arbitration. If you initiate the arbitration request, the arbitration filing fee and other fees charged by the arbitration service shall be divided and paid equally by you and Builder, unless you and Builder have otherwise agreed in writing to a different allocation. If Builder initiates the request for arbitration, Builder shall pay the entire arbitration filing fee as well as all other fees charged by the arbitration service.

As part of any arbitration award, the arbitrator may, at his/her discretion, direct that we reimburse you some or all of the arbitration filing fee and other arbitration fees you paid to the arbitration service, but under no circumstances shall you be required to reimburse Builder any portion of the arbitration filing fee and other arbitration fees Builder paid.

Arbitration filing fees and other arbitration fees vary among arbitration service providers. Before submitting a Binding Arbitration Request Form, you may contact an Arbitrator to obtain information on the fees charged by the appointed arbitration service provider. The arbitration service’s filing fee and other arbitration fees in effect at the time arbitration is requested shall apply.

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Subsequent Home Buyer Acknowledgment

The undersigned home buyer(s) hereby acknowledge and agree:

I/we acknowledge that I/we have reviewed, understand and agree to all the terms of the Home Builder's Limited Warranty document.

I/we understand that I/we am/are responsible for the maintenance of the home including maintenance of the grade of the land surrounding the home, and that the Builder shall not be responsible for any defect or damage to the home which is the result of my/our failure to maintain the home.

I/we acknowledge and agree to the Binding Arbitration Procedure contained in the Home Builder's Limited Warranty. This warranty shall be non-transferrable.

Signature(s) of Subsequent Home Buyer(s) _____ Date: _____

_____ Date: _____

Print above name(s): _____

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