

REGISTERED BUILDER'S LIMITED WARRANTY

Issued To: _____ (“Owner”)

Builder’s Name: _____ (“Builder”)

NOTE: CONSEQUENTIAL AND INCIDENTAL DAMAGES ARE EXCLUDED AND THERE ARE LIMITATIONS IN THE DURATION OF IMPLIED WARRANTIES

This Limited Warranty (“Limited Warranty”) is extended to you as the homeowner (“Owner”) in order to set forth our obligations as the builder (“Builder”) of your new home (“Home”). This Limited Warranty shall continue as long as the Owner occupies the Home as a residence during the Warranty Period (as defined below). This Limited Warranty is non-transferable. Any obligation under it terminates if the Home is resold or shall cease to be occupied as a residence by the Owner to whom it is originally issued.

Subject to the provisions in this Limited Warranty, we warrant that during the Warranty Period we will repair or replace, at no charge to you, defects in workmanship and materials in the Home which are due to our noncompliance with the adopted *Performance Standards Manual* (“Manual”) of the Home Builders Association of Northern Kentucky, Inc. (“Association”). You will be charged, on the basis of time and/or materials involved, for repeated requests for service or inspection of items not covered by this Limited Warranty, and claims for items not covered by this Limited Warranty.

NOTE TO OWNER

All new homes go through a period of settlement and as the seasons change, periods of expansion or contraction will occur. It will be helpful to the Owner's home maintenance program to keep a color chart of the different materials used on the home and a small supply of corresponding colored paint, stain, grout, etc. for each touch-up. Although we have continuing obligations under the Limited Warranty, it is up to the Owner to take over and care for the Work. Maintenance is not the Builder's responsibility.

TERMS

This Limited Warranty is effective for a period of one year from the date of closing, or upon the issuance of a Certificate of Occupancy (whichever occurs first), on your Home (the "Warranty Period"), except as otherwise specified. **We are making no implied or express warranties to you other than those contained in this Limited Warranty.**

This Limited Warranty is conditioned on your compliance with its terms.

We assign and pass through to you the manufacturer's warranties on all consumer products as defined in the Magnuson-Moss Warranty Act, 15 U.S.C. Sec. 2301-2311 (the "Act"). The Act applies to written warranties on tangible personal property that is normally used for personal, family or household purposes. Merchantability, fitness and all other implied warranties, with respect to such goods, shall be governed by the Act and other applicable state statutes. The following items are classified as consumer products when sold as part of the Home and are covered by the Act:

- Heating, Air Conditioning and Ventilation (HVAC) – Furnace, air-conditioning coils and compressor, thermostat, humidifier, electronic air cleaner, exhaust fan, and heat pump.

- Mechanical and/or Electrical – Intercom, central vacuum system, security system, fire and smoke alarm, fire extinguisher, garage door opener, door chimes, electric meter, gas meter, barbecue grill, light bulbs.
- Plumbing – Water-heater, water pump, water meter, sump pumps, water softener, whirlpool.
- Appliances – Oven, surface cooking unit, range, trash compactor, freezer, refrigerator, dishwasher, oven hood, disposal, ice maker, food center, clothes washer, clothes dryer, hot water dispensers.

THIS LIMITED WARRANTY IS THE ONLY EXPRESSED WARRANTY EXTENDED TO OWNER BY BUILDER. ANY ITEM AND CONDITIONS NOT SPECIFICALLY COVERED BY THIS WARRANTY ARE EXCLUDED FROM COVERAGE AND ARE THE RESPONSIBILITY OF THE OWNER. IT IS EXPRESSLY UNDERSTOOD THAT THIS LIMITED WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND HABITABILITY. IN NO EVENT SHALL BUILDER BE LIABLE FOR ANY DAMAGES (CONSEQUENTIAL OR OTHERWISE) ARISING FROM ANY DEFECTS IN ANY ITEM COVERED UNDER THIS LIMITED WARRANTY. THIS LIMITED WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS AND IS GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KENTUCKY.

The provisions and obligations of this Limited Warranty shall not apply if you owe us money.

Should any provision of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

EXCLUSIONS

The extent of our liability under this Limited Warranty is limited to the repair or replacement of defects in workmanship and materials due to our failure during construction of the Home to comply with the Manual of the Association ("Performance Standards").

WE SHALL NOT BE LIABLE UNDER THIS WARRANTY FOR:

1. Appliances, Fixtures and Equipment (including their fittings, attachments, controls and appurtenances) which are determined by law to be "consumer products," as defined by the Act.
2. Hidden defects in items or materials which are not apparent at the time of their incorporation into the Home and which could not be detected by reasonably careful inspection, are not included under this Limited Warranty and are the responsibility of the manufacturer, or other person or firm, who supplied the item or material to us.
3. Loss or damage with respect to any claim unless written notice of the defect shall have been given by you to us as provided under the Claims Procedures described below or in your construction contract with us for the Home. In any case, the right to file claims hereunder expires 30 days after the end of the Warranty Period. Steps taken by us to correct defects shall not act to extend the Warranty Period.
4. Defective design or materials supplied by you or installed under your direction, or defects in, or caused by anything not built into or installed in the Home pursuant to your contract with us, including but not limited to, defects in outbuildings, including detached garages and detached carports (except outbuildings that contain the plumbing, electrical or HVAC systems serving the Home), swimming pools and other recreational facilities, driveways, walkways, patios or decks,

boundary walls, retaining walls and bulkheads (except where the boundary walls or bulkheads are necessary for the structural stability of the Home), fences, or sprinkler systems.

5. Normal wear and tear, normal deterioration, normal discoloration, warpage or shrinkage of materials or other normal changes which are the result of characteristics common to the materials used.
6. Loss or damage to real property which is not a part of the Home covered by this Limited Warranty.
7. Warping or shrinkage due to the "drying out" of the Home after construction.
8. Cracks, flaking, cupping, peeling, warpage, and grout in materials due to their expansion and contraction during changes in temperature and humidity.
9. Discoloration of materials due to exposure to sun and weather conditions.
10. Dampness or condensation due to your failure to maintain adequate ventilation.
11. Changes, alterations or additions to the Home by anyone after initial occupancy, except those performed by us, our employees, agents or subcontractors.
12. Defects or damage resulting from changes or alterations made by parties other than the Builder, our subcontractors or agents, including, but not limited to, changes in the structure of the house, mechanical or electrical systems, and exterior grading.
13. Landscaping, including sodding, seeding, erosion, shrubs, trees and plantings.
14. Loss or damage caused by accidents including, but not limited to: acts of God; riots; civil commotion; fire; explosion; smoke; water escape; changes, not reasonably foreseeable, in the level of the underground water table; glass breakage; windstorm, hail or lightning; extremes in temperature; falling trees; aircraft and vehicles; flood; and earthquake.
15. Any damage caused by soil movement, unless caused by our failure to construct the Home in accordance with the Performance Standards.
16. Loss or damage not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the Home by us or our agents, employees and subcontractors.
17. Any damage caused or made worse by the negligence, improper maintenance, lack of maintenance, or improper operation by anyone other than us or our agents, employees or subcontractors.
18. Testing, monitoring, or remediation of Radon Gas.
19. Loss or damage which occurs after the Home is no longer used primarily as a residence or loss or damage caused by the use of the Home for nonresidential purposes.
20. Presence of (or any damage from) insects, birds or rodents.
21. Minor defects including chips, scratches and mars in tile, woodwork, walls, painting, porcelain, brick, counter tops, mirrors, carpeting, marble, glass, and plumbing fixtures which are not recognized and brought to our attention at the time of final inspection.
22. Cracks in concrete, unless in excess of the *Performance Standards*.

23. Drywall cracks, butt joints, nail pops and/or screw pops which are a part of the normal stabilization process.
24. Loss or damage resulting from abnormal loading on floors by the Owner that exceeds the design criteria as mandated by the locally adopted building codes.
25. Loss or damage caused by or to outside sillcocks or other hose connections.
26. Exterior hardware or fixtures.
27. Glass breakage.
28. Loss of use, loss of opportunity, loss of market value, loss of rental value or any other similar consequential loss.
29. Any defect or condition that does not result in actual physical damage to the Home.
30. Loss or damage resulting from our failure to complete the construction or to complete the construction in a timely manner.
31. Cost of shelter, transportation, food, moving, storage or other expenses associated with or related to any defect, or the repair or replacement of any defects in workmanship, materials or design.
32. Personal or bodily injury of any kind (bodily or otherwise, and including physical or mental pain and suffering and emotional distress), medical, hospital, rehabilitation, or other incidental or consequential expenses, whether or not caused by any defect in the construction of the house and whether or not resulting from the negligence of the Builder.
33. Defects in or damage to any real or personal property which was not a part of the Home or real property included in the original purchase.
34. Loss or damage that the Owner has not taken appropriate action to minimize as soon as practical.
35. Loss or damage caused by the workmanship performed or defective materials supplied by any person or entity other than us, our agents, employees or subcontractors.
36. Incidental or consequential damages.

WARRANTY POLICY

We hope that you will be happy in your new home. Your Home has been inspected by our trained personnel and, when required, by the building department of the municipality or county in which your Home is located. With this Limited Warranty, you are receiving a copy of a booklet "YOUR NEW HOME AND HOW TO TAKE CARE OF IT." Please read it carefully. It will help you to understand the minor adjustments necessary to most newly constructed homes in their first few months. It will aid you to preserve the value of your new home with proper care. This booklet also explains the responsibility of manufacturers, subcontractors or others for work done or equipment installed by them.

This Limited Warranty and the accompanying manual conform with the *Performance Standards*. As a condition of membership, we have pledged ourselves to build with quality and to abide by the Association's Code of Ethics in the conduct of our business.

This Limited Warranty is null and void unless issued by a Registered Builder Member of the Association.

CLAIM PROCEDURES

Upon detecting the existence of a defect, the Owner shall follow the procedures set forth below:

1. If the defect is covered by this Limited Warranty, written notice with a thorough and complete explanation of the defect, shall be sent to the Builder at the address appearing on the front of this Limited Warranty. Only emergency reports will be taken by telephone. Following the receipt of your requests, we will make an inspection of your home within 30 days after receipt of such notice. If such inspection reveals that repairs or adjustments covered by the Limited Warranty are required due to defects in workmanship or materials as outlined in the *Performance Standards Manual* of the Association, we will make the necessary repairs or adjustments within 90 days at no cost to you, weather and labor conditions permitting and emergencies excepted. Inspection, service and repairs will only be performed during normal working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday.
2. If the defect is covered by a Manufacturer's Warranty, follow the instructions provided with such warranty. In the absence of a written Manufacturer's Warranty, contact Builder's office for information and assistance in filing the claim.

BUILDER PERFORMANCE

If a defect is an item which is covered by this Limited Warranty, the Builder will repair or replace, or pay Owner the reasonable costs of repairing or replacing the defective item. The choice among repair, replacement or payment is solely the Builder's. Action taken by the Builder to correct defects shall not extend any term of this Limited Warranty. Corrective work shall be performed by Builder only during normal working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. No corrective work will be performed on Saturday, Sunday or company holidays. Builder shall not be required to enter the premises to perform corrective work unless Owner has provided Builder with a key, written permission to enter and a complete written release of liability. Corrective work performed by Builder to repair a defect covered by this Limited Warranty shall be at no charge to Owner.

CONCILIATION/ARBITRATION

If defects are claimed by Buyer, Buyer and Builder shall comply with the claim procedures in the Limited Warranty, including but not limited to the notice requirements. If Builder fails to comply with the claim procedures in the Limited Warranty or if the parties are unable to mutually resolve any question with respect to the performance of this Agreement, Owner may contact the Homes Builders Association of Northern Kentucky and request conciliation. Owner will submit \$200 along with complain form for administrative costs. Registered Builder will be billed \$200 when a team is assigned for conciliation. Conciliation services are available only to Association members and the Owner. The Builder must be, at all times during the conciliation procedure, an Association member. The Association does not undertake or guarantee, expressly or impliedly, to perform any obligation of Builder resulting from such procedure. The Owner must accept and acknowledge that the findings and recommendation of the Association may be admitted as expert testimony in any subsequent arbitration.

This acknowledges receipt of this Limited Warranty:

SIGNATURE

Date: _____

SIGNATURE

Date: _____

**Home Builders Association of Northern Kentucky, 2751 Circleport Drive, Erlanger, KY 41018
(859) 331-9500 www.homebuildersnky.com**