

REGISTERED BUILDER'S LIMITED WARRANTY

NOTE: CONSEQUENTIAL AND INCIDENTAL DAMAGES ARE EXCLUDED

We hope that you will be happy in your new home ("Home"). This Limited Warranty ("Limited Warranty") is given to you as the home owner ("Home Owner") in order to set forth our obligations as the builder of your Home which shall continue for the effective Warranty Period (as defined below). 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.

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 of The Home Builders Association of Northern Kentucky, Inc.

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..

This Limited Warranty is effective for a period of one year from the date of closing 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 non-transferable. Any obligation under it terminates if the Home is resold or shall cease to be occupied as a residence by the Home Owner to whom it is originally issued.

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.

This Limited Warranty shall be governed in accordance with the laws of the State of Kentucky.

THE PROVISIONS AND OBLIGATIONS OF THIS LIMITED WARRANTY DO NOT INCLUDE ANY CLAIMS FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

NON-WARRANTABLE ITEMS (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 to comply with the adopted performance standards of The Home Builders Association of Northern Kentucky, Inc. ("Performance Standards"). The choice among repair or replacement is solely ours as the builder of your Home.

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 Magnuson-Moss Warranty Act , 15 U.S.C. Sect. 2301-2311.
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 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. Changes or alteration, by parties other than us, our subcontractors or agents, of the grading or the ground.
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 prevention 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 Home 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 (including physical or mental pain and suffering and emotional distress), medical, hospital, rehabilitation, or other incidental or consequential expenses or damage to personal property.

33. Loss or damage that the Home Owner has not taken appropriate action to minimize as soon as practical.
34. 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.

WARRANTY POLICY

We hope you will be happy in your new home. It has been constructed in accordance with accepted homebuilding practices. It has been inspected by our trained personnel and the building department of the city or county within which jurisdiction it is situated.

As company policy, we will inspect your house as promptly as possible upon your written request to our office at the address appearing on the front of this Limited Warranty. Where such inspection reveals that it requires repairs or adjustments because of defects in workmanship or materials as outlined in the Performance Standards of The Home Builders Association of Northern Kentucky, Inc., we will make reasonable and necessary repairs or adjustments without cost to you except where these are the responsibility of a manufacturer.

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 is nontransferable. Any obligation under it terminates, if the property is resold or shall cease to be occupied by the homeowner to whom it is originally issued.

This Limited Warranty and the accompanying manual conform with the Performance Standards approved by The Home Builders Association of Northern Kentucky, Inc (the "Association"). As a condition of membership, we have pledged ourselves to build quality homes 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.