

POWELL CUSTOM HOMES L.L.C.

HOME
BUILDERS
ASSOCIATION
of Greater Kalamazoo

NEW HOME EXPRESS LIMITED WARRANTY

BUILDER : Powell Custom Homes L.L.C. Builder License No 2102138991

Address 48962 24th St.P.O. Box 605 Mattawan MI 49071 Phone: 269-668-5227

BUYER/OWNER, _____

HOME ADDRESS: _____ Phone: _____

This express limited warranty is the only warranty which will be provided with your new Home. It is part of the Agreement between BUILDER and BUYER/OWNER. Under this warranty, BUILDER agrees to repair or replace any items covered by the warranty without cost to BUYER/OWNER.

This warranty shall last for **three (3) years** from the date BUYER/OWNER first occupies the Home. The warranty is only extended to BUYER/OWNER, and will end earlier if BUYER/OWNER sells the Home prior to the end of the warranty period. This warranty terminates if the Home is sold or its title is transferred

ITEMS COVERED UNDER THE EXPRESS LIMITED WARRANTY:

BUILDER will repair or replace, as it deems necessary, any defective materials or workmanship in the structural portions of the Home for a period of three (3) years after first occupancy. The structural portions include the walls, floors, roof, decks, ceiling, foundation, windows, ducts, wiring and pipes. (This Express Limited Warranty does not cover any appliances, equipment, or other items which are consumer products for purposes of the Magnuson-Moss Warranty Act [15 U.S.C. Sec. 2301 through 2312].)

The following items are not consumer products under the Magnuson-Moss Warranty Act when sold as part of a new home, therefore, they are covered by this Express Limited Warranty:

HEATING AND VENTILATION

Ducts, registers and radiators.

MECHANICAL AND/OR ELECTRICAL

Circuit breaker, electrical switches and outlets, electric panel box, fuse, garage door, light fixtures, wiring.

PLUMBING

Bathtubs, laundry tray, plumbing fittings (shower head, faucets, trap, flange around a pipe or fitting and drain.) shower stall, sink, sprinkler head, toilets, vanities.

MISCELLANEOUS ITEMS

Cabinets, ceiling, chimney and fireplace, doors, floorcovering (includes carpeting, linoleum, tile, parquet) gutter, shelving shingles, wall or wall covering, windows.

These are examples only. If the item has a function separate and apart from the house, it is likely to be considered a consumer product (such as a water heater or stove), whereas other items (such as floorboards and trusses) are not.

POWELL CUSTOM HOMES L.L.C.

INSPECTIONS AND REPAIR SCHEDULE:

- Pre-close Inspection Before Occupancy
- 6 Month Interval
- 12 Month Intervals

BUILDER will repair or replace within thirty (30) days from the date you occupy your Home, any minor defects within the Home noted on the pre-closing inspection checklist signed by both BUILDER and BUYER/OWNER.

It shall be the BUYER/OWNER's responsibility to contact the BUILDER should there be any concerns at the 6 month and 12 month intervals such as adjustments to doors or window or any concerns of an incidental nature.

Any items that effect the health or safety of the occupants or problems that may cause continuing damage to the structure should be brought to the attention of the BUILDER immediately by phone followed by written notice. These problems will be taken care of promptly.

ITEMS NOT COVERED UNDER THE LIMITED EXPRESS WARRANTY:

- Damage from alterations, misuse, or abuse of the covered item by any person.
- Any items furnished or installed by you or third parties.
- Damage due to ordinary wear and tear.
- Damage resulting from fires, floods, storms, electrical malfunctions, accidents, nor acts of God.
- Problems caused by failure to make normal maintenance.
- Damage resulting from the purchaser's failure to observe any operating instructions furnished by BUILDER.
- Hairline cracks in walls, driveways, sidewalks, or in areas with ceramic tile.
- Grass, trees and shrubs.
- Any appliance, equipment, or other item that is a consumer product for the purposes of the Magnuson Moss Warranty Act, 15 U.S.C. Sec. 2301 et seq., installed or included in the BUYER/OWNER's property. Examples as follows: Dishwasher, microwave, range/oven, garbage disposal, hot water heater, water softener, air conditioner, electronic air cleaner, furnace, garage door openers, humidifier, thermostats, burglar alarm, whirlpool, and in ground sprinkling system. (This list is not all inclusive, there may be other items not covered in the Home.) It is the purchasers obligation to properly fill out and mail any manufacturers warranties for equipment installed during construction. In the event of any problem with these items, the home owner should make a warranty claim against the manufacturer.

STATEMENT OF NON-WARRANTABLE CONDITIONS

This statement of conditions that are not subject to the Home Express Limited Warranty ("Warranty") explains some of the changes and need for maintenance that occur in a new house over the first year after occupancy. A house requires more maintenance and care than most products because it is made of many different components, each with its own special characteristics.

BUYER/OWNER acknowledges that like all other products made by humans, a new house is not perfect. The Home may have flaws that BUILDER is not responsible to correct. The BUILDER'S responsibility is to perform construction to industry standards.

As described in the New Home Express Limited Warranty provided to the BUYER/OWNER, 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 manufacturers' warranties.

Some conditions, including (but not limited to) those listed in this statement of non-warrantable conditions, are not covered under the Warranty. BUYER/OWNER acknowledges having read this statement carefully and understands that the BUYER/OWNER has not contracted with the BUILDER to correct certain types of problems that may occur in the house. This statement is intended to alert the BUYER/OWNER to certain types of maintenance that are the responsibility of the BUYER/OWNER and that could lead to problems if they are neglected.

The following list outlines some of the conditions that are not covered by the Warranty:

POWELL CUSTOM HOMES L.L.C.

1. **Concrete:**

Concrete foundations, steps, walks, drives and patios may develop cracks that do not affect the structural integrity of the structure. Cracks are frequently caused by characteristics of the concrete itself. No reasonable method of eliminating these cracks exists. This condition does not affect the strength of the building. Salt and chemicals can cause considerable damage to concrete and should not be used.
2. **Masonry and Mortar:**

Masonry and mortar may develop cracks from shrinkage of either the mortar or the brick. This condition is normal.
3. **Wood:**

Wood will sometimes check or crack or the fibers will spread apart because of the drying out process. This condition is frequently caused by the heat inside the house or exposure to the sun on the outside of the house. This condition is normal, and the BUYER/OWNER is responsible for any maintenance or repairs resulting from it.
4. **Sheetrock and Drywall:**

Sheetrock or drywall will sometimes develop nail pops or settlement cracks. Nail pops and settlement cracks are a normal part of the drying out process. These items can easily be handled by the BUYER/OWNER with spackling during normal redecorating. However, if the BUYER/OWNER requests in writing, the BUILDER will send a worker, for a one time only visit, to make the necessary repairs and touch up paint on repair.
5. **Floor Squeaks:**

After extensive research and writing on the subject, technical experts have concluded that much has been tried but that little can be done about floor squeaks. Generally, floor squeaks will appear and disappear over time with changes in the weather and other phenomenon.
6. **Floors:**

Floors are not warranted for damage caused by neglect or the incidents 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 or tile immediately to prevent discoloration. Carpet has a tendency to loosen in damp weather and will stretch tight again in dryer weather.
7. **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 should not be considered a problem. Any maintenance or repairs resulting from them are the BUYER/OWNER's responsibility.
8. **Brick Discoloration:**

Most brick will discolor due to rain run-off, weathering or bleaching. Efflorescence - the formation of salts on the surface of brick walls - may occur because of the passage of moisture through the wall. Efflorescence is a common occurrence, and the BUYER/OWNER may clean these areas as the phenomenon occurs.
9. **Broken Glass:**

Any broken glass or mirrors that are not noted by the BUYER/OWNER prior to occupancy are the responsibility of the BUYER/OWNER.

POWELL CUSTOM HOMES L.L.C.

10. **Frozen Pipes:**

The BUYER/OWNER must take precautions to prevent freezing of pipes and sillcocks during cold weather, such as removing outside hoses from sillcocks, leaving faucets with a slight drip, and turning off the water system if the house is to be left for extended periods during cold weather.
11. **Stained Wood:**

All items that are stained will normally have a variation of colors because of the different textures of the wood. Because of weather changes, doors that have panels will sometimes dry out and leave a small space of bare wood, which the BUYER/OWNER may touch up. These normal conditions are not to be considered defects.
12. **Paint:**

Quality paint has been used internally and externally on the home. Nevertheless, exterior paint can sometimes crack or check. The source of this defect is most often something other than the paint. To avoid problems with the paint, BUYER/OWNER should avoid allowing lawn sprinklers to hit painted areas, washing down painted areas, and so on. The BUYER/OWNER should also not scrub latex painted, inside walls and be careful of newly painted walls as they move furniture. The best paint will stain or chip if it is not cared for properly. Any defects in painting that are not noted prior to occupancy are the BUYER/OWNER's responsibility.
13. **Cosmetic Items:**

The BUYER/OWNER has not contracted with the BUILDER to cover ordinary wear and tear or other occurrences subsequent to construction that affect the condition of features of the house. Chips, scratches or mars in the tile, woodwork, walls, porcelain, brick, mirrors, plumbing fixtures, marble and Formica tops, lighting fixtures, kitchen and other appliances, doors, paneling, siding, screens, windows, carpet, vinyl floors, cabinets, and the like that are not noted prior to occupancy by the BUYER/OWNER are non-warrantable conditions, and the upkeep of any cosmetic aspect of the house is the BUYER/OWNER's responsibility.
14. **Plumbing:**

Dripping faucets, toilet adjustments, and toilet seats are covered by the BUILDER'S warranty for the three year warranty period only. After that, they are the BUYER/OWNER's responsibility. If the plumbing is stopped up during the warranty period and the person servicing the plumbing finds foreign materials in the line, the BUYER/OWNER will be responsible for same and will be billed for the call.
15. **Alterations to Grading:**

The land has been graded to ensure proper drainage away from the house. It is the BUYER/OWNER's responsibility to maintain positive drainage to prevent entrance of water around the foundation. Should the BUYER/OWNER want to change the drainage pattern because of landscaping, installation of patio or service walks, or other reasons, the BUYER/OWNER should be sure to retain a proper drainage slope. The BUILDER assumes no responsibility for the grading or subsequent flooding or stagnant pool formation if the grade established by BUILDER is altered.
16. **Lawn and Shrubs:**

The BUILDER accepts no responsibility for the growth of grass or shrubs. Once the BUILDER grades, seeds and/or sods, and fertilizes the yard, the BUYER/OWNER must water the plants and grass the proper amount and plant ground cover, where necessary to prevent erosion. The BUILDER will not regrade a yard, nor remove or replace any shrubs or trees, except for those that are noted as diseased prior to occupancy.

POWELL CUSTOM HOMES L.L.C.

17. **Roof:**
During the first three years of the Warranty, the roof is covered for workmanship and materials. Warranty claims for any defects in materials will be handled with the manufacturer with the BUILDER'S assistance. The BUILDER will not be responsible for any damages caused by walking on the roof or by installing a television antenna or other item on the roof.
18. **Heating and Air-Conditioning:**
The BUYER/OWNER's source of heating and air-conditioning is covered by a manufacturer's warranty. The BUYER/OWNER is responsible for making sure the filters are kept clean and changed on a 30-day basis. Failure to do so may void the warranty. Having the equipment serviced or checked at least yearly is a good idea.
19. **Indoor Air Quality:**
It is the BUYER/OWNER's responsibility to control the level of humidity in the home with proper use of the range hood, bathroom fans, and humidifier. Excessive moisture can cause damage. Any repairs related to excessive moisture are the BUYER/OWNER's responsibility.

BUYER/OWNER acknowledges having read and received a copy of this Statement. The BUYER/OWNER acknowledges the Non-Warrantable Conditions are conditions that were not contracted for and BUYER/OWNER will not hold BUILDER liable for these conditions.

ADDITIONAL CONSIDERATIONS:

This express limited warranty does not cover any consequential damages to persons or property which BUYER/OWNER may suffer as the result of any defect in the Home which is otherwise within the coverage of this Express Limited Warranty. In addition, this warranty only extends to the actual cost to repair or replace covered items.

Your new home requires a maintenance effort from everyone living in the Home to reduce the likelihood of damage due to neglect, improper maintenance or abnormal use. Please refer to the Statement of Non-warrantable Conditions (set forth herein) regarding maintenance information for your new home. We encourage you to call and discuss any specific maintenance problems you may have.

If it becomes necessary to make a claim within the three (3) year warranty period, you must notify us in writing of the claim within the warranty period. If we determine your claim is covered by the warranty, then within sixty (60) days, we will, at our option, repair or replace the defective item.

I acknowledge having read, understood, and received a copy of this limited warranty agreement.

Builder _____ Buyer/Owner _____

Title: _____ Buyer/Owner _____

Date: _____ Date: _____

DISCLAIMER: THE HOME BUILDERS ASSOCIATION OF GREATER KALAMAZOO IS NOT RESPONSIBLE FOR THE PROVISIONS AND INTERPRETATIONS OF THIS CONTRACT AND HEREBY DISCLAIMS ANY AND ALL LIABILITY ARISING FROM ITS USE. (BUYER/OWNER'S initials _____, BUILDER'S initials _____)

Reviewed March 2006