

Schroeder Enterprises, Inc.

LIMITED WARRANTY

AND NEW HOMEOWNER ORIENTATION & WARRANTY GUIDE

This document explains the **ONE (1) YEAR LIMITED WARRANTY** and conditions of coverage on warrantable items for Schroeder Enterprises, Inc. residential homes.

In many cases, the answers to your questions are in this Guide. Please refer to the subject of your call in this guide before you contact Schroeder Enterprises, Inc.

CUSTOMER SERVICE POLICIES

It is our policy that we respond to all warranty service claims as quickly and efficiently as possible should there be any repairs during your Limited Warranty period.

Occasionally, due to circumstances beyond our control, some warranty repairs may take more time than others. Delays can be caused by shortage of materials, back ordered parts from manufacturers, labor problems or weather. We will keep you informed of the completion date.

Some warranty service calls are scheduled according to the required tasks. For example, drywall repairs might be completed at one time and repairs to doors and cabinets might be completed at another time. By staggering the work, we are able to complete warranty repairs more efficiently.

If you believe you have a warranty claim, we suggest that you review the Limited Warranty section of this Guide before you request service. This will help you to decide if the claim is covered by the SCHROEDER ENTERPRISES, INC. Limited Warranty, one of our trade contractors, or is your responsibility.

If you believe that you have an emergency requiring immediate attention, please refer to the emergency section in this Guide. If your situation is not an emergency, please follow the steps below for requesting service.

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REQUESTING WARRANTY SERVICE AND CLAIMS PROCEDURE

If a defect appears that you think is covered by this Limited Warranty, for your protection, we require that all requests for service be submitted through our website at the address appearing at the bottom of this Limited Warranty. If you are not able to submit a warranty request through our website, you may fax a letter to the FAX number appearing at the bottom of this Limited Warranty.

FOR YOUR PROTECTION, WE REQUIRE THAT ALL REQUESTS FOR SERVICE BE SUBMITTED IN WRITING.

Items Required to be Included in Your Letter: You must specify in your letter a brief description(s) of the work requested and its location in your home (i.e. the room, location in the room, and a general description of the problem); your address, date of closing on your home, what times during the day you will be at home so that we can schedule service calls appropriately; and any phone numbers we may need to contact you during normal working hours (8:00 a.m. to 5:00 p.m. Monday through Friday). Please do not forget to give us your name, address and phone numbers to contact you. Service calls are typically scheduled Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m.

Note: If delay will cause extra damage (i.e. any items that are included below in the Emergency Customer Service Definitions and Precautions section), please telephone us. Only emergency reports will be taken by phone.

Repairs: Upon receipt of your written report of a defect, if the defective item is covered by this Limited Warranty, we will repair or replace at no cost to you, as soon as possible but within 30 days (please refer to the Customer Service Policies section above regarding delays). The work will be completed by Schroeder Enterprises, Inc. or subcontractors chosen by us. The choice between repair and replacement is ours. We follow building industry standards to select the materials and the workmanship practices for your warranty service repairs and replacements. We use the same care and attention to detail that went into the original construction of your home. Our Employees, Trade Contractors, Vendors, or other agents in the field do not have permission to authorize repair work by others and they do not have the authority to extend or alter the original Limited Warranty in any way.

We take pride in the trade contractors who have been selected by **Schroeder Enterprises, Inc.** If you are dissatisfied with the quality of work or the level of professionalism displayed by one of our trade contractors, please contact our office immediately! Your comments help us to maintain the high level of service that you expect with your new home.

SCHROEDER ENTERPRISES, INC. will not be responsible for expenses that you incur for work that is completed by other contractors unless we authorize the work in writing.

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SERVICE CALLS THAT COST YOU MONEY

You may incur a service charge if any of our Employees, Trade Contractors, Vendors, or other agents respond to a service call or repair item that was caused by your negligence, failure to follow the instruction manual, or normal wear and tear. We ask that you use discretion in notifying our office with complaints.

Some causes of unnecessary service calls are:

- Failure of heater or air conditioner operating properly due to dirty filters or lack of other maintenance.
- Power failure due to a tripped circuit breaker.
- Sewer stoppage because of something you introduced into the line.
- Kitchen appliances not working due to failure to read and follow instruction manual.
- Hot water heater not working due to an unlit pilot light.
- Garage overhead door or opener not functioning properly due to operator error or the electronic eye and force-sensitive stop-and-reverse functions have been tampered with.

Homeowner/Purchaser Responsibilities:

Maintaining the following items will reduce or eliminate service calls and expense:

- Frequently clean and replace heat / air conditioner filters.
- Replace worn washers on faucets
- Repair chipped or scratched ceramic tile, grout, countertops, caulking, plumbing fixtures, floor tile, paint, etc. **unless damage was reported prior to Closing.**
- Replace damaged, missing or broken screens, glass, mirrors, appliances, light fixtures, etc., **unless the item was reported on the Orientation & Final Walkthrough signed prior to Closing.**
- Maintain your home's mechanical and electrical equipment.
- Take care of your floor coverings.
- Repair broken sprinkler heads and adjust sprinkler heads so they do not spray water on your home. Continuous monitoring of the sprinkler timer and changing watering times and/or durations so as not to over-water or under-water.
- Frequently clean filters in the sprinkler heads and sprinkler system.
- Complete all paint touch-ups (interior and exterior) that were not **reported on the Orientation & Final Walkthrough signed prior to Closing.**
- This home has a mechanically vented crawlspace. Homeowner is responsible to check and verify the operation of the fan at all times. (See the Attached Mechanically Vented Crawlspace Information).

Read all warranties, instruction manuals and booklets to understand the function and proper care of the many materials, fixtures, and pieces of equipment that help make your home operate efficiently.

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EMERGENCY CUSTOMER SERVICE DEFINITIONS AND PRECAUTIONS

Emergencies are problems that require immediate attention to protect you and your family from harm and to avoid damage to your property, your home or your lot. These problems include but are not limited to:

- A total stoppage of the plumbing drain system. If your plumbing system ceases to work, none of your sinks, tubs or toilets will function properly; also, stoppage of a particular toilet or drain may constitute an emergency if it occurs within your first 72 hours in your new home.
- A water leak that requires the main water supply to your home to be shut off to avoid serious water damage. If the location of the main water shutoff in your home has not been shown to you, please contact Schroeder Enterprises, Inc. We make every effort to show you the location of this valve during the walk-through prior to closing. If a leak can be isolated by the shutoffs under the cabinet or plumbing fixture, including your water heater, it is not an emergency.
- A total electrical failure within your home. An electrical failure of many houses indicates neighborhood power failure and should be reported to the appropriate electrical utility for your area. Also, refer to the Troubleshooting Section for more details on electrical outages.
- Loss of heat during extreme weather conditions.
- Smell of gas. Report a gas leak to Intermountain Gas Company: 1-877-777-7442

SAFETY TIP: DO NOT DELAY IN REPORTING AN EMERGENCY!!

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EMERGENCY CUSTOMER SERVICE DEFINITIONS AND PRECAUTIONS (Cont'd)

In case of an emergency, first protect your family from harm. Once you are sure of their safety, and if your safety will not be jeopardized, take steps to correct or lessen the effects of the emergency. You can minimize damage from a water leak, for example, by turning off the water to a particular fixture or turning off the water main to your home.

Do not delay in reporting an emergency. Subsequent damage caused by a delay will not be the responsibility of **SCHROEDER ENTERPRISES, INC.** This Limited Warranty DOES NOT cover damage to personal property no matter the cause. If your situation does not fall within the emergency guidelines, you should use the procedures outlined for requesting routine warranty service. If, however, you believe that a delay in responding to your claim could result in further damage, call our office immediately.

LIMITED HOME WARRANTY AGREEMENT

The Limited Warranty specifies limits for responsibility and conditions under which it is valid or applicable. Our Employees, New Home Sales Consultants (Realtors), Trade Contractors, Vendors, or other agents are not authorized to make any warranty representation other than this one, nor can they extend or in any way alter this warranty.

Note: Consequential and incidental damages are excluded, and duration of implied warranties has limitations.

Initials:

No other Warranties: This Limited Warranty is the only express warranty we give. Implied warranties, including but not limited to implied warranties of merchantability, fitness for a particular purpose, and habitability are hereby disclaimed and limited to the warranty periods set forth below. The Limited Warranty gives you specific legal rights, and you may also have other legal rights.

Our Employees, New Home Sales Consultants (Realtors), Trade Contractors, Vendors, or other agents are not authorized to make any warranty representation other than those contained in this Guide.

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LIMITED HOME WARRANTY AGREEMENT (Cont'd)

This section of your Guide is an expressed warranty, which means that it gives the details of coverage for specific items, the warranty period, any limitations and/or exceptions and, lastly, how to make warranty claims. It also consists of several warranties on specific parts of your new home and it shows how long each warranty remains in effect, who has responsibility, and how each of these warranty claims are to be processed.

Initials:

Who Is Covered

This Limited Warranty is offered to only the **original Purchaser** during the life of the warranty period. This Limited Warranty is **NOT** offered to Purchasers that use the home for rental purposes and or who will do not be occupying the property as their principal residence during the warranty period. There is **NO** warranty expressed or implied (including but not limited to implied warranties of merchantability, fitness for a particular purpose and habitability) for Purchasers who use the home for rental purposes and or for purchasers who never will not be actually occupying the property as their principal residence during the warranty period.

Initials:

Not Transferable

This Limited Warranty is extended to you **ONLY** if you are the original first Purchaser of the Home. When the first original Purchaser sells the Home, or moves out of it, or no longer uses the Home as their principal residence, this Limited Warranty automatically terminates. This Limited Warranty is **NOT** offered to purchasers that use the home for rental purposes or who do not occupy the property as their principal residence during the warranty period. There is **NO** warranty expressed or implied (including but not limited to implied warranties of merchantability, fitness for a particular purpose and habitability) for purchasers who use the home for rental purposes or for purchasers who never actually occupy the property as their principal residence during the warranty period.

Term

The terms of various coverage of this Limited Warranty begins on the date on which your home is deeded to you. That date is referred to in this Limited Warranty as the "Closing".

Exceptions to Limited Warranty When Purchasing A Model Home:

The purchase of a display model home will be covered under the same warranty as a new home. Buyer accepts "as-is" all options and features including flooring, wall treatments, landscaping, sprinkler system, concrete driveways, walks and patios, drywall and stucco. Warranty coverage ends automatically when each warranty period expires. **Work completed to correct defects or workmanship does not extend warranty coverage beyond the specified warranty period.**

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LIMITED HOME WARRANTY AGREEMENT (Cont'd)

1. Coverage on Home Except Consumer Products

Schroeder Enterprises, Inc. warrants for a period of **ONE (1) YEAR** after Closing, the following:

- a) That all materials and equipment furnished under this Agreement will be new unless specified otherwise;
- b) That all work will be performed in a commercially expeditious manner;
- c) That all work will be free from defects in workmanship due to non-compliance with the Contract Documents and Building Codes.
- d) That the Home will be free from defects in workmanship and materials resulting in non-compliance with the Standards of Construction. If no standard has been adopted regarding a certain item, then Schroeder Enterprises, Inc. warrants that the Home will be free from defects in workmanship and materials due to non-compliance with the structural, mechanical, electrical, and quality standards of the home building industry for the geographic area in which the Home is located and which are in effect at the time the Home is/was constructed.
- e) That the Home will be free from defects in the installation of the plumbing, heating, cooling, and electrical systems resulting in non-compliance with the applicable plumbing, mechanical, or electrical code in effect at the time the Home was constructed; provided, however, that this warranty does not apply to defects in an appliance, fixture, or item of equipment or defects in plumbing, heating, cooling, or electrical systems caused by defects in an appliance, fixture, or item of equipment.
- f) Products supplied by suppliers, manufacturers and trade contractors such as doors, door hardware, windows, жалousies, skylights, roofing materials, cabinets, cabinet hardware, light fixtures, electric switches, receptacles, etc. are warranted by Schroeder Enterprises, Inc. only to the extent that the suppliers or manufacturers of those products provide a warranty. In the event that the Purchaser encounters a defect in a supplied or manufactured product that has been incorporated into your home, Schroeder Enterprises, Inc. shall assist the Purchaser in securing the repair or replacement of these products pursuant to the particular supplier or manufacturer warranty during the first year of ownership. Schroeder Enterprises, Inc. warrants against skylight leakage for one year. If the supplier's or manufacturer's warranty exceeds one year, such warranty is hereby assigned to Purchaser and Purchaser shall arrange for any such warranty coverage directly with the supplier or manufacturer.

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LIMITED HOME WARRANTY AGREEMENT (Cont'd)

2. Coverage on Consumer Products

For purposes of this Limited Warranty Agreement, the term “consumer products” means all appliances, equipment and other items which are consumer products for the purpose of the Magnuson-Moss Warranty Act (15 U.S.C. Sec 2301-2312) and which are located in the Home on the commencement date of the Limited Warranty. The following items of equipment are “consumer products” covered by the Magnuson-Moss Warranty Act when sold as part of a Home.

Appliances

Refrigerator
Freezer
Trash Compactor
Range
Oven
Dishwasher
Oven Hood
Microwave
Clothes Washer
Clothes Dryer
Ice Maker

Plumbing

Garbage Disposal
Water Heater
Water Softener
Whirlpool Bath

Heating & Ventilation

Furnace
Air Conditioning System
Thermostat
Electronic Air Cleaner
Humidifier
Exhaust Fan

Mechanical/Electrical

Smoke Detectors
Fire Alarm
Chimes
Garage Door Opener
Central Vacuum System
Burglar Alarm
Electric Meter
Gas Meter
Gas Barbecue Grill

(Note: Each home may not contain all of these items)

Consumer products are warranted by Schroeder Enterprises, Inc. only to the extent that the suppliers or manufacturers of those products provide a warranty. In the event the Purchaser encounters a defect in a consumer product, Purchaser shall secure the repair or replacement of these products pursuant to the particular supplier or manufacturer’s warranty. Schroeder Enterprises, Inc. hereby assigns to the Purchaser all rights under manufacturer’s warranties covering consumer products. Defects in items covered by manufacturer’s warranties are **excluded** from coverage of this Limited Warranty, and the Purchaser should follow the procedures in the manufacturer’s warranties if defects appear in these items.

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LIMITED HOME WARRANTY AGREEMENT (Cont'd)

3. Assignment of Manufacturer Warranties

Schroeder Enterprises, Inc. hereby assigns to Purchaser the Manufacturer's warranties on all appliances, equipment, and "consumer products" installed in the Home. A copy of each of these warranties has been delivered to Purchaser, and Purchaser hereby acknowledges receipt of it. Purchaser should follow the procedure set forth in the applicable warranty if a defect appears in any appliance, item of equipment, or other consumer product. **Purchaser is responsible for registering appliances, equipment, and "consumer products" installed in the Home, if required, for Manufacturer's warranties to apply.**

4. Other Exclusions from Coverage

In addition to consumer products, the liability of Schroeder Enterprises, Inc. under this Limited Warranty shall **NOT** apply or extend to any loss or damage caused by:

- a) Defects in design, installation, or materials which Purchaser supplies, installs, or has installed under their direction.
- b) Additions, alterations, or modifications to the Home or the real property on which it is located done by or at the direction of Purchaser.
- c) Ground Water or introduction of excessive water into soils surrounding the Home by parties other than Schroeder Enterprises, Inc. or parties not under the direct control of Schroeder Enterprises, Inc.
- d) Normal wear and tear or normal deterioration, abusive use, or lack of proper maintenance of your home.
- e) Defects that are the result of characteristics common to the materials used, such as (but not limited to) normal shrinkage caused by drying of the Home and the materials used therein within the tolerances set forth in normal construction standards. Schroeder Enterprises, Inc. will not repair cracks in wood or the minor separation or opening of wood joints such as those in paneled doors, mitered casings or solid paneling that are caused by normal shrinkage of wood. In addition, Schroeder Enterprises, Inc. is not responsible for cracking, warping, deflection of wood, checking, twisting, or turning of wood beams unless such condition prevents the beam from meeting industry structural standards. Fading and cracking of paint resulting from drying of wood, and curling of concrete, stucco, plaster, bricks, and masonry drying, shrinking and cracking of caulking and weather-stripping.
- f) Normal settling of the Home.
- g) Dampness and condensation caused by the failure to provide sufficient ventilation after occupancy by parties other than Schroeder Enterprises, Inc. or parties not under the direct control of Schroeder Enterprises, Inc.
- h) Negligent or intentional failure to maintain the Home by parties other than Schroeder Enterprises, Inc. or parties not under the direct control of Schroeder Enterprises, Inc.
- i) Changes in the grading of the ground around the Home by parties other than Schroeder Enterprises, Inc. or parties not under the direct control of Schroeder Enterprises, Inc.

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LIMITED HOME WARRANTY AGREEMENT (Cont'd)

4. Other Exclusions from Coverage (Cont'd)

- j) Failure to maintain the grades, swales, and drainage patterns established by Schroeder Enterprises, Inc. which assure that any water falling on the property surrounding the Home, whether from natural precipitation or lawn irrigation, will flow positively away from the Home.
- k) Landscaping installed by or at the direction of the Purchaser is not covered under this Limited Warranty. Landscaping installed at the direction of Schroeder Enterprises, Inc., including but not limited to plants, bushes, trees, grass, and/or any other live products in the landscaping, is only warranted for a period of **30 days** after closing. Purchaser assumes all responsibility of landscaping after that time. There is no warranty for plants, trees, sod or any other live product in the landscaping of the property that is not properly maintained by Purchaser after closing, such as but not limited to over-watering or under-watering. Determination of "properly maintained" shall be at the sole discretion of the landscaper that installed the landscaping and/or Schroeder Enterprises, Inc. When landscaping is installed on a slope, water may pond or stand at the bottom of the slope from time to time or on a continual basis, depending on the watering habits of the Purchaser and additional slopes or grade of surrounding properties or common areas. As long as the standing water is not within 3-feet of the home or foundation, this is considered to be a normal occurrence and is not a warrantable item. **Please refer to the attached Notice regarding Watering of your Lawn and Landscaping attached to and made part of this Limited Warranty.**
- l) Insects or animals.
- m) Failure to maintain the Home in good condition and repair.
- n) Failure of Purchaser to take timely action to minimize such loss or damage and/or failure of Purchaser to give Schroeder Enterprises, Inc. proper or timely notice of defect.
- o) Accidents, natural disasters, or acts of God, including, but not limited to: fire, explosions, smoke, water escape, unforeseen changes in water table, ground water, wind, hail, lightening, falling trees, aircraft and vehicles, flood and earthquake, except when the loss or damage is caused by Schroeder Enterprises, Inc.'s failure to comply with either the Standards of Construction or the Building Code as applicable at the time the Home was constructed.
- p) Soil conditions of the real property upon which the Home is constructed if such real property was owned by Purchaser and obtained by Purchaser from a source independent of Schroeder Enterprises, Inc.
- q) Defects in appliances, equipment, or consumer products.
- r) Any defect in which does not result in actual loss or damage.
- s) Normal fading, chalking, or checking of interior or exterior paint. If Schroeder Enterprises, Inc. does touch up paint, the perfect match of colors is not guaranteed. The Purchaser should do touch up painting annually or as needed. Unless damage or paint touch-ups were reported and documented on the Orientation and Final Walkthrough form signed by all parties at the final walkthrough of the home, Purchaser(s) accepts all painting on the interior & exterior "as-is". In the event that touch up paint is required on the interior or exterior in order to complete warrantable repairs during the Limited Warranty period, a slight color variation may exist due to the aging of existing paint. Schroeder Enterprises, Inc. will match the existing color as close as possible using the same brand and color mix, if available, as was originally used, but does not warrant or guarantee a perfect match and will only touch up the repair area and not the entire surface.

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4. Other Exclusions from Coverage (Cont'd)

- t) Damage to the roof caused by the Purchaser, winds in excess of normal for the area, hail, acts of God or by blown objects.
- u) It is the Purchaser's responsibility to schedule and have all paint touch-ups (interior and exterior) that were reported on the Orientation & Final Walkthrough form completed within 30 calendar days from closing if they were not completed prior to closing. After that time, Purchaser accepts all painting on the interior & exterior as-is regardless if it was documented on the Orientation & Final Walkthrough form or not. Seller shall not be responsible to complete paint touch-ups on the interior or exterior after closing that were not documented or identified on the Orientation & Final Walkthrough form.
- v) This Limited Warranty does not cover appliances, equipment and other consumer products that are in the Home. Most are covered by specific warranties from their manufacturers. Please follow the guidelines in the manufacturers warranty publications to request service.
- w) *Concrete* - is a rigid product with a strong tendency to crack and move to accommodate minor movement and shrinkage. Schroeder Enterprises, Inc. **provides a warranty on concrete only to the extent of the Hartley Concrete Construction Warranty and care guidelines attached to and incorporated within our Limited Warranty.**
- x) *Drainage* - The object when grading a yard is to get water as far away from the Home as possible so it cannot damage the structure or any neighboring property. All drainage must either remain on site or be discharged to the street. Within the limits of practicality, these criteria will be met. In the event that there is insufficient slope to get drainage to the street, there will be ponding areas in the yard. But the ponding will not be any closer than 3' (three feet) away from the structure. In the event of narrow side or back yards, drainage will be contained as close to the property line as possible if it cannot be discharged to street or rear yard. Schroeder Enterprises, Inc. is not responsible for any water intrusion or water ponding on Purchasers property as a result of neighboring properties or common area run-off.
- y) *Excavation* - Schroeder Enterprises, Inc. does not provide a warranty on the condition of the lot. Without engineering studies to determine bearing load capacities of soil, it is impossible to determine what loads can be put upon the soil without settling occurring. If settling does occur, it can typically cause cracks in the foundation, driveway, flatwork and interior drywall.
- z) The Purchaser will be responsible for any debris, concrete or items found below existing soil.

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4. Other Exclusions from Coverage (Cont'd)

- aa) *Floor Coverings* - All defects in materials, including but not limited to carpets, vinyl, tile, marble, granite, laminates and wood flooring are covered under the manufacturer's warranty and Schroeder Enterprises, Inc. hereby assigns all manufacturer warranties to Purchaser effective from the date of Closing. Schroeder Enterprises, Inc. only warrants against any improper installation during the Limited Warranty period. Carpets, depending on style and cut, will show seams. Discuss this with the carpet representative, as this is not a warrantable item. Wood flooring will shrink and requires ongoing maintenance. Humidifiers are recommended to keep levels of moisture in the air to reduce shrinkage caused by the wood drying out. Failure of Purchaser to adequately maintain the wood flooring will void any warranty no matter what the cause. Shrinkage of wood flooring, including but not limited to gaps on the sides or ends of the wood flooring is not covered under this Limited Warranty, for any reason.
- bb) *Grout, Tile work & Caulking* - Grouts will crack, and caulking will shrink, therefore it will be the responsibility of the Purchaser to make necessary arrangements for the repair of the grout cracks and caulking shrinkage. At the request of Purchaser, Schroeder Enterprises, Inc.'s sub-contractor(s) will return to the home only **ONE-TIME** to repair grout cracks and/or caulking during the Limited Warranty period. Before and After that time, maintenance of the grout, tile work & caulking is the responsibility of the Purchaser. Schroeder Enterprises, Inc. does not accept any claim for the responsibility of damage created by water seepage through grout cracks or shrinkage of caulking. It should also be understood that water will perc through grout naturally. Therefore, keep all wall surfaces in tub and shower areas as dry as possible. Squeegee down shower tile after every shower. **Schroeder Enterprises, Inc. does not seal grout, tile, or stone. The Purchaser is responsible for sealing any and all grouts, tile and stone work if desired.**
- cc) *Mold/Fungus Claims* – Mold/Fungus claims are excluded no matter how caused.
- dd) *Ceiling Fans* – Schroeder Enterprises, Inc. does not balance ceiling fans. Wobbly ceiling fans are a product of inferior materials and design. Even though balancing kits are included, the time involved in dynamically balancing a fan is cost prohibitive. Therefore, the balancing of the fan is the responsibility of the Purchaser.
- ee) *Light Bulbs* – Schroeder Enterprises, Inc. does not warrant the longevity of light bulbs, no matter what type or style.
- ff) *Vinyl* – Schroeder Enterprises, Inc. requires the Purchaser to fully inspect all vinyl areas for any defects prior to occupancy. To be valid, any claim against faulty vinyl, tears, gouges and scratches **must be documented on the Orientation & Final Walkthrough form signed by all parties prior to closing, no exceptions.** All areas of caulking seams or edges of vinyl must also be inspected by the Purchaser prior to occupancy. Tears, splits, cracks or complete separating of those caulking sills must be resealed or replaced immediately. Schroeder Enterprises, Inc. does not warrant any damage created by water seepage.

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4. Other Exclusions from Coverage (Cont'd)

- gg) *Sheetrock/Drywall cracks* – Schroeder Enterprises, Inc.'s sub-contractor will return to the home **ONE-TIME** during the Limited Warranty period to repair cracks or nail pops in sheetrock that may occur as a result of normal settling of the home due to minor movement and shrinkage. Prior to and after the **ONE-TIME** repair takes place, maintenance of sheetrock cracks and nail pops is the responsibility of the Purchaser. See Item (s) above regarding any interior paint touchup that may be required due to sheetrock repairs.
- hh) *Crawl Space* – Issues, damage, or moisture of any kind resulting from the failure of the Fan Tech fan in the mechanically vented crawl space to function. (Note: Issues, damage, or moisture should not exist if Homeowner maintains and checks for the proper operation of the Fan Tech fan on a regular basis).

5. Dispute Settlement

Before commencing any legal action or arbitration related in any way to this limited warranty, Purchaser must first comply with the provisions of the Notice and Opportunity to Repair Act, Idaho Code §6-2501 (*hereinafter*, the Act). Failure to comply with the Act shall constitute a complete waiver of any warranty claims asserted. Schroeder Enterprises, Inc. shall be entitled to an award of attorney fees and cost in any legal action or arbitration filed without first complying with the Act. If the Purchaser and Schroeder Enterprises, Inc. are not able to resolve their differences in accordance with the provisions of the Act, suit must be brought in the small claims division of the Idaho Magistrate Court if Purchaser's claims fall within the jurisdictional limits of said court. **ALL OTHER DISPUTES WILL BE SETTLED IN ACCORDANCE WITH THE CONSTRUCTION INDUSTRY ARBITRATION RULES OF THE AAA, TOGETHER WITH THE SUPPLEMENTARY PROCEDURES FOR RESIDENTIAL CONSTRUCTION DISPUTES.** The prevailing party in any such arbitration shall be entitled to an award of attorney fees and costs unless the Purchaser recovers an amount equal to or less than the jurisdictional limits of the small claims court at the time the arbitration is commenced. In such an instance, Schroeder Enterprises, Inc. shall be entitled to an award of attorney fees and costs incurred.

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6. Remedies for Warranty Claims

- 1) **Repairs or Replacement:** If, following an inspection of the Home, Schroeder Enterprises, Inc. determines that a valid warranty claim exists, Schroeder Enterprises, Inc. shall repair or replace, at its option (I) the defective item and (II) the damage to those portions of the Home affected. **Schroeder Enterprises, Inc. shall not be responsible if (I) a repaired area or refinished material does not match in color and/or texture or (II) patterns in floor coverings, wall coverings, or other finished surfaces have been discontinued.** Schroeder Enterprises, Inc. or subcontractors chosen by Schroeder Enterprises, Inc. shall perform all warranty work. Schroeder Enterprises, Inc. shall not honor invoices, bills, or receipts for labor performed or materials purchased by or at the direction of the Purchaser.
- 2) **Limitation of Schroeder Enterprises, Inc. liability under this Limited Warranty:**
 - a) Shall not exceed the purchase price paid by the Purchaser for the Home.
 - b) Shall not extend to consequential damages such as bodily injury, damage to personal property or damage to real property, which is not part of the Home.

7. EXCLUSIVE WARRANTY

Except as provided in this Limited Warranty Agreement, **SCHROEDER ENTERPRISES, INC. MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, THOSE OF WORKMANLIKE CONSTRUCTION, HABITABILITY, DESIGN, CONDITION, FITNESS FOR A PARTICULAR PURPOSE, QUALITY OR OTHERWISE AS TO THE PROPERTY AND THE RESIDENCE AND OTHER IMPROVEMENTS CONSTRUCTED THEREON AND SCHROEDER ENTERPRISES, INC. EXPRESSLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES.** Purchaser hereby acknowledges and accepts such disclaimer and agrees to waive any and all rights they may have by virtue of such representations and warranties.

Except for the warranties provided in this Limited Warranty Agreement, Purchaser assumes the risk of any and all damages hereafter occurring in or appearing on the property or the Home and other improvements constructed thereon regardless of the cause thereof. Purchaser's assumption of this risk is partially in consideration of the amount of the purchase price of the Home which is lower than it would be if Schroeder Enterprises, Inc. was to be held responsible for any such risk by virtue of said express or implied representations or warranties.

Schroeder Enterprises, Inc.
Limited Warranty
And New Homeowner Orientation & Warranty Guide

LIMITED HOME WARRANTY AGREEMENT (Cont'd)

8. OTHER RIGHTS AND APPLICABLE LAW

This Limited Warranty gives you, as Purchaser, specified legal rights. You may have other legal rights. This Limited Warranty Agreement shall be construed in accordance with the Laws of the State of Idaho where the property is located.

This Limited Warranty Agreement is hereby appended to and made part of the contract of sale. The consideration for this agreement shall be the same consideration as stated in the contract of sale. In the case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or unenforceability of the remaining provisions shall not in any way be affected or impaired thereby. The doctrine of merger shall not apply to this warranty and the terms of this warranty shall survive the closing.

By signing below, I/we acknowledge receipt of this Limited Warranty and New Homeowner Orientation & Warranty Guide. I/We have carefully read and reviewed its terms, along with all documents referenced as attached herewith, and I/we agree to their provisions .

Date of Closing: _____

Address of Property: _____

Schroeder Enterprises, Inc.

Purchaser(s):

By: _____

By: _____

Title: _____

Printed: _____

Date: _____

Date: _____

By: _____

Printed: _____

Date: _____

WEBSITE FOR WARRANTY REQUEST

Notice to Purchaser:

Standard warranty requests within the Limited Warranty Period that are not considered an Emergency will only be accepted through our website below. Voice mails, mailed letters or other message(s) left digitally, by fax or through email will not be accepted or considered a valid request. This allows us to accurately assess your request and notify the appropriate sub-contractors or suppliers through the proper channels.

www.CustomHomesBoise.com

Go to the Warranty Information Tab and Click Warranty Request

Please fill out all information

Schroeder Enterprises, Inc.

(208) 941-3060 office

(888) 883-4143 fax

sei@heritagewifi.com (email)

Buyer

Date

Buyer

Date

Revised 5/1/2016
TJA



April 28, 2016

Dear Valued Customer,

Hartley Concrete Construction, LLC takes pride in the concrete work we have provided for your home. We have followed industry standards to achieve excellent and long lasting concrete flatwork for your home. We have and will do everything we can to satisfy you as our customer.

The crews who have worked on your project are trained to place and finish concrete to the highest of industry standards. We also work with our concrete producers and cement suppliers to provide you with the highest quality materials.

We offer a one year warranty of materials and workmanship for no additional cost. The warranty and what to expect from your concrete is detailed in the following sections.

WHAT TO EXPECT WITH YOUR CONCRETE FLATWORK SURFACES.

- Finish
Exterior concrete service walks, drives, porches and patios that are broom finished, or pattern finished can still be slippery when wet or snow covered.
- Surfaces
A common misconception is that your drive, porch, patio or drive surface will last and hold indefinitely. Unfortunately this is not true. Exterior concrete (particularly in Idaho) is subject to inclement weather, and vehicle traffic. This will result in normal wear on the surface of the concrete. Sometimes when the surface of the concrete may appear to be popping or flaking off. If this is minimal (a few here or there) it is quite possible that a stone or stones close to the surface popped out. This is nothing to worry about because the integrity of the slab is not compromised. If you experience a lot of popping and flaking of the surface (more than 20%) then you may have a warranty issue.
- Discoloration
Another common misconception is color matching. It is not *always* possible to match the exact color of your porch to your sidewalk, drive, or patio. Sometimes even the different pours of your driveway will not match exactly. Many driveways require two or more loads of concrete, and these can vary in color. Weather conditions, location, or moisture in the sub-grade can also contribute to how the cement will cure. While we make every attempt to minimize colorization issues; color variations are common and may fade over time.

- Discoloration

If you are considering replacing one or more squares of a drive, patio or sidewalk that have popped, cracked, or flaked, take into consideration the color difference that *will* result between the older sections and the newly poured section(s). This color variation will take many years, or never; to blend together and will be more noticeable than a few pops or cracks.

- Cracks

Concrete *will* crack. We don't like it either but it is going to happen. Your concrete is poured over large areas of pliable material dirt/gravel; concrete is a strong and rigid material. These are two un-like materials, so we compensate for this difference by either cutting or tooling control joints in the surface of the slab. These joints are where we want the concrete to crack. However, sometimes cracks occur before the joints are cut; weather conditions often determine these factors when we are pouring, we do everything we can to stop the cracking. There is *no guarantee* that the concrete will not develop cracks in other locations during the curing process and later on. Cracks outside of control joints *that exceed 1/4"* in width or 1/4" in vertical displacement will be repaired. Repairs that are less than these guidelines will be made using a material designed to fill cracks in concrete. *Repairs are not guaranteed to match the existing concrete in color or texture.*

- Frost Heaves & Cracking

Idaho is in a severe weather region. Throughout any given winter/spring there are many freeze-thaw cycles. During these events your exterior concrete is likely to heave up, but will most likely settle back to its normal elevation again. Unfortunately the slab is susceptible to cracking during a frost heave event. Cracking related to frost heave is *not* a warranty issue.

CUSTOMER CONCRETE KNOWLEDGE & CARE

- Industry standards for repair or replacement is greater than 1/4" displacement either in height or gap.
- Use of any salt or de-icing chemicals *will void any warranty.*
- Do not allow snow and ice to accumulate the first winter-keep drive and sidewalks shoveled off.
- Do not apply de-icing chemicals; use sand for traction as a necessary alternative.
- For any stain removals, do not use harsh acids; use one specifically designed for the stain in question, and for use on concrete.
- Idaho is classified as a severe weather region.

Thank you,

Greg Hartley/Hartley Concrete Construction, LLC

IMPORTANT INFORMATION

Regarding Mechanically Vented Crawl Spaces

This home has a mechanically vented crawlspace. The exhaust fan is usually mounted by the furnace location in the garage. It should have constant power to it for it to operate. Usually the disconnect switch is in the electrical panel within sight of the exhaust fan.

The exhaust fan is a FAN TECH model and to identify it, it will have a 4" galvanized pipe going to the outside and one 4" galvanized pipe usually going into the crawl space. There is a floor boot or wall register that does go in to the crawl space and that is usually at the opposite side of the home from the exhaust fan. This vent / register should always be open and never blocked. The homeowner is responsible to check for the fan operation. To do this they can usually go to the fan and feel it or listen to it to make sure it is running, and of course make sure the electrical disconnect stays in the ON position.

This mechanically vented crawl space is designed to keep the crawl space at more constant temperatures than if foundation vents were in place. This mechanically vented crawl space is NOT designed to remove water, moisture or humidity if any water were to get into the crawl space. Water can enter the crawl space in many different ways. Some examples are: broken water lines or sewer pipes, saturated watering of the lawn, or of course mother nature.

If the mechanically vented crawl space does not seem to be operating, please contact Ultimate Heating and Air at 208-321-8663 for service immediately.

The Purchaser is required to verify the fan is operational at all times. Never turn the power off to the Fan Tech fan, or electricity to the home for a long period of time as this could cause damage to the crawl space.

Purchaser has read and understands the foregoing instructions and procedures for the Mechanically Vented Crawl Space:

Purchaser

Date

Purchaser

Date

NOTICE

Watering of your Lawn and Landscaping

Setting the time clock for your sprinkler system to EXCESSIVE watering times, multiple watering times per day, watering more than three days per week, planting and watering or causing a water trap within 4 feet of foundation walls, or watering at a rate more than the ground can absorb, failing to maintain proper grade away from home, failure to divert rain water away from your home, failure to properly maintain your sprinkler system(s), WILL lead to undesirable results to your property or home including but not limited to: water entering crawl space, possible structural damage, lawn and plant disease, create environment for insects, mosquito's or other natural growths such as molds and mildews, and general flooding of your yard and property.

Purchaser(s) understand and agree that you are solely responsible for maintaining and continuously monitoring your sprinkler system, sprinkler time clock and watering times after closing. Seller/Builder is not responsible for any negative or undesirable results that may occur due to over-watering or under-watering of your lawn and landscaping.

Purchaser(s) also understands and agrees that if your landscape sprinkler system is connected to a Pressurized Irrigation System that is either maintained and/or controlled by a City, County, State or subdivision homeowners association, Seller/Builder has no control over the pressure, delivery or water conservation practices in place from the controlling source. It is Purchaser(s) responsibility to notify the controlling party NOT the Seller/Builder with concerns or issues regarding pressure, delivery and/or water conservation practices that are in place in your subdivision or on the property.

Purchaser has read and understands the foregoing Notice regarding Watering of your Lawn and Landscaping:

Purchaser

Date

Purchaser

Date