

**WARRANTY ADDENDUM
TO
RESIDENTIAL CONSTRUCTION SALE CONTRACT**

[Limited One Year Warranty]

SECTION 1 - DEFINITIONS

Owner's Name: _____

Street Address of Home Covered: _____

City, State, Zip Code: _____

Warranty Commencement Date: _____
(The earliest of final inspection or first occupancy)

Builder: Highland Construction, Inc.

Business Address: 411 N Iowa Street, Lawrence, Kansas 66044

SECTION II - WARRANTY COVERAGE

Party Extending Warranty: This Limited Warranty is extended by the Builder named above who is the warrantor hereunder.

Parties Covered: This Warranty is extended only to the Owner(s) named above (the "**Owner**"). It is not extended to any subsequent owner(s) or occupant(s) of the Home, and may not be assigned by the Owner without Builder's prior written consent, which consent may be withheld in Builder's discretion.

Term: This is a one (1) year Limited Warranty and shall only cover warranted items for which a defect has appeared and been discovered within one (1) year of the Commencement Date stated in this document.

Warranted Items Covered: Subject to the exceptions and exclusions described herein, the Builder warrants for a period of one (1) year that the Home (excluding items covered by manufacturer's warranties) will be free from defects in materials and workmanship due to noncompliance with the Performance Standards supplied with this Warranty, which are by reference incorporated herein.

SECTION III - NON-WARRANTED CONDITIONS

Warranty Limited to Items in Section II: This Limited Warranty covers only those items described in Section II above. THERE ARE NO EXPRESS BUILDER WARRANTIES COVERING THE HOME OR THE PROPERTY ON WHICH IT IS LOCATED, OTHER THAN THIS LIMITED WARRANTY. THE BUILDER SHALL NOT BE RESPONSIBLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING TO, OR RESULTING FROM ANY DAMAGE TO, OR DEFECT IN, SAID HOME OR THE PROPERTY ON WHICH IT IS LOCATED. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. THIS LIMITED WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY HAVE OTHER LEGAL RIGHTS WHICH MAY VARY FROM STATE TO STATE. NOTHING CONTAINED HEREIN SHALL LIMIT ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE THAT MAY APPLY TO THIS TRANSACTION.

Manufacturer's Warranties: Certain items may be covered by manufacturer's warranties. The Builder shall assign all manufacturers' warranties to the Owner, to the extent that such warranties are assignable. Any rights of the Owner under those warranties are provided by the manufacturers and BUILDER DOES NOT ASSUME ANY OF THE OBLIGATIONS UNDER THOSE WARRANTIES AND DOES NOT PROVIDE ANY WARRANTY COVERAGE COVERED BY MANUFACTURER'S WARRANTIES. The items covered by manufacturer's warranties include any dishwasher, cooktop, microwave oven, kitchen vent fan, central air conditioner, furnace, water heater, and any other items installed in the Home for which the manufacturer offers a warranty.

Additional Exclusions: Builder does not warrant and shall not be responsible for, and this Limited Warranty shall not extend to or include or be applicable to any of the following:

1. Any work performed or material supplied in accordance with any plans or specifications supplied, prepared or requested by Owner, or by anyone on behalf of the Owner;
2. Any defects caused or made worse by the negligence, improper maintenance or other action by Owner or anyone else other than Builder or Builder's Employees, Agents, and Contractors;
3. Defects in building outbuildings including, but not limited to, detached garages and detached carports (except outbuildings that contain the plumbing, electrical, heating, cooling, or ventilation systems serving the Home); site located swimming pools and other recreational facilities; hot tubs; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees, and plantings); offsite improvements; septic tank systems and lateral lines; and any other improvements not part of the Home itself;
4. Concrete floors of basements and concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home;
5. Loss or damage to real property that is not part of the Home covered by the Limited Warranty and which may or may not be included in the original purchase price of the Home;
6. Any damage to the extent it is caused or made worse by failure by the Owner or by anyone other than the Builder, his employees, agents, or subcontractors, to comply with the Warranty requirements of manufacturers of appliances, fixtures, and items of equipment; or failure by Owner to give notice to the Builder of any defects within a reasonable time; or changes or the grading of the ground by anyone other than the Builder, his employees, agents, or subcontractors; or changes, alterations or additions made to the Home by anyone after the Commencement Date; dampness or condensation due to the failure of the Owner to maintain adequate ventilation;
7. Loss or damage which the Home Owner has not taken timely action to minimize;

8. Any defect in, caused by, or resulting from, materials or work supplied by anyone other than the Builder, his employees, agents or subcontractors, or by any third party as to whom Owner instructs Builder to contract with and with whom Builder would not otherwise contract with;
9. Normal wear and tear or normal deterioration, and yellowing or other discoloration of materials caused by sunlight, lack of sunlight, cleaning products or other causes;
10. Loss or damage, not otherwise excluded under this Limited Warranty, which does not constitute a defect in the construction of the Home by the Builder, his employees, agents, or subcontractors;
11. Loss or damage caused by or resulting from soil movement, expansion or contraction of soil; or sinking or shifting of soil not disturbed by Builder;
12. Loss or damage caused by or resulting from insects; accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightning, wind-driven water, floods, hail, wind, electrical or other utility service malfunctions, and changes in the underground water table or hydrostatic pressure from underground water; seepage of water;
13. Minor imperfections in work performed or in materials supplied, which Owner acknowledges are normal and expected, or defects which are the result of characteristics of the materials when properly used;
14. Shrinkage or movement cracks in concrete flat work, sheetrock, woodwork, doors and hardwood floors (Owner recognizes that concrete and wood will naturally expand and/or contract);
15. Weather, salt, chemical or use disintegration of concrete or other materials, or color differentials in concrete;
16. Loss or damage caused by or resulting from abnormal loading on floors by the Owner that exceed the design loads of applicable building codes, or that arises while the Home is being used primarily for nonresidential purposes;
17. Failure of the Builder to complete construction of the Home;
18. Any condition that does not result in actual physical damage to the Home including, but not limited to, uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials;
19. Bodily injury or damage to personal property; and costs of shelter, transportation, food, moving, storage, or other expenses related to inconvenience or relocation during repairs or replacement; and
20. Any request for Warranty Performance not filed in the manner required hereunder.

SECTION IV - PROCEDURE FOR WARRANTY PERFORMANCE

Break-In: The Home will require "breaking-in" by the Owner. Although the Builder has continuing obligations under this Warranty the Owner must care for the Home, and maintenance is not the Builder's responsibility.

Request for Warranty Performance: Any request for Warranty Performance must be IN WRITING and must be delivered to the Builder, at the address stated on the front of this document, prior to the expiration of the ONE YEAR term of the Limited Warranty. Builder shall not be responsible for any problems whatsoever for which it has not actually received timely, written notice. Notices shall be given as follows:

1. **Defects in the First Sixty Days.** Defects appearing within the first sixty (60) days after the Commencement Date should be included in one (1) written request delivered to the Builder not later than

seventy (70) days after the Commencement Date. Except for emergencies only one (1) list should be submitted for that period. Appropriate repairs will be made by the Builder within ninety (90) days after receipt of the written request, weather and labor conditions permitting and emergencies excepted.

2. **Defects After the First Sixty Days.** Defects appearing after sixty (60) days of the Commencement Date, but prior to the expiration of the Limited Warranty, should be listed on periodic written requests delivered to the Builder. Appropriate repairs will be made within ninety (90) days after receipt of the requests, weather and labor conditions permitting and emergencies excepted.

SECTION V - MISCELLANEOUS

1. Repairs required under this Warranty shall be performed in the manner, and using such materials and methods, as shall be considered advisable by the Builder, in the Builder's reasonable discretion.
2. Repairs shall be finished or touched up to match surrounding areas as closely as practicable. However, an exact match cannot be guaranteed.
3. For any problem covered by this Warranty, the Builder in its sole discretion may repair, replace, or pay the Owner the reasonable cost of repairing or replacing, the defective item.
4. Notwithstanding anything else contained herein, the Builder's total liability for deficiencies under this Limited Warranty is limited to the purchase price of the Home.
5. Steps taken to correct defects shall not act to extend the term of this Warranty.
6. If the Builder repairs, replaces, or pays the reasonable cost of repairing or replacing, any defect covered by this Warranty that is covered by any other insurance or warranty, the Owner must, upon request of the Builder, assign the proceeds of such insurance or the rights under such warranties to the Builder to the extent of the cost to the Builder of such repair, replacement or payment.
7. Should any provision of this Warranty be deemed unenforceable by a court of competent jurisdiction, that determination will not affect the enforceability of the remaining provisions.
8. This Warranty is to be governed by the laws of the State of Kansas.
9. This Warranty may not be modified or amended in any manner except upon the written amendment signed by both the Builder and the Owner.
10. The Owner must provide the Builder with reasonable workday access to the property in order to perform the Warranty service required under this Limited Warranty. Failure of the Owner to provide such access to the Builder may relieve the Builder of his obligations under this Limited Warranty.
11. When the Builder finishes repairing or replacing the defect, or pays the cost of repairing or replacing the defect, a full release of all legal obligations with respect to the defect must be signed and delivered to the Builder by Owner.
12. This Limited Warranty is to be binding on the Builder and Owner, their heirs, personal representatives, successors and assigns.
13. Use of one gender in this Limited Warranty includes all other genders, and the use of the plural includes the singular, as may be appropriate.

14. This Warranty contains the entire express warranty granted by the Builder to the Owner and supersedes any previous contracts, agreements or representations relating to warranties, whether oral or written. OWNER ACKNOWLEDGES THAT THE BUILDER HAS MADE NO EXPRESS REPRESENTATIONS, PROMISES, WARRANTIES OR AGREEMENTS WHATSOEVER CONCERNING THE HOME OR THE PROPERTY ON WHICH IT IS LOCATED WHICH ARE NOT STATED HEREIN.

Date _____ Contractor Offering Warranty: _____

ACKNOWLEDGMENT

The undersigned acknowledge that we have read, understand, and received a copy of the foregoing Limited Warranty, including a copy of the Performance Standards described in Section II. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE UNDERSIGNED ADDITIONALLY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE LIMITATIONS ON THE COVERAGE OF THIS LIMITED WARRANTY CONTAINED IN SECTION III, AND THE UNDERSIGNED UNDERSTAND AND AGREE THAT THESE ARE THE ONLY CONDITIONS FOR WHICH THE PARTIES HAVE CONTRACTED.

Date _____

Owner _____

Date _____

Owner _____